


Document 3 - Development Charges By-law Background Study



City of Ottawa

Development Charge

Background Study

Amendment to the definitions for “*coach house*” and addition of a new category and rate

Introduction

The purpose of this document is to satisfy the requirements of the *Development Charges Act* (1997). The legislation requires the preparation of a background study to support an amendment to the City of Ottawa Development Charges By-law (2004-2981).

This background report provides the rationale to support a change to the definitions section of the By-law and an addition of a new category. The proposed change will define a new unit type known as **coach house**. Based on the service requirements, occupancy characteristics and affordability direction from the province, a coach house is to require a lower level of service from that of other dwelling types.

The report provides a background of the provincial direction, a description and definition of the unit type and a rationale for the type of appropriate development charge for a coach house.

The public consultation carried out in preparation of this report consisted of meetings with City Staff and representatives of the Greater Ottawa Homebuilders Association. Consultation with the general public will be undertaken through the mandatory meeting to be held by the Corporate Services and Economic Development Committee.

Background

The City of Ottawa Development Charges By-law was adopted under the *Development Charges Act* (1997) as a means to recover the service related costs for new growth.

The province made changes to the *Strong Communities Through Affordable Housing Act* (2001) requiring municipalities to authorize **second units** in detached, semi-detached and row houses, as well as in ancillary structures. The *Strong Communities Through Affordable Housing Act* is the provinces foundation for long-term commitment to affordable housing and requires a wide range of actions to improve the affordable housing system. The *Act* resulted in changes to the *Planning Act* to enhance **second unit** provisions, whereas requiring municipality to allow for attached and detached second units as an appropriate form of affordable housing.

The City of Ottawa currently permits **second units**, termed **secondary dwelling units**, within certain types of primary residential buildings in all residential zones. However our policy structure and current Zoning By-law provisions do not allow for **second units** in accessory structures as-of-right, for example in detached garages. The City of Ottawa

has termed these new detached residential units ***coach houses***, depicting small ancillary residential units detached from a primary residential building.

Description of Unit Type

Coach House

The ***coach house*** is a small ancillary residential unit which is detached from the primary residential building. A coach house contains one dwelling unit and must be located on the same lot as the primary residential use building.

The design of a coach house allows for discrete infill housing opportunities within established neighbourhoods. These units can range in size from the minimum permitted size afforded under the Ontario Building Code up to a proposed maximum permitted footprint of 95 square metres of living space. Outdoor amenity space is proposed to be shared with the primary residential use building and servicing must be obtained from the primary home.

Recommendation

To account for coach houses within the Development Charges By-law, the term is proposed to be added to Section 1 - Definitions:

Coach House: Means a separate dwelling unit detached from a principal dwelling unit located either in its own building or within an existing accessory building and on the same lot as the principal dwelling.

Further the following text is proposed to be added to Section 7 – Exemptions:

Item (u) – Coach houses excluding the public transit portion of a development charge.

Rationale

A coach house is meant to be an affordable housing unit. The direction from the province is to create opportunities for the affordable housing system to capitalize on. Charging a full development charge for a coach house would not support this initiative or goal. The City is therefore proposing to exempt coach houses from a development charge with the exception of the public transit component. The public transit component is nominal thus working with the affordability nature of these housing units. Further by charging the public transit component for coach houses assists the City to further strengthen its funding for Light Rail Transit (LRT). It is anticipated that the majority of

coach houses will be built within close proximity to LRT thus justifying the application of the transit fee amount. Further, coach houses are seen as affordable housing units where tenants are less likely to own private vehicles, thus relying on public transit.

Coach houses are also proposed to be small in nature where the persons per unit are lower than an average single family dwelling. A coach house also does not require the same level of service as a single family dwelling. Coach houses will be required to obtain City water and sewer services from the existing connections provided to the main home, therefore not allowing any new laterals from City infrastructure. Further, these units are to be built in established neighbourhoods where recreational infrastructure and support services already exist. Road systems will see little impact as these units do not require parking and it is anticipated tenants are less likely to own a vehicle.

Conclusion

Coach houses are a proposed new form of residential housing which is mandated by the province, through the Strong Communities Through Affordable Housing Act. The intent is that these new units are to be an affordable housing option. These units will materialize on existing lots with an established primary residential use building. The coach house will be required to connect both water and sewer from the primary home, therefore reducing the impact on municipal infrastructure. They will be integrated within established residential neighbourhoods where support-services already exist. Coach houses are therefore an appropriate form of housing warranting an exemption from a full development charge rate, under the Development Charges Act. This background study suggests applying only the transit charge to coach houses, in an effort to support the ongoing commitment to Light Rail Transit and to recognize that the tenants of these units are more likely to utilize public transit.