



EMERGENCY & COMMUNITY SERVICES COMMITTEE REPORT 22-005

1:30 p.m.
Thursday, April 7, 2022
Council Chambers
Hamilton City Hall
71 Main Street West

Present: Councillors B. Clark (Chair), N. Nann, T. Jackson, and E. Pauls

Regrets: Councillors S. Merulla and T. Whitehead – Personal

THE EMERGENCY & COMMUNITY SERVICES COMMITTEE PRESENTS REPORT 22-005 AND RESPECTFULLY RECOMMENDS:

**1. Fire Apparatus Conference/Trade Show Showcase (HSC22019) (City Wide)
(Item 7.1)**

That Report HSC22019, respecting Fire Apparatus Conference/Trade Show Showcase, be received.

**2. City of Hamilton's Strategic Plan to Create Affordable Housing Supply in
the Secondary Rental Market (HSC22007) (City Wide) (Item 10.1)**

- (a) That the City of Hamilton's Strategic Plan to Create Affordable Housing Supply in the Secondary Rental Market attached as Appendix "A" to Emergency and Community Services Committee Report 22-005, be endorsed; and,
- (b) That the General Manager of the Healthy and Safe Communities Department, or designate, be authorized and directed to administer the Secondary Dwelling Units Program and provide support to residents applying to the Secondary Dwelling units Program including: entering into any agreements on such terms as they consider appropriate; approving payments, and taking other actions needed to ensure success, in a form satisfactory to the City Solicitor.

3. Shelter System Complaint Resolution Process (Item 11.1)

WHEREAS, since the onset of COVID-19 there has been a rapid expansion of the emergency shelter system which has created many changes and ongoing challenges for service providers and clients;

WHEREAS, to better support the emergency shelter system in achieving outcomes, continuous improvement processes should be in place to learn from the pandemic response and look for opportunities for improvement;

WHEREAS, opportunities for improvement should be identified in a person-centred way that accounts for individual experiences of those in the emergency shelter;

WHEREAS, there are many avenues in which complaints, concerns or questions can be received by City staff about services and care provided in the emergency shelter system; and

WHEREAS, developing a formal complaint process for Residential Care Facilities has been successful in receiving and responding to complaints, concerns or questions about the services and care provided to residents of these locations;

THEREFORE, BE IT RESOLVED:

- (a) That staff be directed to formalize a process within the Healthy and Safe Communities Department to receive complaints, concerns or questions about the services and care provided to clients within Hamilton's emergency shelter system;
- (b) That when the complainant feels the issue has not been satisfactorily resolved through working directly with the service provider, that the process allows for complaints, concerns or questions from:
 - (i) Clients of the shelter system;
 - (ii) Anyone acting on behalf of a client including peers, advocates, friends and family members of clients;
 - (iii) Shelter system staff, service coordinators, medical providers, hospitals, social service organizations and paraprofessionals regarding a client(s) issue;
- (c) That once established, staff report back to the Emergency and Community Services Committee on the details of the formalized shelter system complaint resolution process.

4. Rapid Housing Initiative (RHI) Eligible, Shovel-Ready Locations Inventory (Added Item 11.2)

WHEREAS, the City of Hamilton, through City Housing Hamilton, has received tens of millions of dollars through the Federal Government's Rapid Housing Initiative (RHI) program to construct new affordable housing units;

WHEREAS, current projects benefiting from RHI funding will, in part, assist in securing homes for houseless individuals;

WHEREAS, Hamilton has a Housing First mandate;

WHEREAS, there are tight timelines associated with the application process for RHI funding; and

WHEREAS, there is the possibility that a third round of RHI funding may be made available for municipal service providers;

THEREFORE, BE IT RESOLVED:

- (a) That Housing Services staff, in consultation with ***Hamilton is Home Coalition, of which City Housing Hamilton is a part***, prepare a list of Rapid Housing Initiative (RHI) eligible, shovel-ready locations for a possible third round of RHI funding; and
- (b) That the list of Rapid Housing Initiative (RHI) eligible, shovel-ready locations be presented to the Emergency and Community Services Committee for consideration.

5. Appointments to the Seniors Advisory Committee (Added Item 14.1)

That the recommendation respecting Appointments to the Seniors Advisory Committee be approved and released publicly following approval by Council.

FOR INFORMATION:

(a) APPROVAL OF AGENDA (Item 2)

The Committee Clerk advised of the following changes to the agenda:

6. DELEGATION REQUESTS

- 6.1. Garth Brown, Equality, respecting secondary suites (for today's meeting)

7. CONSENT ITEMS

- 7.3 Seniors Advisory Committee Minutes - March 4, 2022

- 7.4 Interview Sub-Committee to the Emergency and Community Services Committee Minutes – March 22, 2022

12. NOTICES OF MOTION

- 12.1. Rapid Housing Initiative (RHI) Eligible, Shovel-Ready Locations Inventory

13. GENERAL INFORMATION / OTHER BUSINESS

- 13.1. Amendments to the Outstanding Business List
13.1.a. Items Considered Completed and to be Removed
13.1.a.a. Hamilton Youth Engagement Collaboration (CES15056(b))
Item on OBL: 17-C
Addressed at the March 24, 2022 Emergency and Community Services Committee meeting as Item 8.2 – **WITHDRAWN**

14. PRIVATE & CONFIDENTIAL

- 14.1. Appointments to the Seniors Advisory Committee

(Jackson/Pauls)

The agenda for the April 7, 2022 Emergency and Community Services Committee meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

The Minutes of the March 24, 2022 meeting of the Emergency and Community Services Committee, were approved, as presented.

(d) DELEGATION REQUESTS (Item 6)

(i) Garth Brown, Equality, respecting secondary suites (added Item 6.1)

The Delegation Request from Garth Brown, Equality, respecting secondary suites, was approved, for today's meeting.

(e) CONSENT ITEMS (Item 7)

(i) Various Advisory Committee and Sub-Committee Minutes

That the following Minutes were received:

- (a) Seniors Advisory Committee – February 4, 2022 (Item 7.2)
- (b) Seniors Advisory Committee – March 4, 2022 (Added Item 7.3)
- (c) Interview Sub-Committee to the Emergency and Community Services Committee – March 22, 2022 (Added Item 7.4)

(f) PUBLIC HEARINGS / DELEGATIONS (Item 9)

(i) Garth Brown, Equality, respecting secondary suites (Added Item 9.1)

Garth Brown, Equality, addressed the Committee respecting secondary suites.

The delegation from Garth Brown, Equality, respecting secondary suites, was received and referred to the consideration of Report HSC22007, respecting City of Hamilton's Strategic Plan to Create Affordable Housing Supply in the Secondary Rental Market (Item 8.1).

For further disposition of this matter, refer to Item 2.

(g) MOTIONS (Item 11)

(i) Shelter System Complaint Resolution Process

Councillor Clark relinquished the Chair to Councillor Nann to introduce a motion respecting Shelter System Complaint Resolution Process.

For disposition of this matter, refer to Item 3.

(h) NOTICES OF MOTION (Item 12)

(i) Rapid Housing Initiative (RHI) Eligible, Shovel-Ready Locations Inventory (Added Item 12.1)

The Rules of Order were waived to allow for the introduction of a Motion respecting Rapid Housing Initiative (RHI) Eligible, Shovel-Ready Locations Inventory.

For further disposition of this matter, refer to Items 4 and (i).

(i) **MOTIONS (Item 11) (continued)**

(ii) **Rapid Housing Initiative (RHI) Eligible, Shovel-Ready Locations Inventory**

Councillor Nann relinquished the Chair to Councillor Jackson to introduce an amendment respecting Rapid Housing Initiative (RHI) Eligible, Shovel-Ready Locations Inventory.

The motion respecting Rapid Housing Initiative (RHI) Eligible, Shovel-Ready Locations Inventory, was amended by deleting the words "**CityHousing Hamilton**" and replacing them with "**Hamilton is Home Coalition, of which CityHousing Hamilton is a part,**" to read as follows:

- (a) That Housing Services staff, in consultation with **CityHousing Hamilton Hamilton is Home Coalition, of which City Housing Hamilton is a part**, prepare a list of Rapid Housing Initiative (RHI) eligible, shovel-ready locations for a possible third round of RHI funding; and

For disposition of this matter, refer to Item 4.

Councillor Clark assumed the Chair.

(j) **PRIVATE AND CONFIDENTIAL (Item 14)**

The Emergency and Community Services Committee determined that it was not necessary to move into Closed Session respecting Item 14.1.

(i) **Appointments to the Seniors Advisory Committee (Added Item 14.1)**

The Rules of Order were waived to allow for the introduction of a Motion respecting Appointments to the Seniors Advisory Committee.

For disposition of this matter, please refer to Item 5.

(k) **ADJOURNMENT (Item 15)**

There being no further business, the Emergency and Community Services Committee was adjourned at 2:57 p.m.

Respectfully submitted,

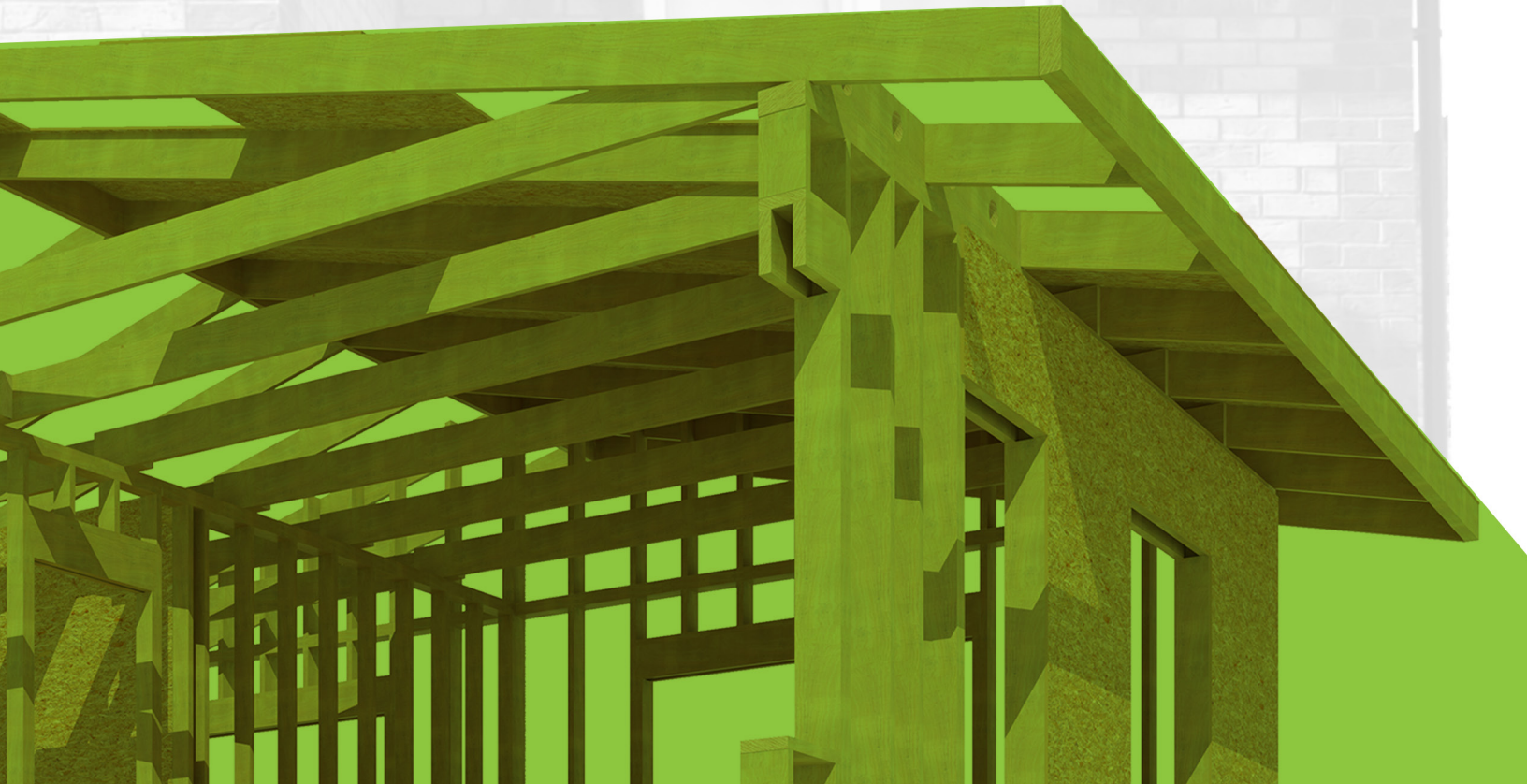
Councillor B. Clark
Chair, Emergency and Community Services
Committee

Tamara Bates
Legislative Coordinator
Office of the City Clerk



Hamilton

City of Hamilton's
STRATEGIC PLAN
To Create
Affordable
Housing Supply
in the Secondary Rental Market



Everyone has a home... Home is the foundation.

Second Dwelling Units provide an additional tool for creating a range and mix of affordable housing within the City of Hamilton. They also contribute to healthy and sustainable living as well as present economic benefits to their communities.



TABLE OF CONTENTS

	i Acknowledgment	4
	ii Executive Summary	5
1	Setting the Stage for A Second Dwelling Unit Strategy	6
Section	1.1 Background	6
	1.2 Introduction.....	8
	1.3 Definition	8
	1.4 Purpose.....	9
	1.5 Legislation and Policy Framework:.....	10
2	Benefits and Barriers to Creating Second Dwelling Units	14
Section	2.1 Benefits of Second Dwelling Units.....	14
	2.1.1 Second Dwelling Units are Affordable Housing Solutions	15
	2.1.2 Second Dwelling Units are Healthy Housing Solutions	16
	2.1.3 Second Dwelling Units are Sustainable Housing Solutions	16
	2.1.4 Second Dwelling Units are Innovative Housing Solutions	17
	2.2 Barriers Related to Creating and Maintaining Second Dwelling Units	18
	2.2.1 Regulatory Barriers	18
	2.2.2 Cost Barriers	20
	2.2.3 Knowledge and Navigation Barriers	21
	2.2.4 Internal City of Hamilton Process Challenges	21
3	Second Dwelling Units Consultation	22
Section	3.1 What We Heard from Stakeholder Consultations	22
	3.1.1 Cross-Departmental Advisory Group.....	24
4	Implementation Strategy and Recommendations	26
Section	4.1 Implementation Strategy	26
	4.2 Recommendations: Strategies and Action Plans	27
	4.3 Partnerships with Key Stakeholders and Senior Levels of Government.....	44
	4.4 Conclusion.....	46

i ACKNOWLEDGMENT

This plan has been built with the support of a working group made up of City of Hamilton staff from across the corporation and informed by consultations with the Housing and Homelessness Advisory Committee, Housing and Homelessness Action Planning Group, non-profits, private sector stakeholders, residents, and individuals. The strategic initiatives were created through a broad series of consultations. There are opportunities for additional future consultations highlighted within the recommendations of this plan.



ii EXECUTIVE SUMMARY

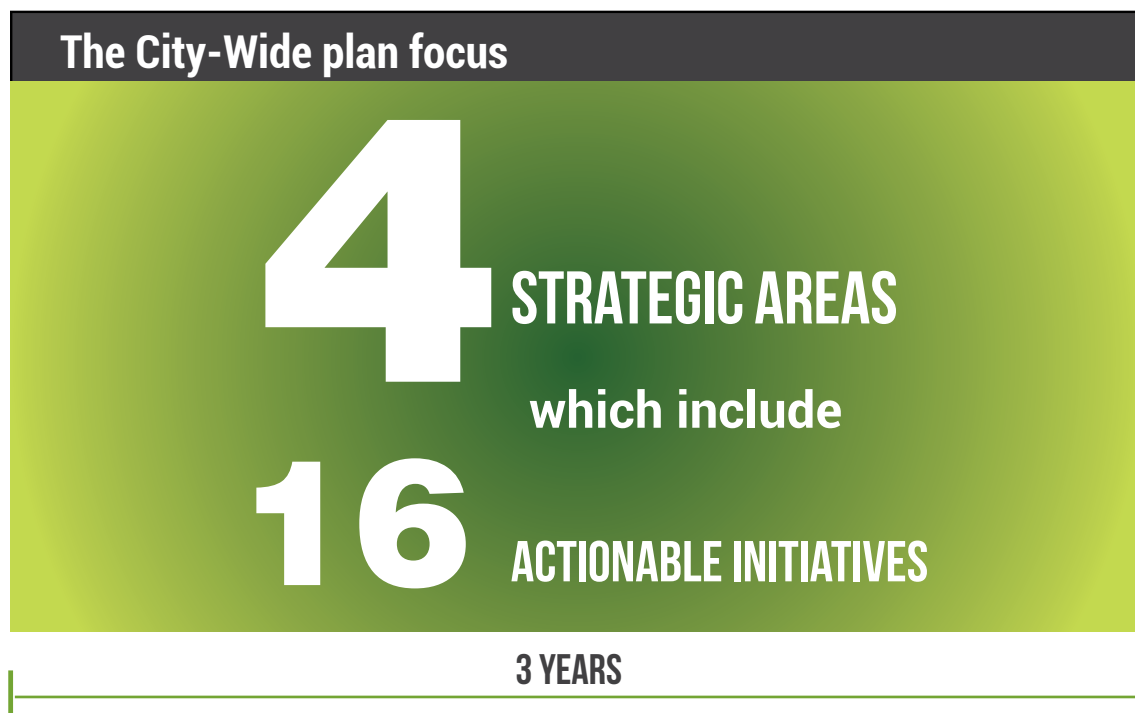
Second Dwelling Units provide an additional tool for creating a range and mix of affordable housing within the City of Hamilton. They also contribute to healthy and sustainable living as well as present economic benefits to their communities.

Ontario has progressively created a more favorable policy environment for municipalities to capitalize on the secondary rental market as a means to create more affordable housing. This Strategic Plan is an innovative approach to take advantage of this opportunity to make measurable progress on meeting Hamilton’s local affordable housing needs.

The City-Wide plan focuses on **4 strategic areas** which include **16 actionable initiatives** that can be undertaken within a **3-year window** that will contribute to creating additional affordable housing supply in the secondary rental market.

Each initiative includes an action plan, complete with a summary of the resources required and timelines needed to complete the work.

By putting these plans into action, the City will improve regulatory conditions, reduce costs, improve administrative process and promote the overall benefits of Second Dwelling Units. To that end, by undertaking this process **the City of Hamilton aims to directly create a minimum of 100 new affordable housing units** over the next 3 years **and indirectly incent the development of many more** in the secondary rental market.



Section 1

SETTING THE STAGE FOR A SECOND DWELLING UNIT STRATEGY

1.1 BACKGROUND

Hamilton strives to be the best place in Canada to raise a child and age successfully. To support this vision for the City of Hamilton it is important to recognize the importance of safe, suitable, and adequate housing for all.

In 2013, Hamilton created its [10-year Housing and Homelessness Action Plan](#) (“Action Plan”) with the goal of “everyone having a home because home is the foundation.”

To reach this goal, the City and community had the intent of creating 300 new affordable housing units per year. While considerable progress was made towards reaching this goal, each year the community has fallen short of meeting this ambitious target.

In 2019, the City of Hamilton in partnership with the Housing and Homelessness Planning Group, refreshed its Action Plan with a renewed focus on finding new and innovative approaches to create and maintain affordable housing in Hamilton. Informed by in depth community consultations, one component of this innovative approach was to look at the secondary rental market as a means to address Hamilton’s gap between the supply and demand for affordable housing.

This **Strategic Plan to Create Affordable Housing Supply in the Secondary Rental Market builds** on the vision of the 10-Year Housing and Homelessness Action Plan. It puts forwards actionable solutions to reduce barriers which prevent creating Second Dwelling Units from being created in the first place, proposes measures to incent their development, all while educating stakeholders on the merits, roles and responsibilities of creating, maintaining, and renting these units. This approach will work to reach the Action Plan’s goals of increasing the number of secondary units in Hamilton, and diversifying the geographical footprint of affordable housing options in Hamilton.



This plan also builds on parallel work completed throughout the City, such as:

- In 2018, the City endorsed amendments to City of Hamilton Zoning By-law No. 6593 to allow Second Dwelling Units in Detached Structures for properties adjoining a laneway in Wards 1-4. ([PED16200\(b\)](#))
- In 2019-20, the City of Hamilton underwent a process of updating its Age Friendly Plan. Included in this plan are measures to support the development of Second Dwelling Units as they improve housing choice for seniors and support multigenerational living alternatives.
- In December 2019, Council endorsed amendments to Section 19 of Hamilton Zoning By-law No. 6593 which either eliminates or reduces the requirements in minimum dwelling sizes and lot sizes, and reduced parking requirements in Wards 1, 8, and parts of 14.
- In September 2020, as part of the Residential Zone Project within the City of Hamilton Zoning By-law No. 05-200, staff prepared a Discussion Paper of Second Dwelling Units to bring forward suggestions on reforms that could be made to zoning regulations to promote Second Dwelling Units.

The successful implementation of the initiatives outlined in this plan will rely on the collaboration of homeowners, community stakeholders, non-profit and private sector partners working with the City to increase supply of units.

Through cooperation and collaboration with these partners the City of Hamilton is committed to implementing the Strategic Plan to Create Additional Affordable Housing Supply in the Secondary Rental Market and fulfilling the vision that everyone has a home because home is the foundation.

1.2 INTRODUCTION

The City of Hamilton faces increasingly scarce and limited resources to invest in creating affordable housing.

Traditionally, the City of Hamilton and community partners have relied largely on creating new units in the primary rental market through the construction of large multi-residential apartment buildings. While multi-residential style rental apartments are needed in Hamilton, local stakeholders acknowledge that more can be done to create additional housing, additional choice and more affordability in the community. One of these alternatives is exploring opportunities in the secondary rental market.

Second Dwelling Units are a market driven solution to the unmet demand for affordable housing which amounts to a ‘win-win-win’ policy reform for Hamilton.

Benefits of Second Dwelling Units include:

- Offer affordable housing choice within the existing housing stock in established communities to assist both owners and tenants
- Assist in meeting growth and density targets through ‘gentle intensification’
- Provide healthy alternative living choices for seniors and families
- Create economic development opportunities for homeowners, investors and local contractors

The supply of rental housing chronically lags far behind demand. It is the mismatch between supply and demand that causes rents to increase. Creating second units, whether they are rented at-market or below-market rent, leads to the increase of aggregate supply of available rental units, which over time, will help address this gap and ease the pressure on the rental market in Hamilton.

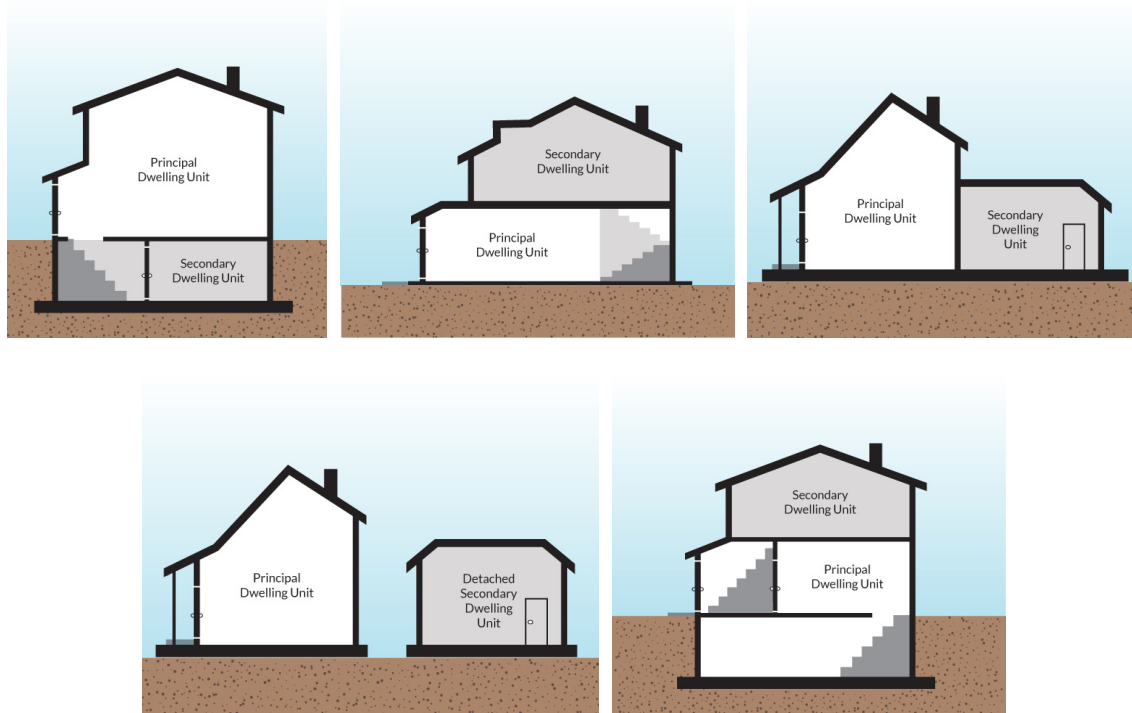
1.3 DEFINITION

Second Dwelling Units (“SDU’s”) or (“Second Units”) or (“Secondary Suites”) have the following characteristics; they are:

- self-contained units meaning they have their own kitchen, bathroom, living area, and separate entrance;
- located on the same lot as the principal dwelling;
- subordinate to the principal dwelling insofar as its gross floor area is smaller than the gross floor area of the principal dwelling. Second Dwelling Units are an accessory to the principal dwelling;
- Known for having flexible living arrangements where the principal or Second Dwelling Unit can act as a rental arrangement or for intergenerational living.

Second Dwelling Units can take the form of and are also commonly referred to as second units, basement apartments, granny-suites, garden suites, laneway housing, coach houses, accessory dwelling units, in-law suites and others.

This strategic plan will use the terms secondary suites or second dwelling units interchangeably.



1.4 PURPOSE

The development of a **Strategic Plan to Create Affordable Housing Supply in the Secondary Rental Market** is specifically to:

- Expand the tools in the City’s toolbox to create and maintain affordable housing for people in Hamilton;
- Create affordable housing supply at a reduced cost per unit;
- Assist in meeting supply targets outlined in Hamilton’s 10-Year Housing and Homelessness Action Plan;
- Raise awareness and knowledge of the value of the secondary rental market as a means of providing affordable housing supply.

Within 3 years, the City can make meaningful investments in Second Dwelling Units which will have a demonstrable and immediate impact on housing supply.

1.5 LEGISLATION AND POLICY FRAMEWORK:

Connection with the 10-Year Housing and Homelessness Action Plan

This strategy aligns within over a decade of progressive Provincial regulatory reform, local strategic planning and housing policy that has incrementally opened the door for Hamilton to explore innovative housing solutions, including creating affordable housing in the secondary rental market. As part of the Province’s *More Homes More Choice: Housing Supply Action Plan*, a new affordable housing funding envelope called the Ontario Priorities Housing Initiative (OPHI), has provided a funding source to support the development of actionable strategies to create new housing supply.

This section describes in more detail the significant legislative and policy reforms and **Figure 1** provides an overview and timeline.

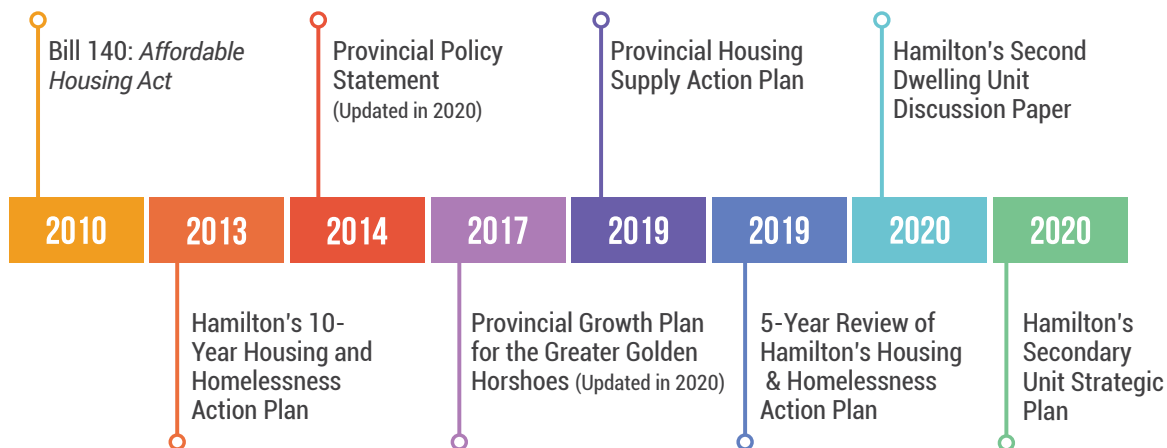


Figure 1–Timeline of Relevant Provincial Legislative and Local Policy Developments (2010-2020)

Bill 140: Strong Communities through Affordable Housing Act, 2010

Part of the Province’s *Building Foundations: Building Futures, Ontario’s Long-Term Affordable Housing Strategy (LTHAS)*, Bill 140 amended the *Planning Act* to require municipalities to establish Second Dwelling Unit policies in detached, semi-detached or townhouse dwelling or structures ancillary to detached, semi-detached and townhouse dwellings. No regulations or funding accompanied this legislation and municipalities were to permit Second Dwelling Units based on local conditions.

Hamilton’s 10-Year Housing and Homelessness Action Plan, 2013

The Housing and Homelessness Action Plan focused primarily on increasing affordable housing through multi-residential ‘apartment style’ buildings funded largely through grant programs and loans from senior levels of government. The one area of focus for the previous plan that impacted the secondary rental market was supporting regulatory changes associated with the Residential Zone Project within the City of Hamilton Zoning By-law No. 05-200. Strategy 1.6 and Strategy 2.1 both focused on modernizing zoning

regulations that limited opportunities for homeowners to create Second Dwelling Units through converting single dwellings into duplexes or triplexes. These higher densities can provide opportunities for more affordable housing.

Provincial Policy Statement (“PPS”), 2020

The PPS 2020 includes a set of policy directions where land use planning decisions made in the Province must be consistent with the document. The PPS was updated in 2020 and includes policies related to Second Dwelling Units.

Specifically, Policy 1.4.3b) stated that “planning authorities shall provide for an appropriate range and mix of housing types and densities to meet projected requirements ... including Second Units, and Policy 1.1.3.3. which stated that “the provision of Second Dwelling Units contributes to affordable housing and provides for a full range and mix of housing types”.

Permitting Second Dwelling Units in Hamilton will also achieve livable and complete communities where one can live, work, shop, and play within the same community, and also contribute to a range and mix of housing types (Policy 1.1.1b).

A Place to Grow: Growth Plan for the Greater Golden Horseshoe (“GGH”), 2019

The GGH 2019 provides direction on development and growth management regulations and guidelines for Ontario’s most populous region. It prescribed more specific minimum density/intensification targets and directly linked the achievement of these targets in Policy 2.26 by municipalities “identifying a diverse range and mix of housing options and densities, including Second Units and affordable housing to meet projected needs of current and future residents.”

Further, Policy 2.2.1.9 identifies major transit station areas will be supported by planning for a diverse mix of uses such as Second Dwelling Units to support existing and planned transit service.

More Homes, More Choice: Housing Supply Action Plan, 2019

The *Housing Supply Action Plan* implemented a suite of legislative, regulatory and policy changes across multiple ministries with the goal of eliminating unnecessary steps, duplication of regulation and removing barriers to creating housing in Ontario. This legislation aimed to make creating Second Dwelling Units easier and more affordable.

Specific to Second Dwelling Units, the omnibus bill re-enacted language in the *Planning Act*, to require policies in Official Plans “authorizing additional residential units by authorizing two residential units in a house and by authorizing a residential unit in a building or structure ancillary to a house.” The bill also repealed and replaced Sec 3 of the *Development Charges Act, 1997* to now read “the creation of a Second Dwelling Unit in prescribed classes of proposed new residential buildings, including structures ancillary to dwellings, is, subject to the prescribed restrictions, exempt from development charges.”¹

¹ Note: The City has yet to amend the Development Charges By-Law to reflect all recent changes in the legislation

5-Year Review of Hamilton’s Housing & Homelessness Action Plan, 2020

The Action Plan was reviewed and revised, and actions were reprioritized to assist Hamilton to better meet its overall targets. To meet community goals of creating additional supply of affordable units, the revised Action Plan called for a specific strategy and implementation plan to increase the supply of Second Dwelling Units.

In addition, for the first time the plan installed targets specific to creating Second Units. The plan committed to:

- “Increase the number of new and legalized existing second units by 25% per year”
- “Increase the number of new affordable rental units built outside of the downtown by 25% annually... using second units to do this within existing planning regulations”
- “Increase the diversity of housing forms, types, tenures, and affordability in all urban areas of the City”

Hamilton’s Second Dwelling Unit Discussion Paper, 2020

As part of public consultations on changes to Zoning By-Law No.05-200, a discussion paper on Secondary Dwelling Units including considerations to permit the accessory use on lots containing single detached, semi-detached and street townhouses was presented. Considerations included permitting Second Dwelling Units through new construction and conversions. Suggested guidelines considered reducing impact from abutting neighbours such as privacy, overlook, shadowing, and loss of greenspace and usable backyard space. In May 2021, the City of Hamilton Council approved By-laws Nos. 21-071 to 21-077, inclusive to amend the City of Hamilton Zoning By-law No. 05-200 officially endorsing the above considerations.

Hamilton’s Strategic Plan to Create Additional Affordable Housing Supply in the Secondary Rental Market, 2021

This plan is the City of Hamilton’s strategic approach to leverage progressive Provincial legislation and regulatory changes, local planning and housing reforms, available Provincial funding and comprehensive grassroots support to create more affordable housing in the secondary rental market.

The strategy has 3 goals:

1. Maintain the supply and improve the quality of existing affordable Second Dwelling Units;
2. Increase the quantity of affordable rental units;
3. Educate and increase the knowledge of key stakeholders about the important role Second Dwelling Units and the secondary rental market plays as part of Hamilton’s long-term approach to making housing more affordable

In summary, this plan puts forwards actionable solutions to reduce barriers which prevent creating Second Dwelling Units from being created in the first place, proposes measures to incent their development, all while educating stakeholders on the merits, roles and responsibilities of creating, maintaining, and renting these units.

Within 3 years, the City aims to capture this momentum to make meaningful investments in Second Dwelling Units which will have a demonstrable and immediate impact on housing supply in Hamilton.

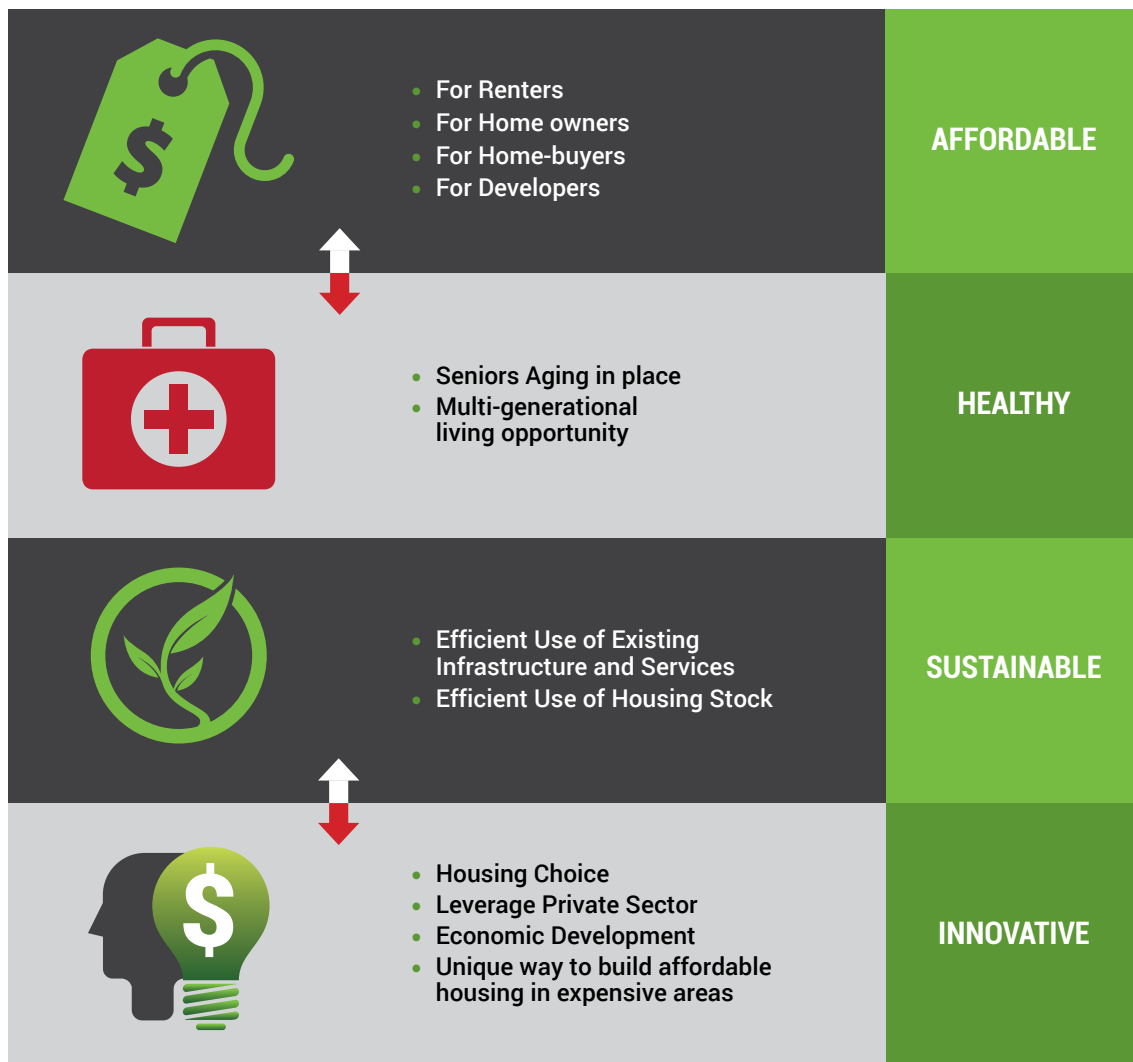


2 Section

BENEFITS AND BARRIERS TO CREATING SECOND DWELLING UNITS

2.1 BENEFITS OF SECOND DWELLING UNITS

Second Dwelling Units provide tremendous benefits to homeowners, tenants and the broader community. They make housing more **affordable**, provide long-term **healthy** alternative housing arrangements for households including seniors and families, they contribute to community **sustainability** and are **innovative** housing solutions.



2.1.1 Second Dwelling Units are **Affordable Housing Solutions**

For Renters...

- Average monthly rental costs for Second Dwelling Units are typically lower compared to newly constructed multi-residential apartments.
- The City of Hamilton has one of the longest waiting lists for affordable housing in the Province. Second Dwelling Units provide a solution to meet some of the demand for affordable rental housing for people on the waitlist.
- They offer affordable opportunities for households facing the greatest financial challenges such as youth, older adults, new immigrants and lone-parent families.

For Homeowners...

- They provide rental income to assist with meeting monthly mortgage payments or help assist with everyday costs.

For Home-Buyers...

- Factoring in the income received through renting a Second Dwelling Unit provides access to homeownership for first time homebuyers with limited equity requiring assistance in carrying a mortgage. The additional income can be the difference between being unable to afford the carrying costs of a mortgage and making home ownership viable.

For Developers...

- They can create affordable housing at a reduced cost per unit. The Housing Services Division completed a study estimating that creating a Second Dwelling Unit can cost 1/3 to 1/2 the total cost of creating a new unit in a multi-residential apartment building.
- Section 15(a) of the City of Hamilton’s Development Charges By-law No. 19-142 exempts development charges when adding up to two additional dwelling units within an existing single detached dwelling or permitting one additional dwelling unit in any semi-detached or row dwelling. This further reduces development costs.
- An update to the City’s Parkland Dedication By-law No. 18-126 was approved on May 23, 2018, which included a fixed cash-in-lieu rate of \$869 for Second Dwelling Units. Previously, the fees associated with developing a Second Dwelling Unit would have been up to \$42,000.

2.1.2 Second Dwelling Units are **Healthy Housing Solutions**

For Seniors...

- Second Dwelling Units allow for ageing in place. Drawing from recommendations in the City of Hamilton’s Age Friendly Plan, older adult homeowners with fixed incomes requiring assistance can rent the primary residence to a family member while ageing in place in the Second Dwelling Unit. This allows seniors to remain close to their doctor, church and existing social network and/or provide care or support to family members.
- A caregiver may also reside in the Second Dwelling Unit and provide assistance to an elderly person or family member.

For Families...

- Second Dwelling Units provide opportunities for multi-generational living on a single lot.

2.1.3 Second Dwelling Units are **Sustainable Housing Solutions**

For Infrastructure & Services...

- Second Dwelling Units make better use of existing infrastructure, (electricity and water) and services (schools and recreational services). In older suburban communities as demographics shift over time the demand for such services is reduced. Adding additional population in the community helps to sustain these services.
- They provide an opportunity to continually maximize the use of space in existing housing stock. An ‘empty nester’ family can convert a second floor or unused basement into a Second Unit.

For the Environment...

- Second Dwelling Units are a form of ‘gentile intensification.’ They provide a viable alternative to greenfield development or high-density housing development.

For Local Government...

- Second Dwelling Units increase property values improving the highest and best use of the land; therefore, generate additional property tax revenue for the municipality. Tax compliance costs incurred by the homeowner are significantly offset by the revenue gained through the ongoing rental income received.

2.1.4 Second Dwelling Units are Innovative Housing Solutions

- In expensive single-detached dwelling dominated areas, Second Dwelling Units provide affordable housing choices that would otherwise not exist as other built forms of housing which are typically affordable (high-rise apartments with small square footage) are not permitted in these areas.
- The process brings together non-traditional stakeholders and provides access to previously inaccessible capital to create affordable housing:
 - Creating Second Dwelling Units provides the rare opportunity to access privately owned land and access capital owned by private citizens to build affordable housing, which is a community benefit.
- Given the current environment of historically low borrowing costs for private individuals, this is a timely initiative.
- Creating Second Dwelling Units supports local job creation. Typically, these home renovations have smaller margins and are completed by local, licensed contractors and tradespeople who live and work in Hamilton.



2.2 BARRIERS RELATED TO CREATING AND MAINTAINING SECOND DWELLING UNITS

Summarized in **Figure 2** the word cloud below is an overview of the perceived and real barriers to creating and maintaining Second Dwelling Units in Hamilton identified by homeowners, contractors, realtors, landlords, tenants, advocates, service providers, city planners and housing experts and community stakeholders.



Figure 2—Barriers Related to Creating & Maintaining Second Dwelling Units

The goal of developing this strategic plan is take forward actionable solutions to address some of the key barriers in place that prevent Second Dwelling Units from being created in the first place and put forward reforms to allow, incent, educate and promote the creation of Second Dwelling Units in Hamilton.

2.2.1 Regulatory Barriers

The current regulatory environment makes it challenging to create and maintain Second Dwelling Units

Restrictive zoning regulations limit the ability of markets to adapt to constantly shifting housing demand. Currently, outdated pre-amalgamation zoning regulations exist in which act as barriers to create Second Dwelling Units on properties that would otherwise be suitable for development in Hamilton.

These Zoning By-laws that existed prior to amalgamation are required to be replaced with a **comprehensive Zoning By-law** that will allow for Second Dwelling Units ‘as of right’. With Provincial legislation now requiring municipalities to update their Official

Plans and Zoning By-laws to permit Second Dwelling Units, there is an opportunity for Hamilton to now permit Second Dwelling Units in places such as Stoney Creek and Waterdown where the development of Second Units were previously not permitted. Other regulatory barriers such as rental licensing have the potential to impact the supply of Second Dwelling Units, especially affordable stock.

On the other side of the coin, there are examples of under-regulation which impact the supply of Second Dwelling Units. For example, the rapid growth of Short-Term Rental units (Airbnb) in Hamilton which would otherwise be legal Second Dwelling Units to tourists rather than local tenants in need of affordable, long-term tenured, rental accommodations.

Great work is already being done to remedy regulatory barriers at the City:

- In 2018, the City began its Laneway Housing pilot project which permitted the creation of Second Dwelling Units with access to alleyways
- In 2019, the City began work examining the effects of rental licensing and Second Dwelling Units; whereas, the City Initiative CI-19-D–Accessory Dwelling Units–Pilot Project for Wards 1 and 8; and, creating the Temporary use By-law to amend certain zoning regulations for Section 19 in Zoning By-law No. 6593
- In 2020, Planning and Economic Development Department released their Second Dwelling Unit Discussion Paper which put forward a series of proposals to relax the regulatory barriers around local Zoning By-Laws.
- In 2020, City staff began looking into regulating Short Term Rental Units
- In 2021, the City of Hamilton Council approved By-laws Nos. 21-071 to 21-077, inclusive to amend the City of Hamilton Zoning By-law No. 05-200 to permit One Secondary Dwelling Unit (SDU) within the principal dwelling and one detached SDU on a lot containing a Single Detached Dwelling, Semi-Detached Dwelling or Street Townhouse Dwelling in the Urban Area; One SDU within a Single Detached Dwelling and a Semi-Detached Dwelling in the Rural Area; Locational, design, parking, and other technical regulations related to Secondary Dwelling Units in the Urban Area; and, Minimum lot area, adequate service, parking, and other technical regulations related to Secondary Dwelling Units in the Rural Area.

As part of this Strategic Plan, the City will build on these initiatives to create a regulatory environment more suitable for Second Dwelling Units.

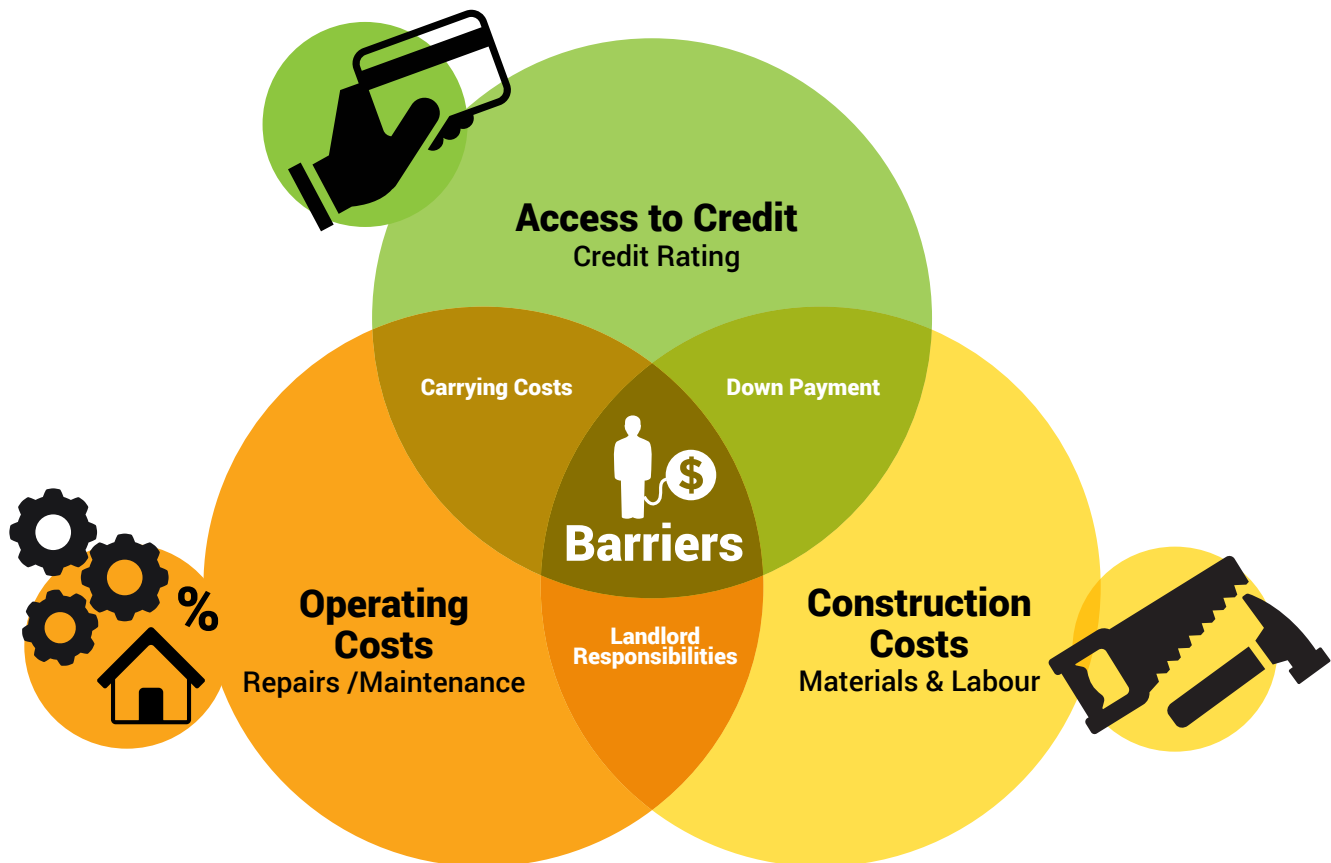
2.2.2 Cost Barriers

There are economic barriers which prevent people from creating and maintaining Second Dwelling Units

A modest conversion of a basement to a legal secondary suite will cost **\$60,000- \$80,000** or more. Beyond the costs of physically constructing a Second Dwelling Unit, there are several less visible financial and economic barriers that make the dream of creating a Second Dwelling Unit out of reach for many people. These costs include, but are not limited to:

- Gaining access to credit and the carrying costs of financing
- Labour and material costs directly related to construction
- The time and costs associated with attaining permits and paying City imposed fees and charges
- The time and costs related to acting as a landlord including ongoing repairs operating costs

As part of this Strategic Plan, the City will put forward measures to address the costs that make it prohibitive for people to create Second Dwelling Units.



2.2.3 Knowledge and Navigation Barriers

Community stakeholders, homeowners and tenants have barriers which can prevent them from creating Second Dwelling Units

Consultation with key stakeholders revealed several challenges related to a lack of access to information, technical knowledge and understanding which can impede the creation of Second Dwelling Units in the City of Hamilton. They include but are not limited to:

- Homeowners often do not fully understand the costs and benefits associated with creating and maintaining a Second Dwelling Unit:
 - A typical homeowner is generally not aware of what the expected yield and rate of return would be on a potential investment in a Second Dwelling Unit. Similarly, they are not always aware of the ongoing costs related to maintenance and repair.
 - Many prospective investors are dissuaded from making an investment by perceived myths of the negative impacts of Second Dwelling Units (impacting property value).
- Landlords and tenants can be unclear of their responsibilities:
 - The *Residential Tenancies Act 2006* is complicated. New landlords are often unsure of their obligations and tenants can be unsure of their rights. These lines can become blurred if there is an existing personal relationship between the tenant and landlord.
 - Managing an ongoing relationship with the tenant can be daunting to a homeowner so some are unwilling to undertake the responsibilities of being a landlord altogether.
- Developers, Realtors and Homebuilders often need support advocating for and illustrating the value of Second Dwelling Units to homebuyers and investors.
- People who want to build Second Dwelling Units often need help navigating the municipal approvals process to create legal, affordable, quality units.

As part of this Strategic Plan, the City will support a series of initiatives that educate and inform key community stakeholders which will make it easier to create and maintain Second Dwelling Units.

2.2.4 Internal City of Hamilton Process Challenges

Existing processes could be improved to support creating a greater supply of affordable Second Dwelling Units

Several City departments deal directly with regulating, managing, creating, renovating, enforcing as well as supporting tenants and landlords in Second Dwelling Units in Hamilton; however, until the development of this strategic plan, there has not been a unified approach to moving forward with all these parallel initiatives together towards a common goal – creating and maintaining the supply of Second Dwelling Units.

As part of this Strategic Plan, the City will modernize key internal business processes to make it easier to create and maintain Second Dwelling Units.

SECOND DWELLING UNITS CONSULTATION

3.1 WHAT WE HEARD FROM STAKEHOLDER CONSULTATIONS

Stakeholder Roundtables

Many stakeholders were consulted in the development of the strategic plan. These stakeholders represent thousands of businesses, individuals and community groups in Hamilton.

Consultations included the following groups:

- Housing and Homelessness Advisory Committee
- Housing and Homelessness Action Planning Group
- Canada Mortgage and Housing Corporation
- Province of Ontario
- West End Home Builders Association
(formerly *Hamilton Homebuilders Association*)
- Realtors Association of Hamilton Burlington
- Hamilton District Apartment Association
- McMaster Off Campus Housing Office
- McMaster Students Union
- Mohawk Students Union
- Mohawk Off-Campus Housing Office
- Durand Neighbourhood Association
- Hamilton Social Planning Research Council
- Hamilton Regional Indian Centre

The consultation process was primarily done online and included facilitated conversations with social housing developers, private sector developers, Indigenous community representatives, post-secondary education stakeholders, experts in real estate, neighborhood groups, policy experts and housing advocates.

The consultations yielded broad support for a City-wide Second Dwelling Unit strategy that was geared towards achieving broader goals like building housing through infill development and using gentle intensification and was focused on increasing the overall supply of rental housing in Hamilton. In addition, all sectors supported the City creating an incentive program to assist with addressing the costs associated with creating Second Dwelling Units. Different models were discussed including eligible expenses, affordability parameters and key target locations for additional rental supply in Hamilton.

Numerous stakeholders recommended that a Second Dwelling Unit strategy must be broad in nature and not simply focus on construction. They recommended that initiatives should support land development, include the construction industry as well as initiatives to support landlord and tenants. Stakeholders specified that a punitive rental housing licensing bylaw would act as a significant future barrier to creating and maintaining affordable Second Dwelling Units. A summary of the key themes discussed through the consultation process include:

- Strategic Plan needs to be supply oriented
- Create incentives to create new units
- Landlords might require support and should be able to choose their own tenant
- Allow above average market rents
- Combat “Not in My Backyard attitude”
- Reduce disincentives, barriers or complex processes that exist as barriers to create Second Dwelling Units in the first place
- Regulate short term rental units
- Avoid rental licensing
- Expand where and in what dwelling types Second Dwelling Units can be created in Hamilton

This feedback was used to inform the development of the strategic plan with a focus on measures that were nearly universally endorsed and that focused on supply solutions.

The City is thankful to all the partners and stakeholders that took the time to discuss this important housing solution and for their time, patience, and expertise about the solutions that will move the community forward.

3.1.1 Cross-Departmental Advisory Group

To assist with adding to the strong feedback provided to the City through stakeholder consultations, an internal working group was developed to draft a supply related Second Dwelling Units strategy. The City of Hamilton used this cross departmental team of subject matter experts utilizing expertise from:

- Building Services Division
- Municipal Law Enforcement/Bylaw/Licensing Divisions
- Hamilton Fire Department
- Housing Services Division
- Planning Division
- Growth Management Division

As part of the development of the strategic plan, this group took the feedback generated from stakeholder consultations and analyzed existing approaches and strategies from:

- City of Kingston
- Waterloo Region
- Halton Region
- Niagara Region and the City of Welland
- Region of Peel and the City of Mississauga
- Simcoe County

Additional consultation was done through conference calls with each of the municipalities listed above to better understand the successes and challenges they have experienced with the implementation of their approaches and strategies.

The City’s subject matter experts worked on developing a strategy that was focused on increasing the supply of secondary housing units within Hamilton to meet the growing needs of the population. The goal was to create a plan that facilitates an increase of Second Dwelling Units in Hamilton while also educating all stakeholders about the benefits and responsibilities of developing, maintaining, and administering secondary units.

Strategies and actionable solutions related to this strategic plan are:

- Time bound and set to be implemented within 3 years
- Universally endorsed by the cross departmental advisory group
- Assigned metrics that can be benchmarked and tracked to evaluate progress

Key recommendations include opportunities for further consultations with key stakeholders.



4

Section

IMPLEMENTATION STRATEGY AND RECOMMENDATIONS

4.1 IMPLEMENTATION STRATEGY

The City-wide plan focuses on **4 strategic areas** which includes **16 actionable initiatives** that can be undertaken within a **3-year window**.

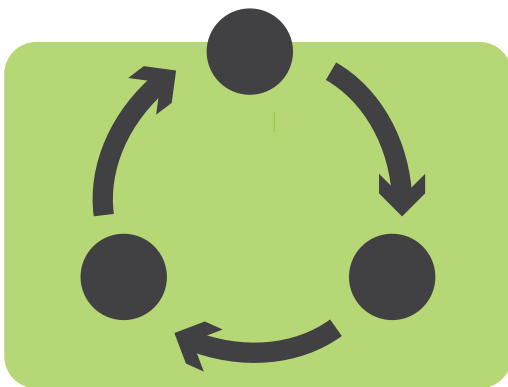
Summarized below, implementing these cross-departmental initiatives, in parallel, will contribute to creating additional affordable housing supply in Hamilton’s secondary rental market.



Strategies to Create a More Suitable
Regulatory Environment (4)



Strategies to Address the Financial and
Economic Barriers which Prevent the ability to
Create and Maintain Second Dwelling Units (2)



Strategies to Improve Internal Processes
to Support Creating a Greater Supply of
Affordable Second Dwelling Units (5)



Strategies to Address Communication,
Knowledge and Capacity Barriers which can
Prevent Creating Second Dwelling Units (5)

Each initiative includes an action plan, a summary of the resources required and timelines needed to complete the work.

4.2 RECOMMENDATIONS: STRATEGIES AND ACTION PLANS



4.2.1 Strategies to Create a More Suitable Regulatory Environment (4)

1. Create a Community Improvement Plan focused on Creating Second Dwelling Units

A Community Improvement Plan (CIP) is a tool outlined in Section 28 of the *Planning Act* that allows a municipality to take actions to support improvements and redevelopment within a specifically defined project area. Among other functions, through a CIP, the City can:

- Identify changes needed to land use planning policies, and/or other bylaws, policies, and practices to permit the creation of Second Dwelling Units;
- Provide or direct funds for the provision of affordable housing, including Second Dwelling Units;
- Provide grants and loans to owners and tenants for specific actions including constructing Second Dwelling Units; and
- Establish a vision, goals, and objectives to provide focus and direction for continuous community improvement.

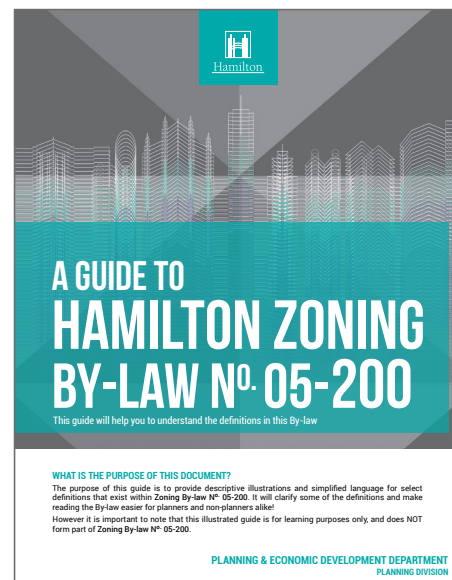
The Goal of this Community Improvement Plan:

- Build on the successes of Housing for Hamilton—Community Improvement Plan (CIP), Report: [PED19208](#) (November 2019), and Hamilton 10-Year Housing and Homelessness Action Plan Report: [CS11017\(d\)](#) (August 2020) and specifically integrate the development of Second Dwelling Units. Hamilton will seek to:
 - Identify opportunities to develop incentives and/or programs to support the development of affordable housing
 - Create mixed-income and mixed tenure neighbourhoods
 - Provide opportunities of economic investment
 - Establish new targeted areas in the City for Second Dwelling Units

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
CIP Report	Q3 2022	1.CIP creation reduces total soft cost of creating a Second Dwelling Unit by 10% (Current: ~\$3,000).	Low	Lead: Urban Renewal Division - and Housing Services Division: 0.25FTE (existing staff complement, each)
Public Meetings & Consultation	Q4 2022	2.CIP expands areas suitable to build a second unit by 10% (# of lots)		
CIP Program Guidelines	Q2 2023			

2. Prioritize and Champion Creating Affordable Second Dwelling Unit Supply as part of the Residential Zone Project within the City’s Zoning By-law No. 05-200

Led by the Planning & Economic Development Department, the City of Hamilton is currently undergoing a comprehensive review of its Residential Zoning Bylaw. The purpose of the Review is to implement more consistent residential zones across the entire urban area of Hamilton. As part of this review, extensive research and consultation is being completed on key regulations such as parking, residential care facilities and **Second Dwelling Units**.



The Goal:

- Develop new Zoning By Law regulations that create the opportunity for additional second dwelling units

This goal can be accomplished through two separate but related objectives.

Objective #1:

Expand the scope of urban residential properties that are permitted to build Second Dwelling Units in Hamilton. A secondary suite conversion can only legally occur where the City’s Zoning Bylaw’s permit it to do so.

Objective #2:

Where Second Dwelling Units are permitted, minimize the barriers and restrictions and increase flexibility on their creation and design.

- Zoning Bylaws set out the permitted uses on properties and other provisions including required parking spaces, sizes of dwelling units, setbacks of buildings from property lines, lot coverage, and many other items. **These provisions can often act as barriers to creating Second Dwelling Units.**
- When zoning bylaws only permit a single dwelling in a structure on a property, the addition of a secondary unit requires a minor variance. The minor variance process can last more than three months, and the application fee is currently \$1,475. **The added time and costs can often act as barriers.**

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Complete cross-departmental public consultation re: Second Dwelling Units	2021	# of housing sector representatives consulted	Low	Lead: Planning and Economic Development Staff – Existing Complement Housing Services Staff as Facilitation Partner - Staffing Availability

3. Review Rental Licensing Pilot Project based on its Ability to Create Additional Rental Housing and Maintain safe, Quality, Affordable Rental Housing

Complete a comprehensive cross departmental review of the Rental Licensing Pilot Project including:

- The City Initiative CI-19-D–Accessory Dwelling Units–Pilot Project for Wards 1 and 8; and, the Temporary use By-law to amend certain zoning regulations for Section 19 in Zoning By-law No. 6593 (Dec 19, 2019)

Goal of Reviewing the Rental Licensing Pilot Project

- The purpose of reviewing this future project is to identify what worked well and what lessons can be learned to inform a longer-term approach to creating safe, quality, Second Dwelling Units that is compliant with Hamilton Zoning By-law No. 6593, the Ontario Building Code (OBC) and the Fire Code of Ontario; however, that are flexible enough to encourage and maximize secondary suite development.

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Create Short Term Cross-Department Working Group	Q3 2024	Group Established by Q2 2024. Measures and targets to be established by working group.	Med	Leads: Licensing & Housing Services
Public Meetings & Consultation	Q4 2024			Shared administrative costs between Licensing and Housing Services Division
Evaluation Design and Gather Resources	Q1 2025			Participants: Other departmental representatives
Complete Evaluation	Q2 2025			
Report	Q3 2025			

4. Evaluate the Short-Term Rental Bylaw to understand the Negative Impacts on the Supply of Affordable Rental Housing in the Secondary Market

The expansion of the Short-Term Rental (STR) marketplace has caused local rental units to shift their use from serving local residents to serving tourists. The ‘hotelization’ of housing stock has been proven to hurt local low-income renters as would-be available affordable units are taken offline to be used as STR’s thereby reducing the overall supply of housing available to them to rent. This forces local tenants to compete for an ever-shrinking number of units thereby raising housing costs.

Goal of Creating a STR Bylaw

- The purpose is to analyze the implementation of the necessary regulations that minimize the negative impacts STR’s make on the supply of affordable rental housing in the secondary market in Hamilton. Staff will also explore options for generating a revenue stream towards replacing lost affordable housing

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Create Internal Working Group & Draft Bylaw	Q1 2023	List of measures in place to minimize negative impacts on affordable housing supply	Low Potential for cost recovery/ revenue generation (penalties, fines, fees)	Lead: Licensing / By-Law with support from Housing Services Staff
Create Data Sharing Protocol				
Public Meetings & Consultation				
Creation of the Bylaw				

Shared administrative costs between Licensing and Housing Services Division



4.2.2 Strategies to Address Financial and Economic Barriers which Prevent the ability to Create and Maintain Second Dwelling Units (2)

1. Establish a Subsidy Program to Create Affordable Secondary Suites

It is expensive to build a Second Dwelling Unit. The Housing Services Division completed a comprehensive costed review of different housing types and estimate that the cost of constructing a Second Dwelling Unit can range from \$40,000 to \$160,000 depending on unit location, size, and quality. In addition to labour and materials there are design fees, the costs of attaining permits, financing costs and costs related to meeting regulatory requirements. In many cases, the up-front costs become prohibitive for homeowners to invest in creating a Second Dwelling Unit.

Many municipalities (Niagara Region, City of Ottawa, City of Kingston, Simcoe County, Region of Waterloo, Halton Region and many others) recognize that costs are prohibitive and have created incentive programs to assist homeowners or landlords in creating secondary suites.

The Goal of Establishing a Subsidy Program

- Reduce the costs for homeowners and landlords in Hamilton to create Second Dwelling Units with affordable rents for low and moderate income tenants.

The City of Hamilton will create a subsidy program which will provide a grant/loan to eligible homeowners that will partially cover the costs associated with constructing Second Dwelling Units including building permits, planning and development fees and labour and materials. In exchange, the homeowner will enter into a legal agreement with the City to maintain and rent that unit at an affordable price for a set period of time.

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Program Design	Q1 2022 – Q3 2022	# of units created/ year target -10 (2022) -20 (2023) -40 (2024)	High \$2.6 M over 3 years	Housing Services with support from Building Services Staff.
Program Launch	Q3 2022			

2. Seek and Advocate for New Municipal Sources of Funding to Support the Development of Second Dwelling Units

Second Dwelling Units have broader benefits beyond simply creating affordable housing stock. Second Dwelling Units provide the following residual benefits:

- **Benefits for Public Health Benefits**
 - Reduce the risk of people living in congregate living situations
- **Benefits for Growth and Development Planning**
 - Assists in meeting Hamilton’s intensification and density target through “gentle intensification”
- **Benefits for Economic Development**
 - Creates local jobs in the construction industry
- **Benefits for Urban Renewal**
 - Renovating derelict properties or maximizing use of vacant or underutilized land
- **Benefits for Tax Revenue**
 - Properties with Second Dwelling Units increase the assessed value of the home by MPAC. For example, if a single-family home that previously sold for \$350,000 has a secondary suite added, the value may increase to \$550,000, an increase of \$200,000. This would result in a requisite increase municipal property tax generating additional revenue for the community at a net benefit for the homeowner.

The Goal of Finding Broader Sources of Revenue:

The purpose of this initiative is to acknowledge that creating Second Dwelling Units results in community benefits way beyond simply creating affordable housing stock.

- The Housing Services Division has a limited amount of funding available to dedicate towards subsidizing the creation of Second Dwelling Units and a narrow mandate to create affordable Second Dwelling Units.
- The goal of this initiative is to source funding from other municipal sources to capitalize on community benefits that result from creating Second Dwelling Units.

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Establish Additional Source of Funding / Revenue Source to Create Affordable Second Dwelling Units	Q4 2025	1 new funding source by End of Q4 2025	Low	TBD



4.2.3 Strategies to Improve Internal Processes to Support Creating a Greater Supply of Affordable Second Dwelling Units (5)

1. Create a Cross-Departmental Working Group Focused on Sharing Information Related to Second Dwelling Units

Multiple Departments, Divisions and Teams work on matters that impact Second Dwelling Units. Currently, no common venue or table exists to strategize, discuss challenges, share successes, gather data or triage problems.

The cross-departmental working group will focus on:

- Developing cross-divisional data sharing procedures regarding: Second Dwelling Units
- Gathering, sharing and analyzing data/information sharing related to secondary dwelling units
- Developing common definitions, language and understanding of challenges regarding: Second Dwelling Units
- Obtaining resources required for staff lead to focus on proper data collection and coordination with various City divisions
- Working with CMHC to gather data on Second Dwelling Units using MPAC data

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Terms of Reference & Workplan	Q1 2022	Completed by end of Q1 2022	Low	Lead: Housing Services
Establishment of Data & Info Sharing Plan	Q3 2022	Regular data sharing process established, and deliverables circulated by End Q3 2022		Existing Housing Services Staffing resource Planning/MLE/Fire/ Building/ Growth Mgmt staff

2. Develop a Process to Address Tenant Displacement which could Potentially Occur as a Result of Renovating Existing Supply

The City of Hamilton wants to incent the creation of safe, quality, affordable Second Dwelling Units; however, also wants to ensure tenants and landlords are playing by the rules and safeguard tenants from falling through the cracks.

Under the provincial *Residential Tenancies Act (RTA)* landlords can, under the N13 process, evict tenants temporarily when conducting major renovations that require the unit be vacant; for example, during the process when renovating or adding a Second Dwelling Unit. The landlord must give the tenants the option to return when they are complete. Under the N12 process, landlords can evict tenants permanently if they want themselves or an immediate family member to occupy their property.

Currently, inspection staff become aware of deficiencies which result in making a unit non-compliant or illegal. They issue Orders to Comply that are enforced by municipal law enforcement staff. In most circumstances, the homeowner complies with the Order and no further action is required; however, sometimes front-line inspection and enforcement staff become aware of scenarios where as a result of their Order, the tenant is disadvantaged. For example, in some cases the unit is simply taken off the market because bringing it up to code is cost prohibitive or in other cases the tenant is evicted temporarily (or permanently) as a result of construction or other actions taken by the landlord.

The Goal of Developing a Process:

Provide supports to municipal inspection and enforcement from Housing Services Staff to prevent tenant displacement before it begins. As part of this initiative

- Staff will capture records of circumstances that may result in evictions
- Information will be shared cross-divisionally
- Housing Services staff will proactively connect with tenants to advise them of their rights and responsibilities
- Housing Services staff will connect tenants with supports (legal, housing or financial)

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Develop Formal Referral Process & Record Keeping Procedure	Q4 2022	# of households served	Low/ Med	Housing Services – Tenant Support Staff
Public Consultation	Q1 2023	# of staff trained		Existing Housing FTE job function to work as a liaison (.25 FTE) which supports MLE/ Fire/Building
Train Staff	Q1 2023	# of referrals to housing services from other depts		Housing Help Centre – Landlord Support Staff
Implement New Process	Q1 2023			MLE/Building/Fire – enforcement staff

3. Use Internal Permit Application and Committee of Adjustment Processes as “Referral Opportunities” to Create Affordable Second Dwelling Units

There are many touchpoints in existing City programs and processes that can potentially support the development of affordable Second Dwelling Units. They include but are not limited to:

1. When a homeowner applies for a building permit to create a Second Dwelling Unit, this is an opportunity to flag applicants who could potentially be eligible for the subsidy program and refer them to the appropriate Housing Services staff to access the funds to create an affordable unit.
2. At the Committee of Adjustment, when minor variances or consents are requested related to creating Second Dwelling Units, there is an opportunity for staff to refer applicants to Housing Services to access the funds to create an affordable unit.
3. When contractors register for a business license to operate in Hamilton, there is an opportunity for licensing staff to advise them of the Housing Subsidy Program, the City of Hamilton’s support of creating Second Dwelling Units and the community benefits of creating Second Dwelling Units.

The Goal:

Changes to internal communication and business processes to maximize the reach of the Housing Subsidy Program.

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Develop resources and processes	Q2 2022	# households referred through building permit application	Low	Committee of Adjustment Planning Staff
Train Staff	Q3 2022	# households referred through Committee of Adjustment		Communications + Housing Services + Licensing + Building Services staff
Implement processes	Q4 2022	# contractors served or referred to through business license registration process		

4. Reform Bylaw Enforcement Process where in Addition to Enforcing Specific Bylaws and Code Requirements, Engage and Support Homeowners to Create Affordable Second Dwelling Units

Develop a process where in addition to inspecting and ensuring units are meeting Code requirements and enforcing local By-Laws MLE/Fire/Building officers can triage and identify units which may be eligible for repair under the City's new Secondary Suite Subsidy Program and support landlords to repair their units with the goal of creating/maintaining as many affordable safe, legal units as possible.

Goal of New Process:

- Have officers act as referral points/marketing agents for the municipal subsidy program and connect potentially eligible homeowners with Housing Services Division

The purpose is to seek voluntary compliance with the goal of creating/maintaining as many affordable, safe, legal units as possible. The City has excelled at instituting ‘progressive forms of enforcement’ in many areas and tools such as issuing ‘Notices of Contravention’ may be used as a viable alternative.

The New Process



Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Develop resources and processes	Q2 2022	# households referred + # of units kept online through 'progressive enforcement' process	Low/ Med	Building/Fire + MLE staff
Train Staff	Q3 2022			Housing with support from MLE, Fire, and Building
Implement processes	Q1 2023			Support from Housing Services on training

5. Create a Streamlined Building Permit Application Process and Improve the Process for Establishing a Municipal Address for those applying to create Second Dwelling Units

Building permits are issued by the municipal Building Division responsible for enforcing the Building Code in the municipality. A building permit is necessary when a developer wishes to construct a Second Dwelling Unit. Two issues being targeted through streamlined permitting include: increasing processing speed and improving the process of establishing municipal addresses.

- Based on the type of permit, the Building Division must make a decision on the application between 10-30 days of submission. In 2019, 78% of Building Permit applications were reviewed within legislated timeframes.
- Growth Management is charged with identifying and creating new municipal addresses. When a Second Dwelling Unit is created without a proper address, this impacts the ability to receive quality public services (Fire, Police and Paramedic Services).

Goal of Streamlining Building Permit Process:

- Prioritize and speed up the time it takes to apply for and process a building permit for applicants intending to create a Second Dwelling Unit.
- Improve the business process between Building Division and Growth Management Division

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Develop resources and processes	Q4 2022	100% of building permit application for Second Dwelling Units are processed within legislated timelines	Low	Lead: Building Division staff with support from Growth Management Staff and Housing Services staff
Train Staff	Q1 2023			
Implement processes	Q2 2023	New business process in place by June 2023		



4.2.4 Strategies to Address Communication, Knowledge and Capacity Barriers which can Prevent Creating Second Dwelling Units (5)

1. Create an Overarching Umbrella Communication Plan to Guide Education, Promotion and Advocacy Initiatives

Through consultation, staff learned there was a lack of access to information, technical knowledge and understanding and synergy of communication which can impede the creation of Second Dwelling Units.

Goal:

Develop a City-wide communication plan, with a focus on delivery mechanisms. This overall plan would cover a 3-5 year period and include specific deliverables and communication materials to be created, ways to engage key stakeholders and provide expectations of impact.

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Housing Services connect with Communications to develop key elements of the plan.	Start Q2 2022	Communications plan completed, number of partners taking an active role, volume of unique materials, tracking traffic to website.	Low/ Med	Lead – Housing Services
Identify new cross promotional opportunities to confirm ability				Communications support
Joint communications plans to be developed with key stakeholders	Complete Q4 2022	City webpage analytics		Internal City partners for promotion

2. Develop a Tenant/Landlord ‘Care Package’ and Distribute

Target Audience:

New landlords and tenants

Goal:

A key focus of our Second Dwelling Unit communications strategy will be focused on supporting first time Second Dwelling Unit landlords and their tenants. This will focus on responsibilities, develop a tenant/landlord ‘care package’ from the City to assist on informing about nuisance expectations, property standards, and other City services (for example: waste collection). Landlords and tenants can expect a summary of existing By-laws in a friendly and concise package.

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Develop appropriate content with Housing Services Division and MLE	Draft end of Q4 2022 Review Q1 2023	# of landlord and tenant organizations engaged	Low	Lead – Housing Services and MLE
Public Meetings & Consultation	Q1 2023		Design costs	Communications and design (external partners of Housing Help Centre-Hamilton, Hamilton Literacy Council, Hamilton and District Apartment Association)
Define distribution mechanisms for materials	Print Q2 2023		Printing costs	

3. Develop a Marketing Campaign Encouraging Development of Second Dwelling Units

Target Audience:

1. Homeowners who are considering developing a Second Dwelling Unit
2. Prospective Homeowners who wish to buy a fixer-upper
3. Investors who are looking at affordable Second Dwelling Units as income properties

The Goals of this campaign are:

- Develop an information package which informs homeowners about opportunities associated with creating an affordable Second Dwelling Unit such as income tax deductions, financing options, community benefits
- Develop an information package and other educational materials for neighbors who may oppose the creation of Second Dwelling Units in their communities and that address ‘the myths of the negative impacts of Second Dwelling Units’ (negatively impact property values, additional liabilities, etc.)
- Create online resources including an integrated “secondary suite affordable housing calculator” on a dedicated website with other key information to assist people in estimating the full costs/benefits of creating secondary suites as an investment

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Environmental scan of existing materials	Q4 2022 start.	# of units developed from new sources, program applications received	Med	Communication And Design (external partner of Homebuilders Association)
Develop working group with private sector partners	Materials designed Q1 2023 (separate strategy)	-Survey to Second Dwelling Unit developers		Lead – Housing Services
Create communications plan and distribution/ promotion plan for Second Units	Implement campaign Q2 2023			Housing with support from MLE, Fire, and Building

4. Develop a Step-by-Step Guide for Creating Second Dwelling Units

Target Audience:

People who are in the process of building a Second Dwelling Unit and need help navigating the process.

The Goals of this strategy are to:

- Create a ‘How-to-Guide’ information package for homeowners to assist them in creating legal, affordable, quality Second Dwelling Units.
- Develop a step-by-step guide to walk them through the planning and building application processes

Action Plan				
KEY ACTIONS & NEXT STEPS	TIMELINE	MEASURES / TARGETS	EST. COSTS	KEY RESOURCES
Map the entire permitting and building process	Q3 2022 first draft of 2022	# of downloads from web	Med Design	Lead: Planning /Building with support from Housing Services
Creating easy to use guide for prospective landlords	Printing Q4 2022	# of people served	Printing costs	



5. Partner with Outside Stakeholders to Prepare Communications Materials and Deliver Messaging in Support of Broader Advocacy Measures

The success of communicating the benefits and opportunities to expand housing options in Hamilton requires commitment from private sector stakeholders.

Target Audience:

- The committed partners of this implementation plan are the Social Planning & Research Council, Realtors Association of Hamilton-Burlington, Hamilton District Apartment Association and Homebuilders Association of Hamilton.
- The audience includes the memberships of the partners involved. This includes local realtors, local landlords, developers, contractors as well as local housing and poverty reduction advocates.

The Goal:

- Housing Services will work with key external stakeholders to create an advocacy program and communications materials to inform the broader community about the benefits of Second Dwelling Units.

Action Plan				
Key Actions & Next Steps	Timeline	Measures / Targets	Est. Costs	Key resources
Draft tool box of communication materials	Q3 – 2022	# of events held	Low	Lead – Housing Services (implementation of materials done by external partners)
Sign contracts with 3rd party organizations to deliver content	Q4 2022	# ppl in attendance		
Create recurring 6 month action plan(s) for promotion activities	Q4 2022			Leverage existing staff capacity to promote within private sector partners (eg. Hamilton and District Apartment Association, homebuilders)

4.3 PARTNERSHIPS WITH KEY STAKEHOLDERS AND SENIOR LEVELS OF GOVERNMENT

Successful implementation of this **Strategic Plan to Create Additional Affordable Housing Supply in the Secondary Rental Market** requires the support of partners and the engagement of stakeholders.

Partners in this plan are groups that will play an active role in financially supporting this plan, changing legislation to implement the plan, or will be actively engaged in promotion and education around Second Dwelling Units and the programs that make up this strategy.

Stakeholders will be the groups and individuals that participate in the initiatives outlined in the strategic plan to create Second Dwelling Units and will be the target audience of future engagement around this strategic plan.

There are series of actions and initiatives outside the scope of this Strategic Plan, which would work towards creating additional affordable housing supply in the secondary rental market. Some of these initiatives include but are not limited to:

Government of Canada and Federal Agencies

- Working with the Canadian Mortgage Housing Corporation (CMHC) to develop new and/or access existing mortgage financing products to assist specifically for Second Dwelling Units
- Working with the CMHC to access additional Hamilton-specific data and information related to Second Dwelling Units

Government of Ontario and Provincial/Municipal Agencies

- Supporting ongoing flexibility and use of provincial funding sources, such as the Ontario Priorities Housing Initiative (OPHI)
- Working with the Municipal Property Assessment Corporation (MPAC) to develop a new class of property unique to properties with legal Second Dwelling Units. Work to develop advantages for these properties.
- Working with MPAC to access additional Hamilton-specific data and information related to properties with Second Dwelling Units
- Working with the Ministry of Municipal Affairs and Housing to continue to reform the Building Code Act to support the development of Second Dwelling Units
- Working with City of Hamilton Departments and Not for Profit Organizations
- Continuing to leverage internal resources within the Housing Services Division and other Departments to support the development of Second Dwelling Units (tenant and landlord supports)
- Working with local Non-Profit housing developers such as Habitat for Humanity to participate in creating affordable Second Dwelling Units

Private Sector Organizations

- Real estate agents, mortgage brokers, insurance professionals, real estate lawyers, other building industry representatives (home inspectors) are some of the groups that could be involved in broader education initiatives and promotion of Second Dwelling Units. Providing these stakeholders with the information on the processes adopted by the City regarding: Second Dwelling Units as well as arming them with consistent messaging about the benefits of legal Second Dwelling Units will assist in creating more legal, safe, quality Second Dwelling Units.
- Develop relationships with Short Term Rental Platforms such as Airbnb to share local data and information.



4.4 CONCLUSION

The goal of this strategic plan is to present a set of actionable initiatives to create affordable housing supply in the secondary rental market. To achieve this goal, initiatives are jointly focused on:

1. Maintaining the supply and improving the quality of existing affordable second units in Hamilton;
2. Creating new affordable rental units in the secondary rental market;
3. Educating and increasing the knowledge of key stakeholders about the important role Second Dwelling Units and the secondary rental market plays as part of Hamilton’s long-term approach to making housing more affordable.

After 3 years, the goal is to have created several affordable Second Dwelling Units and to have laid the foundation for creating hundreds more. Executing this plan has positive spillover benefits in terms of creating economic opportunities for families and creating healthy and sustainable communities. Lastly, successfully moving forward on this plan is part of the puzzle of meeting the City’s targets under its 10-year Housing and Homelessness Action Plan.



CONTACT INFORMATION

Questions regarding this report should be directed to:

James O’Brien | Senior Project Manager, Housing & Homelessness Action Plan
Housing Services Division, Healthy and Safe Communities
Department, City of Hamilton

Telephone: (905) 546-2424 ext.3728

Email: James.OBrien@hamilton.ca

Online | www.hamilton.ca/housingactionplan

and/or

Kamba Ankunda: | Senior Project Manager, Special Projects
Housing Services Division, Healthy and Safe Communities
Department, City of Hamilton

Telephone: (905) 546-2424 ext.4557

Email: Kamba.Ankunda@hamilton.ca

Online | www.hamilton.ca/housingactionplan



Hamilton

City of Hamilton's
STRATEGIC PLAN
To Create
Affordable
Housing Supply
in the Secondary Rental Market

November 2021