

Ministry of Housing

Ministry of Municipal Affairs

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M5G 2E5
Tel.: 416 585-7000
Fax: 416 585-6470

Ministère du Logement

Ministère des
Affaires municipales

Bureau du ministre

777, rue Bay, 17^e étage
Toronto ON M5G 2E5
Tél. : 416 585-7000
Téléc. : 416 585-6470



Let me thank you and your council for the work you do every day on behalf of the citizens of Ontario. It can't be said enough that a strong partnership between your government and my Ministry is critical to addressing the affordable housing challenges we collectively face.

As you'll know, the province recently released an update to the Long-Term Affordable Housing Strategy (LTAHS) 2016 (the "Update"). The Update continues the transformation of Ontario's housing system which we began with the 2010 LTAHS. On September 14, 2016, we re-introduced the Promoting Affordable Housing Act, 2016 (Bill 7). If passed, Bill 7 would help ensure that the people of Ontario have better access to affordable and adequate housing. This includes an even stronger emphasis on the role that private sector housing can play in providing a mix and range of affordable housing choices for Ontarians.

More specifically, second units are an important tool in contributing to the supply of private sector affordable housing choices. They are widely recognized as one of the most affordable forms of rental housing. Second units help optimize the use of the existing housing stock and infrastructure, all the while providing an income stream for homeowners, particularly younger and older homeowners, who may respectively have a greater need for income to help finance and/or remain in their homes.

In support of second units, I am pleased to announce that Bill 7 proposes to amend the *Development Charges Act*, 1997 which, if passed, gives authority to amend the regulations and exempt second units in new homes from development charges. This should help spur the design of houses to accommodate second units at the outset, which is a more effective approach compared to retrofitting. In this way, we can plan ahead for houses to be used in a flexible way over time, depending on the life cycle stage of homeowners and whether they seek or need the income a second unit can provide.

Concurrently, we are proposing to publicly consult on potential changes to the Building Code (by way of an amendment to Regulation 332-12) to improve the affordability of second units in newly constructed houses while still meeting safety standards of both the Building Code and Fire Code. The proposed new requirements for construction of newly built houses with second units would allow for greater flexibility and decrease the construction costs.

You may recall that we began a renewed emphasis on second units as part of the 2010 LTAHS which saw us make amendments to the *Planning Act* to require municipalities to

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amend their official plans and zoning by-laws to authorize second units in single-detached, semi-detached and row dwellings, as well as in accessory structures (e.g. laneway garages). These provisions came into effect on January 1, 2012. The Act was also amended to give the Minister regulation making authority - to both directly permit second units and/or to prescribe standards for them (e.g. parking).

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I am aware that an increasing number of municipalities have taken, or are engaged in taking, steps to amend their official plans and zoning by-laws to reflect these provisions. I appreciate those efforts. However, in some instances, analysis reveals that certain official plan policies and/or zoning provisions do not reflect the permissive spirit and intent of these legislative changes. It is noted that Bill 7 proposes to provide the minister with appeal rights related to municipal adoption of second unit official plan policies and zoning by-laws.

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However, the majority of municipalities have not updated their official plans and zoning by-laws to reflect the second unit requirements of the *Planning Act* - even though we are well into the fourth year since this requirement came into effect. As such, and based on all of the above, I have instructed staff to engage in a five part plan as follows:

1. Engage in outreach to apprise municipalities of the proposed changes to the Building Code and *Development Charges Act* as a means of supporting the planning and establishment of second units.
2. Our Municipal Services Offices will approach those municipalities that have adopted official plans and/or zoning by-laws post 2012 to:
 - a. Discuss policies, by-laws, or standards that appear to be overly restrictive and not in keeping with the permissive spirit and intent of the legislation; and
 - b. Request these municipalities to review the policies or standards considered restrictive at the next opportunity (i.e., during an official plan review or zoning by-law update) to reflect the purpose and intent of the *Planning Act* provisions on second units.
3. Our Municipal Services Offices will also approach all of those municipalities that have yet to adopt changes to their official plans and/or zoning by-laws to reflect the *Planning Act* requirements, to seek an understanding of when the changes will be made and to provide guidance as needed. I have instructed them to seek commitments to complete this work by March 31, 2017.
4. Propose a regulation under the *Planning Act* setting out standards and/or limitations on official plan policies and/or zoning standards which would take precedence over existing policies/standards which are deemed to be not in keeping with the permissive spirit and intent of the legislation as follows:
 - o Only a maximum of up to one parking spot per second unit could be required and tandem parking would be permitted;
 - o Second units could not be subject to any provision which requires the primary or second unit be occupied by any person (eg. a by-law could not require the primary unit to be inhabited by the owner in order for a second unit to be permitted); and
 - o Second units would be permitted in primary dwellings and accessory buildings regardless of date of construction of the primary or the second unit.

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5. Publish an information backgrounder setting out best practices on second units, along with promoting guidance material and web content developed by the Landlord Self Help Centre.

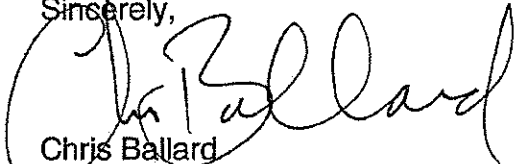
While some of the above steps may seem strong, these province-wide legislative requirements for second units have been in place for some time. Since their enactment, the need for affordable housing choices for all Ontarians has increased.

The benefits of second units are widely recognized and they form a substantial and increasing part of the province's affordable housing supply. Since becoming Minister in June, I have crossed the province listening to municipal leaders, housing experts and advocates. In the formal and informal discussions, the need for secondary suites to be part of a healthy municipal housing "mix" became more obvious. I have instructed ministry staff to provide as much information and advice as possible to assist municipalities in moving forward with this important work.

I look forward to all municipalities in Ontario embracing a permissive second unit policy and zoning framework to help house their residents.

Thank you in advance for your help as we work together in partnership to achieve our shared goal of creating more affordable housing in our communities.

Sincerely,



Chris Ballard
Minister