

REQUEST FOR DECISION**Subject: Accessory Dwelling Unit Incentive Program**

Presented to:
Governance and Finance Committee

Date: October 23, 2023

Item #: 7.2

Submitted by: Kathleen Gallagher,
Development Planner

ADMINISTRATIVE RECOMMENDATION

That the Governance and Finance Committee direct Administration to:

1. Return to a future meeting of Council, through the Governance and Finance Committee, with draft Land Use Bylaw amendments that incentivize development of accessory dwelling units;
2. Return as part of the 2024 Service Review Process with a new service level request for a financial incentives program for accessory dwelling units, including:
 - An incentive program for new accessory dwelling units;
 - An incentive program for existing unapproved accessory dwelling units; and
 - Financial support for condominium bylaw amendments.
3. Return as part of the 2024 Service Review Process with a new service level request to amend existing service levels for accessory dwelling unit applications, including:
 - Enhanced assistance with applications; and
 - Promotional efforts.

BACKGROUND**Reason for Report**

This Report is being brought forward to address specific areas of direction:

1. Specific response to Governance and Finance Committee motion FIN23-101:
FIN23-101 That with respect to Item 6.1, Request for Direction: Required Housing and Housing Policy C012, the following be approved: That Governance and Finance Committee direct Administration to return to a future meeting of the Governance and Finance Committee with a report, and potential Text for Discussion Document for an amending Bylaw to the Land Use Bylaw, addressing the impacts of making accessory dwellings a permitted use.
2. Action one of the five initiatives outlined in the Housing Accelerator Fund Action Plan that was approved by Council at the June 26, 2023, meeting - Develop an Accessory Dwelling Unit (ADU) Incentive Program
3. Implement actions from the Community Housing Strategy including:
 - *Develop handouts from content for plain-english handouts for each residential land use district, showing potential home buyers what can be built there, and distribute to realtors*
 - *Draft and present for Council approval bylaw amendments that would incentivize these types of development*

- *Investigate the feasibility of adding flex-style apartment characteristics into the design guidelines*

Administration is looking to receive direction from the Governance and Finance Committee on accessory dwellings which have an important role to play in addressing Banff's housing shortfall and assisting with both rental and ownership affordability.

Summary of Issue

Accessory dwellings have been an important element of Banff's housing fabric for over a century. In the early 20th century, back yard tent cabins served both seasonal residents and visitors. "Rooming Houses" provided accommodation in basements and other under-utilized spaces within larger homes. Over time, accessory dwellings have become a ubiquitous housing form in the community, providing housing stock and much-needed income for property owners.

In the current Town of Banff *Land Use Bylaw*, an accessory dwelling *means an accessory use of a building as a dwelling, which may have a separate exterior entrance. Accessory means customarily or normally incidental, subordinate, and primarily devoted to the principal use or building and located on the same lot or site.* Accessory dwellings are a smaller form of infill housing that can fit into the town context via relatively minor redevelopment (e.g. rebuilding a garage or redeveloping a basement). Accessory dwellings are a simple, efficient way to sprinkle increased distribute additional housing throughout the community, without the need for significant capital investment and years of planning and construction that comes with larger projects. Applicants for accessory dwellings face barriers such as costs, permit processes, obtaining contractors to draft plans and complete the work for smaller projects, approval requirements, and lack of information or knowledge about accessory dwelling units generally. In the section below, administration recommends tactics to address the challenges experienced.

ACCESSORY DWELLING TACTICS

The following tactics are recommended by Administration to incent the creation of accessory dwellings:

- a) Draft Land Use Bylaw amendments that incentivize the development of accessory dwelling units, for example amendments relating to:
 - Permitted vs. Discretionary Use;
 - Applicability by housing type;
 - Number of accessory dwellings relative to the primary dwelling
 - Size;
 - Floor Area Ratio bonus; and,
 - Regulations around accessory dwelling units in a separate building on site.
- b) Establish a financial incentives program for accessory dwelling units, including:
 - Incentive program for new and existing unapproved accessory dwelling units; and,
 - Financial support for condominium bylaw amendments.
- c) Engage in administrative facilitation to expedite the approval of accessory dwellings units, including:
 - Floor plan assistance; and
 - Promotional efforts.

The background, current practice, and recommended tactic for each of the above are outlined in more detail in the following pages.

Draft Land Use Bylaw amendments that incentivize development of accessory dwelling units



Requirements deemed necessary by the Town for the development of an accessory dwelling are set out in the *Land Use Bylaw*. Applications are reviewed for consistency with the *Land Use Bylaw* and if the application does not meet requirements, it must be brought into conformance. If the application cannot be brought into compliance, it is refused or a variance may be permitted, if in the opinion of the Development Approving Authority, the variance test can be met.

Administration would examine existing requirements to determine what can be changed or removed to incent the development of accessory dwelling units. Fewer requirements mean less details to confirm, fewer barriers and fewer opportunities for confusion and miscommunication. Items in the *Land Use Bylaw* that appear most relevant would be:

- Permitted vs. Discretionary Use
- Applicability by housing type
- Number of accessory dwellings relative to the primary dwelling
- Size
- Floor Area Ratio bonus
- Regulations around Accessory Dwelling Units in a separate building on site
- Parking (note: administration has received direction to decouple parking requirements for new housing development which would also apply to accessory dwellings)

Permitted vs. Discretionary Use

Background/Current practice

The Land Use Bylaw identifies permitted and discretionary uses for each Land Use District. Permitted uses are those considered appropriate for the district and discretionary uses are those that may be appropriate, however some discretion is applied in rendering a decision. Applications for a permitted use typically proceed faster and with more certainty than those for discretionary uses. Currently, the *Land Use Bylaw* identifies accessory dwellings as a discretionary use in all Land Use Districts for which they are listed as a use. For reference, “Discretionary Uses” are described as follows by Fred Laux in “Planning Law and Practice in Alberta”:

Unlike permitted uses, which were adjudged by council at the time of adopting the bylaw as being unquestionably appropriate for the district, the listed discretionary uses, while generally appropriate for the district, are those that are of such a nature that they may or may not be reasonably compatible with neighbouring uses, depending upon the circumstances (6-8 of F. A. Laux, Planning Law and Practice in Alberta, 4th ed).

Applications for discretionary uses are referred to Municipal Planning Commission (MPC) for a decision. MPC decisions involve a surcharge, longer and more rigid timeline for approval (arranged around monthly meetings for MPC), and an increase in administration's time for review and preparation of a report. Discretionary Uses also have a higher risk of appeal.

Recommended Tactic

- Accessory Dwellings are changed to a Permitted Use for all Land Use Districts where they are allowed. This would reduce financial and administrative barriers to accessory dwelling applications. This tactic is likely to result in more applications for this housing type, processed at a faster rate, with less risk. Similar decisions relating to housing types have been made in the past to create more units. In the 2012 *Land Use Bylaw* review, single detached homes were made discretionary, and duplex housing was changed to a Permitted Use in some land use districts.

Applicability by housing type

Background/Current practice

The *Land Use Bylaw* identifies the housing types with which an accessory dwelling may be associated. The rationale for this is it was thought that only certain housing types were appropriate to be associated with accessory dwellings. Restricting the provision of accessory dwellings to certain housing types also helps to set clear distinctions between housing types.

The *Land Use Bylaw* stipulates that *an accessory dwelling shall be permitted only where the principal use of the site is a single detached house or duplex* (section 8.10.5), with only one Land Use District exception, which is the RMS II(C): Middle Springs II(C) District, where they are permitted within row houses (section 12.21.3). Aside from the one exception, administration reviews applications for accessory dwellings to ensure that they are associated with a single detached house or duplex. This results in less housing being built, as those who own a dwelling or a series of dwellings that fall into the category of fourplex, row housing, stacked row housing, apartment building, or other use that is not a single detached house or duplex, may not create an accessory dwelling. For reference, single family and duplex homes combined comprise 25% of Banff's housing stock (2017 municipal census).

Recommended Tactic

- The *Land Use Bylaw* is changed to allow accessory dwelling to be associated with more housing types such as fourplexes, row housing, stacked row housing, and apartment buildings.

Number of Accessory Dwellings relative to the Primary Dwelling

Background/Current practice

The *Land Use Bylaw* does not identify a limit to the number of accessory dwellings per property. Nonetheless, administratively this has been approached as only one accessory dwelling permitted per primary dwelling. This approach is intended to implement the intent of the *Land Use Bylaw*, where an accessory dwelling means (emphasis added) *means an accessory use of a building as a dwelling, which may have a separate exterior entrance* and accessory means *customarily or normally incidental, subordinate, and primarily devoted to the principal use or building and located on the same lot or site*. Administration has interpreted and applied the "a" reference in the definition as limiting the number of accessory dwellings per primary

unit as “one”. From one perspective, limiting to one accessory dwelling per primary dwelling allows administration to better able to ensure that accessory dwellings are the subordinate use and the site is primarily devoted to the primary dwelling. Conversely, this limit may inhibit the potential for multiple accessory dwellings where the site may afford the opportunity for multiple accessory dwellings. An example might be an existing single family dwelling where both a basement suite and carriage house could be accommodated, while still maintaining the primary / accessory relationship.

Recommended Tactic

- The Land Use Bylaw is amended to allow the approval of multiple accessory dwellings per primary dwelling for some housing types. Up to two accessory dwellings may be permitted for single detached dwellings and duplexes and one accessory dwelling may be permitted per dwelling for all other dwelling types.

Size

Background/Current Practice

The *Land Use Bylaw* identifies minimum and maximum sizes for an accessory dwelling. The lower limit of the size was introduced to ensure a minimum perceived liveability of dwellings. The intention of the upper limit is to ensure that accessory dwellings are accessory to the principal use, and to prevent dwellings containing accessory dwellings from being confused with other housing types. The permitted size for accessory dwellings is outlined in sections 8.10.1, 8.10.2 and 8.10.3 of the *Land Use Bylaw*:

- An accessory dwelling associated with single detached housing shall not contain more than 84m² of gross floor area (s.8.10.1);
- An accessory dwelling associated with duplex housing shall not contain more than 65m² of gross floor area (s.8.10.2); and
- No accessory dwelling shall contain less than 28m² of gross floor area (s.8.10.3).

Administration reviews applications for accessory dwellings for consistency with the size requirements. In some cases, this results in less housing being built and sterilization of floor area for undesired uses (e.g. proposal of a very large mechanical room, which may be exempted from FAR). An example of this is an instance where two accessory dwellings were proposed to be within a duplex and each accessory dwelling was proposed as greater than 65m². The applicant was advised that they would have to amend the application so that the accessory dwellings were 65m² or less. This meant the accessory dwellings were changed to one-bedroom units instead of the original proposal of two-bedroom units. This resulted in the loss of a bedroom for each accessory dwelling within the duplex, a total loss of two bedrooms for the site.

Recommended Tactic

- The size requirements for accessory dwellings are amended to be more permissive. Instead of prescribing an exact lower and upper size limit for an accessory dwelling, the requirement for approval could be that the dwelling is, in the opinion of the Development Approving Authority, considered accessory. In the *Land Use Bylaw*, accessory means *customarily or normally incidental, subordinate, and primarily devoted to the principal use of building and located on the same lot or site*.

Other options for limits that in administration's opinion would be less effective, would be including only an upper limit on the number of bedrooms, or amending the existing size limits.

Floor Area Ratio Bonus

Background/Current Practice

The *Land Use Bylaw* identifies the amount of floor area that is permitted to be built on site for each Land Use District, in Section 12. This is expressed through the allowed floor area ratio. The floor area ratio multiplied by the area of the site gives the total amount of floor area that can be built on site. Section 8.10.7 identifies an increase to the floor area ratio that is permitted on a site in the event that an accessory dwelling is approved in that *Land Use District*, which can be thought of as the “floor area ratio bonus”. This was introduced to incentivize the construction of accessory dwellings and acknowledge that additional floor area may be required to construct an additional dwelling, beyond what is permitted for the main housing type with which it is associated. In most cases this is an additional 0.1 added to floor area ratio that normally applies, while some districts allow 0.2, 0.3, or 0.4 additional floor area ratio. Currently the *Land Use Bylaw* does not specify that the additional floor area has to be used for the accessory dwelling unit, so it is applied to the site as a whole if there will be an accessory dwelling.

Recommended Tactics

- Amend Section 8.10.7 to increase the amount of floor area bonus associated with building an accessory dwelling in land use districts where they are allowed.
- Allocate the floor area ratio bonus specifically for accessory dwelling units.

Regulations around accessory dwelling units in a separate building on a site

Background/Current Practice

In section 8.9.0, the *Land Use Bylaw* identifies regulations for an accessory dwelling if it is within a building that is separate from the principal use (buildings that are separate from the principal use are referred to in the *Land Use Bylaw* as an “accessory development”). The intent of these regulations was to ensure development is suitable for the neighbourhood, does not negatively affect other properties, protects future on-site parking opportunities, and allows for appropriate greenspace and stormwater management. The regulations around accessory dwelling units in a separate building include:

- *The accessory development shall not exceed 5.0 m in height except where provided for in a specific district;*
- *The combined site coverage of all accessory developments shall not exceed 18%, where an accessory development contains an accessory dwelling;*
- *The accessory development shall not encroach into the area of a required front yard or a required 3.0 m side yard;*
- *The accessory development shall have a minimum setback of 1.0 m from the side or rear lot line if over 2.4 m in height (unless part of a detached garage where the doors face a lane, in which case it must be 2.0 m from the rear lot line); and*
- Further requirements for an accessory development on a corner site.

Recommended Tactic

- Section 8.9.0 is amended to reduce the regulations around accessory dwelling units located in an accessory development. The regulations are re-considered to determine which are strictly necessary and which could be removed or replaced. Administration would bring forward *Land Use Bylaw* Amendments to make regulations less restrictive and ensure it is easier to develop accessory dwelling units.

Parking

Background

On September 25, 2023, administration received direction to draft *Land Use Bylaw* amendments that decouple parking requirements from new housing development to provide an incentive that encourages the development of new housing, and greater housing density, on the limited land base in Banff. Administration would have recommended decoupling parking in the case of accessory dwellings as well, however this direction has now been received for all housing types.

Recommended Tactic

- Administration is continuing with the direction received on September 25, 2023, regarding decoupling parking requirements from housing. Parking is the most significant impediment to building housing in Banff and decoupling parking from housing is the impactful change that will incentivize the construction of housing.

Establish a financial incentive program for accessory dwelling units



A financial incentive program for accessory dwelling units is expected to encourage accessory dwellings to be created and invite existing, unauthorized accessory dwellings to become legal. Administration has drafted two potential financial tools, one as a financial incentive for the construction of an accessory dwelling and one to assist condominium corporations in amending their bylaws to allow for accessory dwellings.

Incentive program for accessory dwelling units

Background/Current Practice

To put a potential incentive program in perspective, it's important to understand the complexity of constructing a legal, building code compliant suite in an existing home. Administration's perspective is that the process and costs typically follow a fairly standard sequence:

- a) **Decide to build a suite;** The impetus to build a suite typically comes from a major life change such as:
 - Purchase of a / the home; Purchasing in Banff is a significant financial step and having income from a rental suite can be very attractive or even necessary;

- Family changes; Events like teenage children leaving the home, or need for continuing care of an elderly family member can trigger the need to add a suite to a home;
- A business needing to provide housing to staff;
- Economic drivers such as change in interest rates, change in one's vocation or hours of work, cost of living increases; or,
- Desire to help the community through the provision of additional housing.

Cost = \$0

Time = 1 month

- b) **Consider design options and scale;** The next step is to determine what space is available on-site and whether you can work within the existing building envelope, need to add to the existing building, or construct an entirely new building. Working within the existing building is typically the most cost effective, and for those choosing to proceed outside of the municipal regulatory process, offers a more discrete construction path.

Cost = \$0

Time = 1 month

- c) **Approach the Town;** Discussions with the Town as regulator is the typical next step and starts with some simple Q + A such as:

- *TOB Question: What kind of a house do you live in?* If the answer is anything except Single Family or Duplex then currently you are informed that you can't have an Accessory Dwelling.
- *TOB Question: Do you have space on your site for a new parking stall?* If the answer is no, then you can't have an Accessory Dwelling (Decoupling of required parking from housing negates this concern).
- *TOB Question: Is your suite over 84 sq m or under 28 sq m?* If the answer is yes to either, you can't have an Accessory Dwelling as the *Land Use Bylaw* has lower and upper limits on floor area associated with an Accessory Dwelling. Note the maximum area is only 64 sq m for an Accessory Dwelling in a Duplex.
- *TOB Question: Do you have or are you able to provide a separate heating and air source for the new unit?* Providing a stand-alone heating source and a separate air handling system is a requirement of the Alberta Building Code for Accessory Dwellings.
- *TOB Question: Are the windows in the proposed suite building code compliant for egress?* The Alberta Building Code has requirements for opening size of a window in a bedroom. If the Accessory Dwelling is in an existing basement, construction of a "window well" might be required.

Cost = \$0

Time = 1 month

- d) **Develop plans;** If the responses from the municipality enable a path forward, the next step is to develop a set of plans for development. Depending on the complexity of the proposal, these could be self-prepared, or professionally prepared. Plans for an Accessory Dwelling

within an existing basement could be quite simple, whereas plans for a standalone building could require engineering assistance, surveys, and / or civil engineering drawings.

Cost = \$2,000 - \$10,000

Time = 1-2 months

- e) **Go through a municipal approval process;** The municipal Development Permit process involves submitting an application, review by administration and the Municipal Planning Commission (MPC) since all Accessory Dwellings are discretionary uses, approval by MPC, then assuming no appeal is received, paying remaining municipal fees.

Cost = Application Fee:	\$550
MPC Surcharge:	\$400
Waste Fee:	\$950
Civic Addressing Fee:	\$125
Security Bond 1:	125% of soft landscape (trees; groundcover) costs approx. \$2,000 - \$15,000. Refundable upon completion.
Security Bond 2:	125% of hard landscape (asphalt; concrete) costs approx. \$2,000 - \$15,000. Refundable upon completion.
Building Permit Fee:	\$11.50 per \$1,000 of construction value approx. \$600 - \$1000

Cost = \$2,625 - \$3,025 with \$4,000 - \$30,000 of refundable costs

Time = 3-5 months

- f) **Construct the dwelling;** While not a municipal process, the construction process is the most lengthy and costly step. At approximate costs of \$200 - \$500 per square foot (varies based on retrofit of existing floor area vs construction of new) this could be anywhere from \$60,000 (retrofit of existing basement) to \$300,000 (construction of a stand-alone new building on the property). These estimates assume a project is entirely conducted by contractors.

Cost = \$60,000 - \$300,000

Time = 3-12 months

Total cost then for a project might be between \$65,000 to \$315,000 with \$4,000 to \$30,000 of refundable costs and a timespan of 10 months to 22 months. Discussions with local experts have indicated the value added to a home in Banff from developing a 1-bedroom suite is anywhere from \$100,000 to \$300,000.

Recommended Tactic

In terms of an incentive program, Administration is recommending a tiered system, with one tier aimed at net new accessory dwellings and a second tier targeting previously constructed, unpermitted suites. The rationale for a tiered approach is that:

- The incentive program should be tied to existing construction costs, so a new build would be more reflective of that than an already built suite;

- It may be seen as more palatable to provide incentives to suites that have gone through the required development process as opposed to those who have not; and,
- Existing suites have already had access to capital through rent payments.

This tactic is aimed at providing funding for those looking to construct or legalize an accessory dwelling. An effective incentive has to be financially meaningful, easy to access and administer, and directed at investments that are directly related to the suite construction.

A suggested scope for an Accessory Dwelling incentive program is proposed as follows:

Net new Accessory Dwellings	Previously constructed, unpermitted Accessory Dwellings
Upset maximum incentive: \$30,000	Upset maximum incentive: \$10,000
Eligible costs:	Eligible costs:
- Life / safety items (Fire rating; Egress window; Alarm systems)	- Life / safety items (Fire rating; Egress window; Alarm systems)
- Site improvement costs (soft and hard landscaping; site servicing)	- Basic construction cost associated with life / safety items (e.g. installing a new window or door)
- Basic construction cost (plumbing; electrical; HVAC; framing)	
Ineligible costs:	
- Appliances	
- Furniture	
- Flooring	
- Window coverings	

The philosophy behind the eligible items covered is:

- Direct investments towards tenant safety;
- Address the significant costs associated with construction; and,
- Not providing funding for items which have a high range of discretion such as appliances.

An example of a program from another municipality is the Rapid Accessory Dwelling Unit Deployment Program in Collingwood, Ontario. There is a grant amount of \$5,628.62 and the incentive is limited to the first 20 eligible participants. This includes \$5,000 to help cover ADU start-up costs such as design, site preparation, materials, and construction labour, as well as \$628.62, which compensates for certificate and permit fees.

With respect to municipal fees, administration will be bringing forward an option in the report addressing Housing Policy Amendments Theme #5: Financial Tools, to offer Council the opportunity to revisit charging processing and other related fees for accessory dwellings.

Financial support for condominium bylaw amendments

Background/Current Practice

Typically, accessory dwellings are envisioned for housing types that do not have condominium corporations. Row housing, stacked row housing, and apartment housing are often owned by a condominium corporation and accessory dwelling units are currently not permitted in these housing types (with one exception, the RMS II(C): Middle Springs II(C) District). Condominium corporations often have bylaws that prohibit the construction and/or operation of an accessory dwelling.

Recommended Tactic

- Administration gives financial and administrative support to condominium corporations should they need to change their bylaws to allow accessory dwellings. Per advice from legal counsel, this could cost up to \$5,000, so administration is recommending \$5,000 in support which could include legal costs, land titles filing fees, etc.

Amend existing service levels for accessory dwelling unit applications



With this tactic, Administration would enhance existing service levels for accessory dwelling applications through the permitting approval processes as well as introduce promotional efforts to increase awareness of the benefits and possibilities associated with creating an accessory dwelling.

Enhanced Service for Accessory Dwellings

Background/Current Practice

Obtaining permits for an accessory dwelling can be lengthy and complicated for applicants. Simplifying and accelerating the permitting process is anticipated to encourage property owners and developers to build accessory dwelling units. As part of the Housing Policy Amendments report on Theme #4: Permitting, administration will be making recommendations that will improve the permitting process for all residential development applications, which will also benefit accessory dwelling unit applications. Further improvements to target accessory dwelling units could be pursued, since accessory dwellings are a simple, efficient way to introduce housing throughout the community, without many millions of dollars in investment and years of planning and construction that is needed for larger projects. As accessory dwelling units are often pursued by individual property owners inexperienced in construction and design, providing enhanced assistance to these owners is expected to improve outcomes.

Recommended Tactic

In addition to the recommendations in *Report #4: Expedited Permitting*, introduce the additional improvements targeting accessory dwellings:

- including a specific page on the Town of Banff website that clearly outlines accessory dwelling unit requirements and process using plain language;
- using Town of Banff resources to assist the applicant with creating an accessory dwelling unit application;

- creating templates and guides for meeting conditions of approval for accessory dwelling permits; and
- reducing or waiving conditions of approval that are deemed unnecessary.

Promotional efforts for Accessory Dwellings

Background/Current Practice

Administration typically reacts to housing applications as opposed to proactively soliciting or encouraging applications. As a result, residents may be uninformed about the opportunities available to them, the benefits of accessory dwellings, or the process for moving ahead with an accessory dwelling.

Recommended Tactic

- Create material that explains what accessory dwelling units are and the benefits they can provide. Develop a “How to Guide” on the process, fees, and regulations surrounding the development of accessory dwelling units. Also, include information and guidelines for becoming a landlord.

Innisfil, Ontario, and Canmore, Alberta, are examples of towns that have developed marketing material for accessory dwellings. Innisfil’s Planning Services team developed “Accessory Dwelling Units - A Homeowner’s Guide.” The guide’s purpose is to assist homeowners in understanding how to build safe, legal and functional accessory dwelling units. It also provides a summary of land use planning and building permit requirements. Examples of promotional material from Innisfil and Canmore are included in Attachment 1: Examples from promotional materials from other municipalities. The Town of Banff has drafted preliminary accessory dwelling concepts with the help of LOLA Architecture and they are included in this report as Attachment 2: Examples of potential floor plans for accessory dwellings in Banff.

RESPONSE OPTIONS

The Governance and Finance Committee may:

1. Direct Administration:

- To return to a future meeting of the Governance and Finance Committee with draft *Land Use Bylaw* amendments that incentivize development of accessory dwelling units.
- To return as part of the 2024 Service Review Process with a new service level request for a financial incentives program for establishing a financial incentives program for accessory dwelling units, including:
 - Incentive program for new accessory dwelling units;
 - Incentive program for existing unapproved accessory dwelling units; and,
 - Financial support for condominium bylaw amendments.
- To return as part of the 2024 Service Review Process with a new service level request to amend existing service levels for accessory dwelling unit applications, including:
 - Enhanced assistance with applications; and

- Promotional efforts.
2. Recommend amendments or additions to the proposed tactics listed above; or
 3. Direct Administration not to pursue any tactics that incentivize the creation of accessory dwelling units.

OTHER INFORMATION

Budget

In order to receive the funds from the Canadian Mortgage and Housing Corporation Housing Accelerator Fund, the Town must provide evidence of completing milestones that relate to the 5 key initiatives that were included in the submitted Housing Action Plan. Pursuing the tactics that incentivize the creation of new accessory dwelling units would meet one of the noted milestones. In addition to meeting milestones related to the initiatives, funding is also directly related to the number of new dwellings that have been approved because of changes within a 3-year period.

Specific budget allocations for Housing are embedded in a number of service areas (see “Internal Resources”). Should the Town receive word of a successful application to the Housing Accelerator Fund, administration will be returning with a report on the proposed allocation of grant funding towards existing service areas, capital projects, and / or new initiatives related to housing. At the June 26 2023 meeting of Council, up to \$100,000 was approved to be directed toward activities related to community consultation preparation, materials creation and housing policy development.

Administration recommends that the accessory dwelling tactics outlined in this Report should be implemented, regardless of whether the Housing Accelerator Fund application is successful. In the recommendations of this Report, it is identified that Administration will return at Service Review with a new service level request, should the tactics that require an increased level of service be approved. There are no budget implications for returning with amendments to the Land Use Bylaw.

Additional resources may be required from Administration to review an influx in accessory dwelling unit applications, should the tactics be approved. There are recommendations in Housing Policy Amendments *Report #4: Expedited Permitting* that are expected to address the increase in applications and if approved, those solutions would also help with accessory dwelling unit approvals.

Internal Resources

Housing as a service area is addressed in multiple departmental functions including Community Services, Planning and Environment, Engineering, and Corporate Services. The tactics identified in the recommendations would be predominantly administered through Planning and Environment.

Communication

As per the process chart found on page 2 of this report, a community consultation process would occur prior to consideration of Bylaw amendments. Additionally, any *Land Use Bylaw* amendments require a public hearing which is advertised in the Rocky Mountain Outlook as well as through www.banff.ca and social media. Communication of the tactics and how they benefit those looking to create an accessory dwelling is key to the success of this theme.

Banff Community Plan

Social

Housing goals:

- *To supply a mix of affordable housing options to ensure those working in Banff live in Banff.*
- *Ensure high standards for architecture, landscape architecture, environmental and urban design in residential development and redevelopment.*
- *Respect neighbourhood character that personifies and reinforces Banff's sense of place.*

Housing objectives:

- *Monitor and adjust the densities in residential areas to provide for a sufficient number of dwellings to satisfy the community need.*
- *Review guidelines for infill housing in high density residential neighborhoods.*
- *Continue to mandate the provision of required housing in all new commercial developments.*
- *Ensure new housing developments provide community amenities, public space and parks.*

Character and heritage goal:

- *Ensure all new development and redevelopment incorporates the highest quality architecture, landscape architecture, environmental and urban design that is complimentary to its location and surrounding context.*

Council Strategic Priorities

Better Banff For Residents – Addressing affordability and Livability in Banff

Banff is vibrant and connected community with a mandate as a service centre for Banff National Park visitors. As we continue to welcome the world, we will focus on enhancing quality of life for those who call Banff home.

- *Create the conditions that will provide a mix of affordable housing options to ensure those working in Banff can live in Banff.*
- *Stimulate accessibility and affordability initiatives for residents.*

Legislation/Policy

Banff National Park of Canada Management Plan (2022)

Key Strategy 9: Park Communities: Housing for eligible residents is a challenge in both communities. While it is not anticipated that all of the housing requirements will be addressed within the two communities, providing affordable housing for eligible residents—supported by sustainable land use and transportation planning—will continue to be a priority.

7. Management Areas – 7.1 Town of Banff: Over the next decade, areas of attention for the Town of Banff include: achieving housing for eligible residents whose needs are not currently being met through the market;

Objective 7.1.1 – Targets: To ensure the available space and character of residential land use districts is maximized for use as housing by eligible residents:

- *where commercial use (e.g. a bed and breakfast inn, eating and drinking establishment or service station) is the principal use of a site in a residential land use district, any increases in the gross floor area are prohibited, as is relocation, assignment or transfer of these commercial uses to another parcel not located in a commercial land use district;*

- *a maximum number of home occupation businesses that will be permitted (including bed and breakfast homes and bed and breakfast inns) in residential land use districts is established by the municipal government; and*
- *bed and breakfast inns that were not in operation and continuously licensed by Parks Canada for a period of not less than five consecutive years prior to January 2, 1990, are not permitted, nor are those that have had a cessation of 12 months or more in their operation and/or licensing.*

ATTACHMENTS

Attachment 1: Examples From Promotional Materials From Other Municipalities

Attachment 2: Examples of Potential Floor Plans for Accessory Dwellings in Banff

Circulation date: October 6, 2023

Submitted By: Kathleen Gallagher
Development Planner,
Planning & Environment

Reviewed By: Kelly Gibson
Town Manager

Examples From Promotional Materials From Other Municipalities



How can I build an attached Accessory Dwelling Unit?

Below are a few examples of different ways to build an attached Accessory Dwelling Unit:

Accessory Dwelling Unit created in basement of an existing or newly built dwelling

Accessory Dwelling Unit above an attached garage, in an existing space or addition

At grade Accessory Dwelling Unit created in an existing space or addition



Photo: adapted from the City of Kingston Guide to Developing a Second Residential Unit

 **Orange shading shows location of Accessory Dwelling Unit**

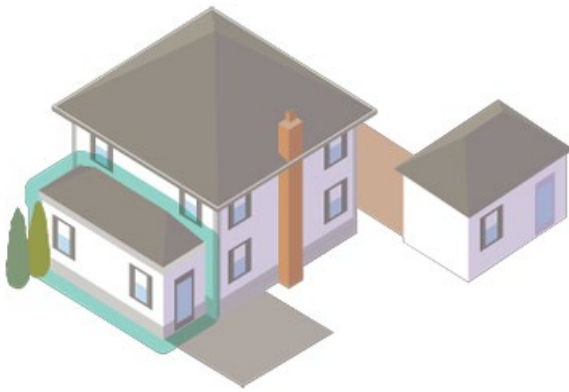
Example material from the Town of Innisfil, Ontario

Step One: Understand the Differences Between Attached & Detached ADUs

Accessory Dwelling Unit is a collective term used for various types of suites. To be considered a legal suite, it must have its own entrance, kitchen, sleeping, and bathroom facilities. ADUs can be attached or detached, as illustrated below.

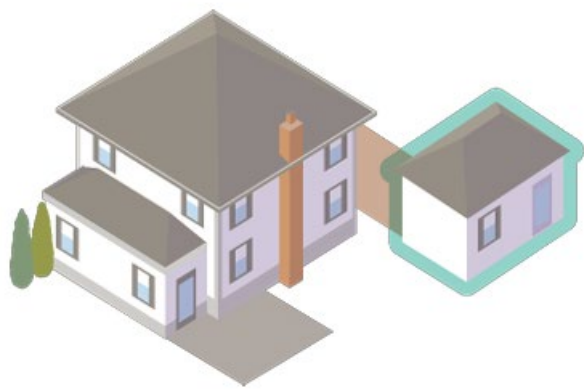
ATTACHED

Suite attached to or contained within a principal dwelling unit. (Example: Secondary suite within the basement of the principal dwelling unit.)



DETACHED

Suite in a building that is separate from the principal dwelling unit. (Example: Garage suite or garden suite.)



Example material from the Town of Canmore, Alberta

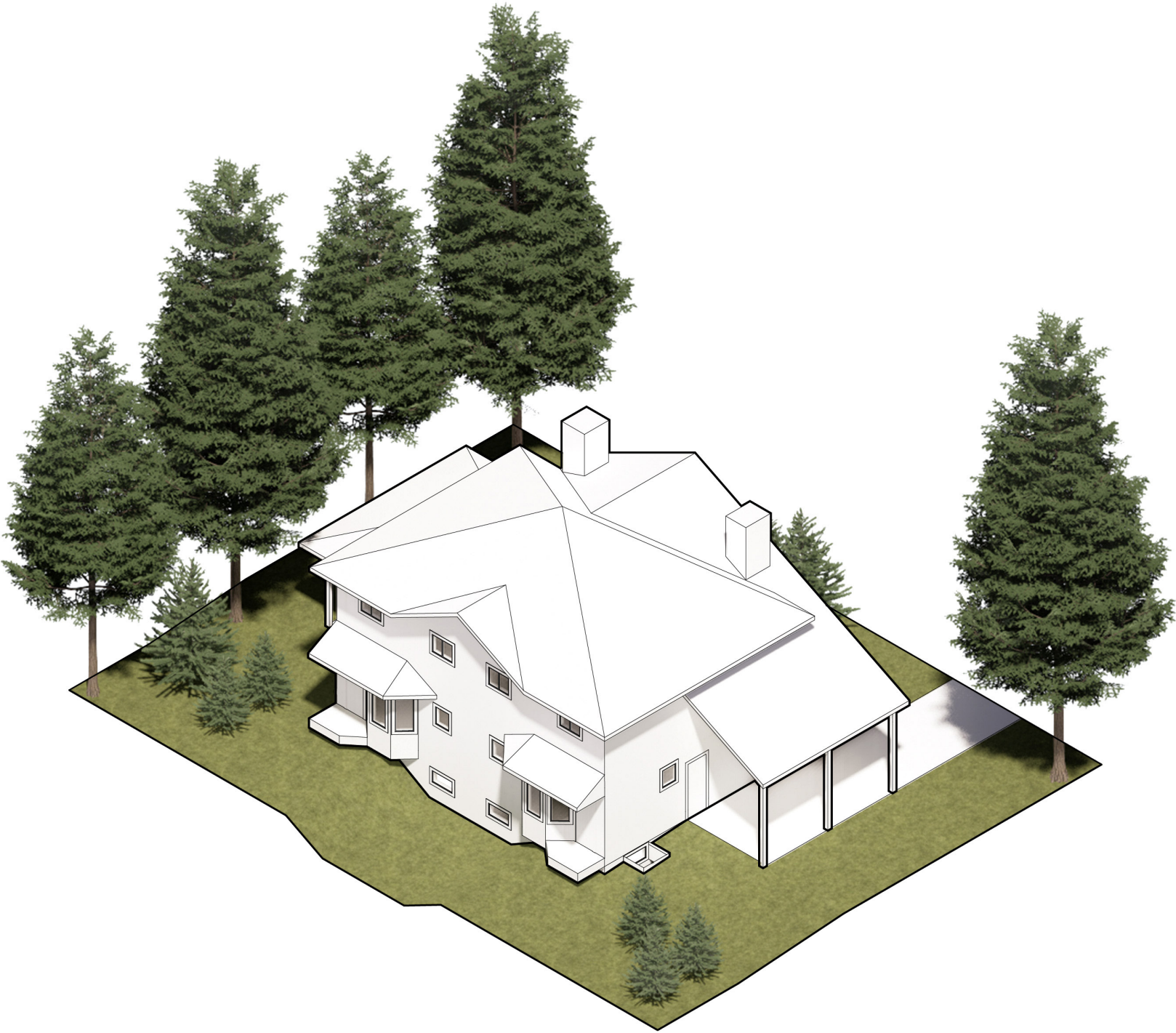
Attachment 2 - Examples of potential floor plans for accessory dwellings in Banff

SECONDARY SUITE CONCEPTS

TOWN OF BANFF
2023-10-13

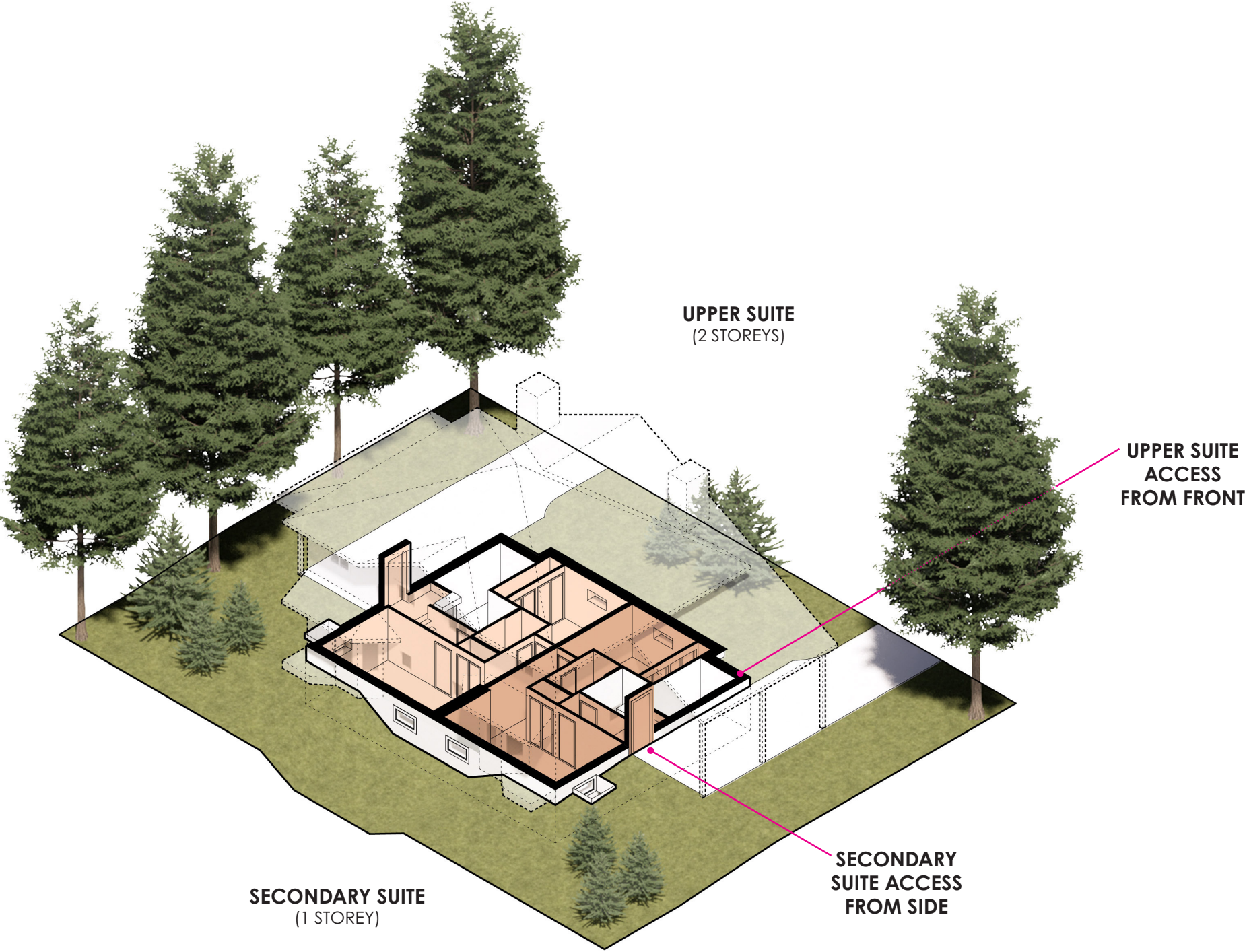
LOLA
Architecture

GLACIER DRIVE
• SEMI-DETACHED UNITS



GLACIER DRIVE - EXISTING

- GLACIER DRIVE**
- ADD SIDE ENTRANCE
 - ADD WINDOW IN BEDROOM
 - APPROX 400 SQUARE FEET



GLACIER DRIVE - POSSIBLE SUITE

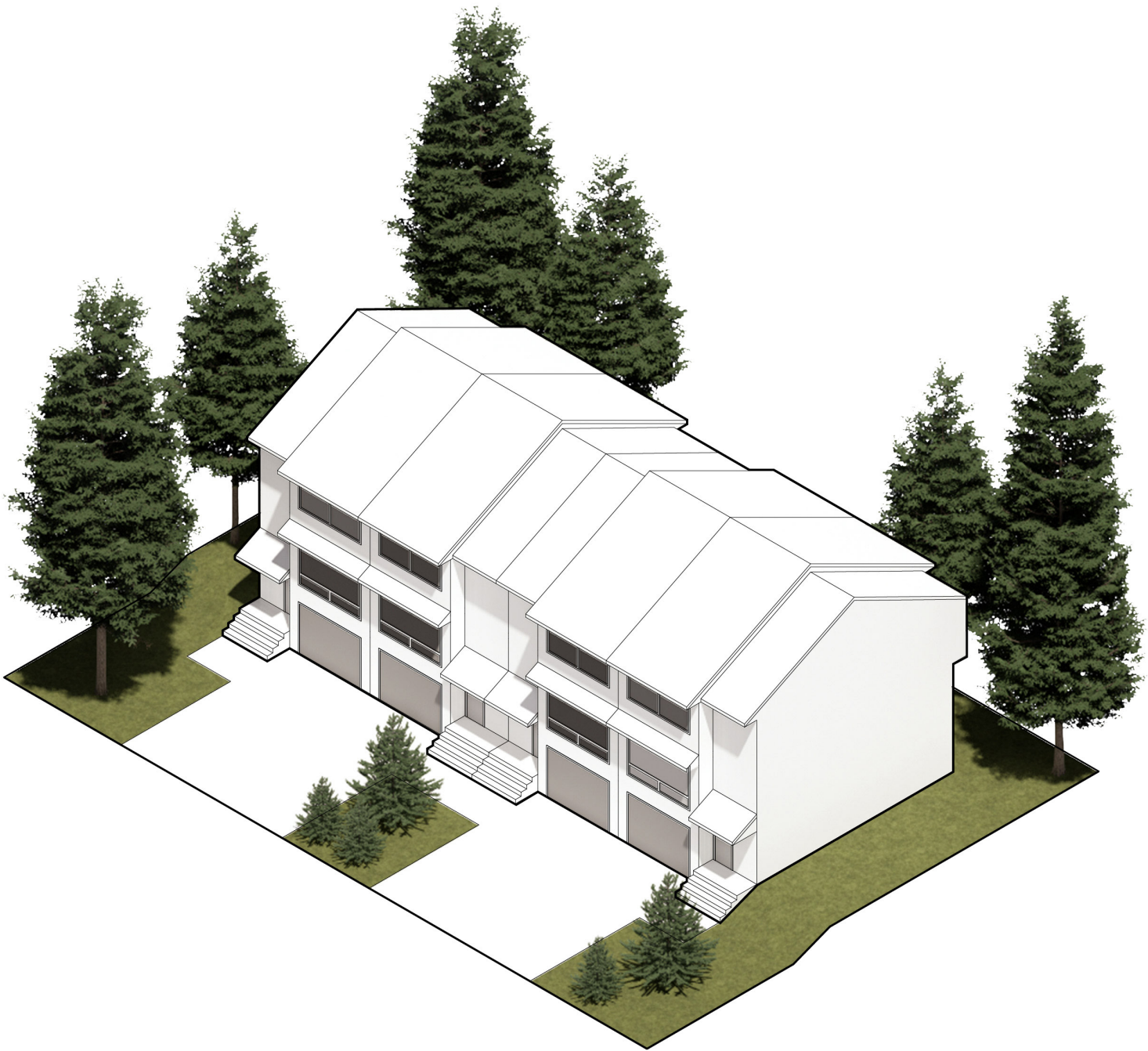
- GLACIER DRIVE**
- ADD SIDE ENTRANCE
 - ADD WINDOW IN BEDROOM
 - APPROX 400 SQUARE FEET



GLACIER DRIVE - POSSIBLE SUITE PLAN

VALLEY VIEW

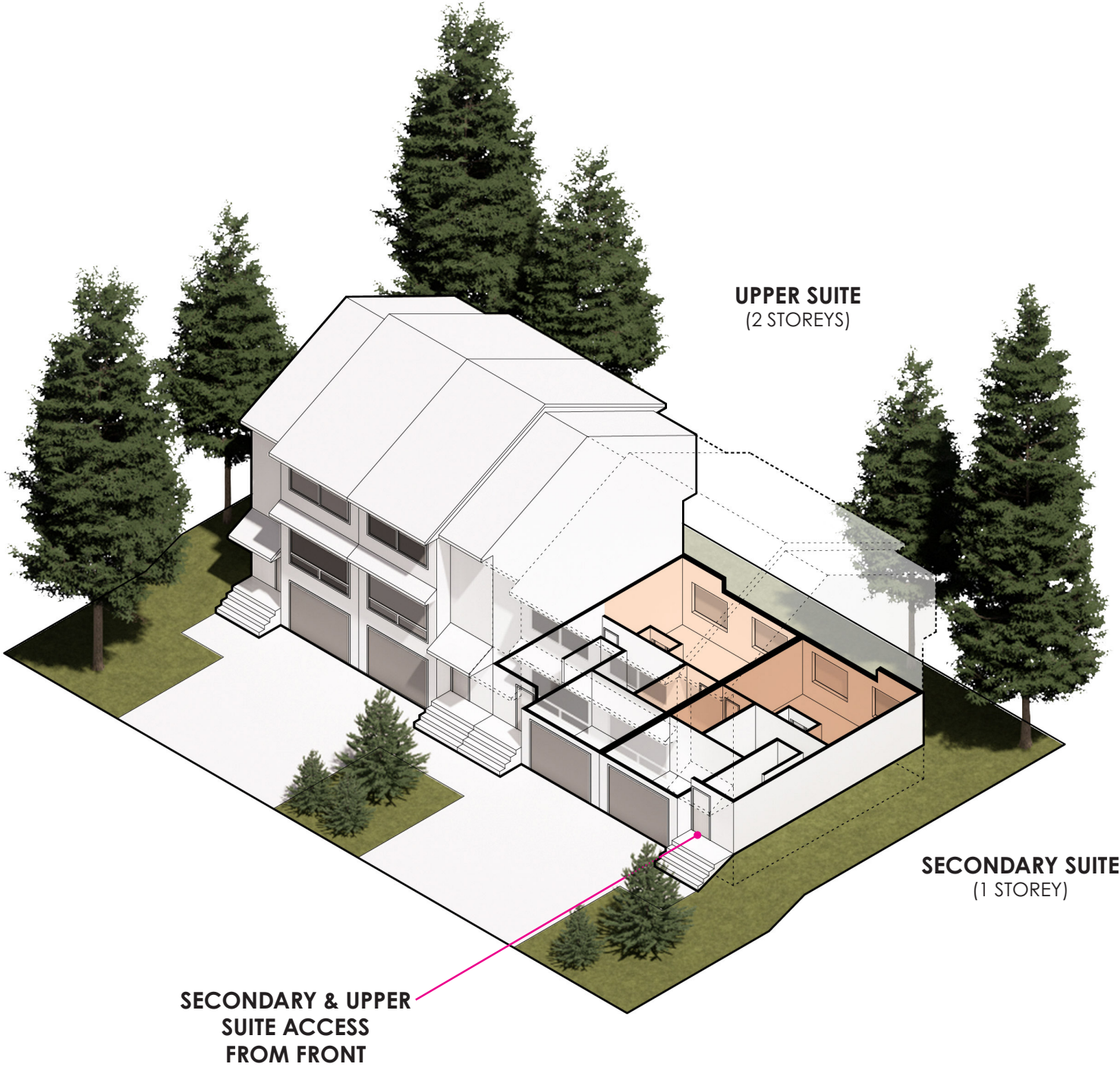
- ROW HOMES
- GROUPS OF FOUR
- SMALL BASEMENT BEHIND EXISTING GARAGE



VALLEY VIEW - EXISTING

VALLEY VIEW

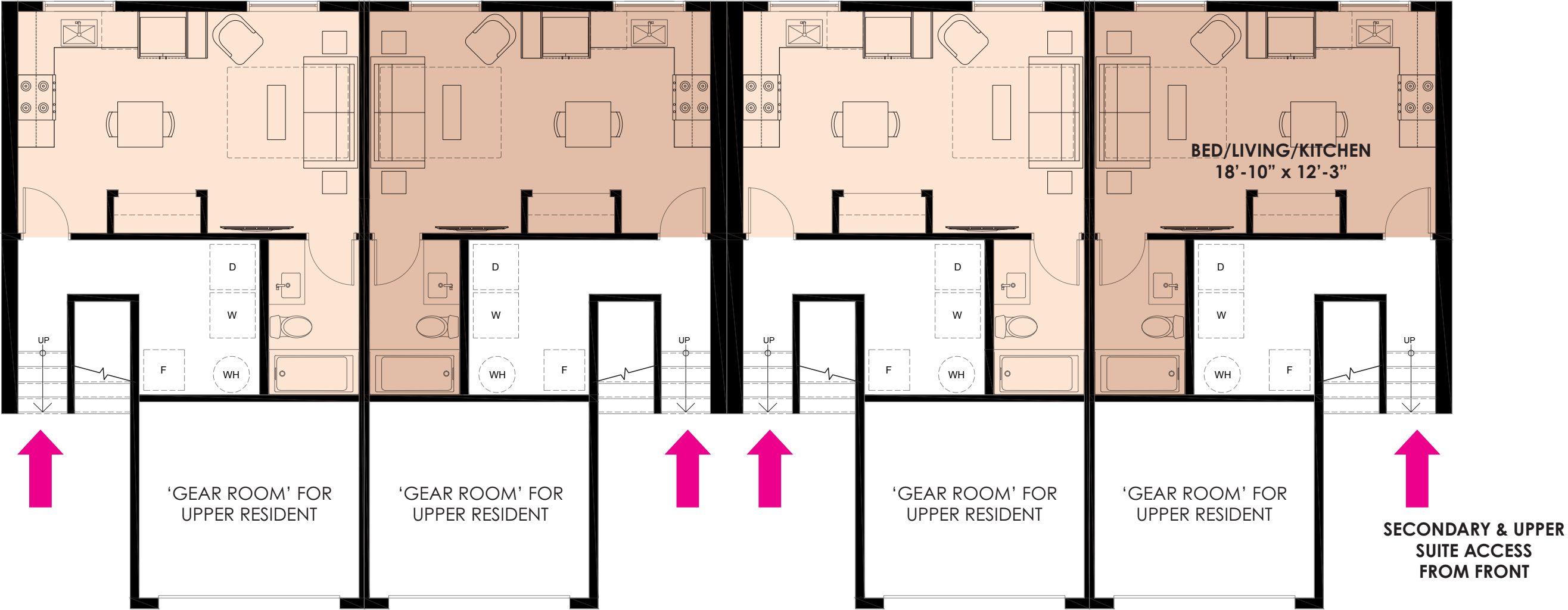
- SHARED ENTRY
- EXISTING GARAGE IS SUBDIVIDED TO TRANSFORM INTO 'GEAR ROOM' FOR UPPER SUITE
- ADDITIONAL WINDOWS REQUIRED
- APPROX 275 SQ FT



VALLEY VIEW - POSSIBLE SUITE

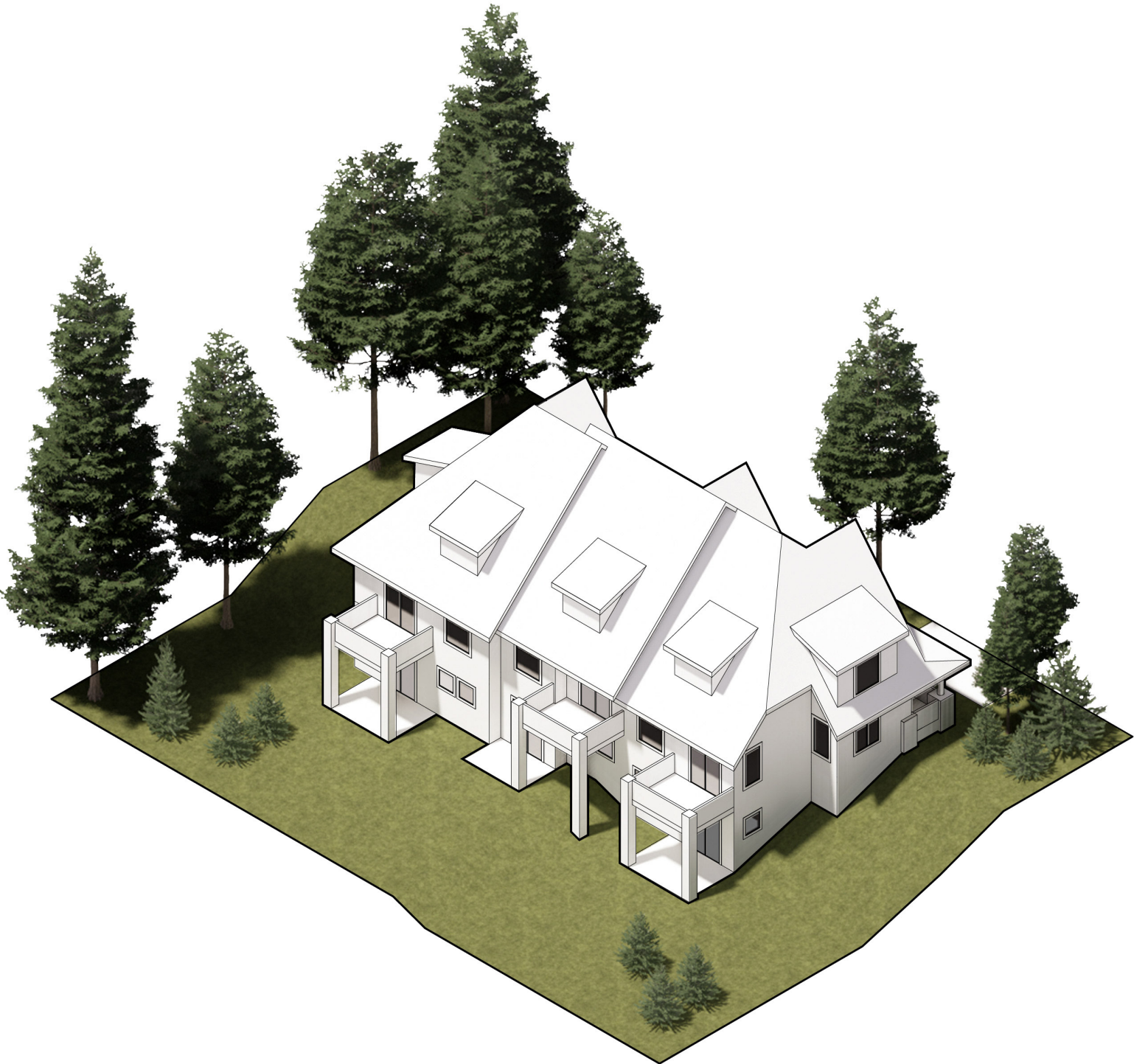
VALLEY VIEW

- SHARED ENTRY
- EXISTING GARAGE IS SUBDIVIDED TO TRANSFORM INTO 'GEAR ROOM' FOR UPPER SUITE
- ADDITIONAL WINDOWS REQUIRED
- APPROX 275 SQ FT



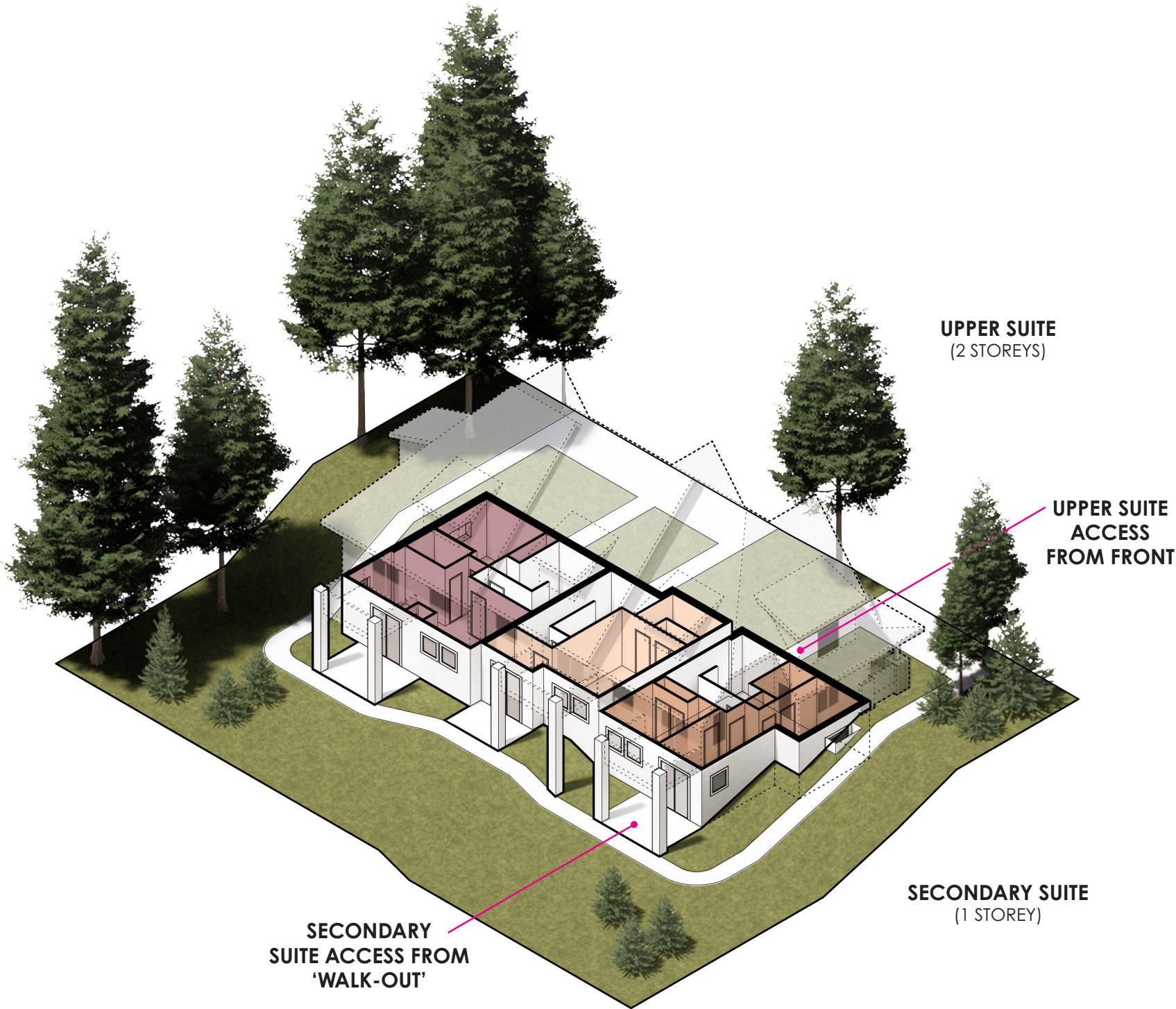
VALLEY VIEW - POSSIBLE SUITE PLAN

- SUNDANCE COURT**
- ROW HOMES
 - BLOCKS OF THREE
 - WALKOUT BASEMENTS



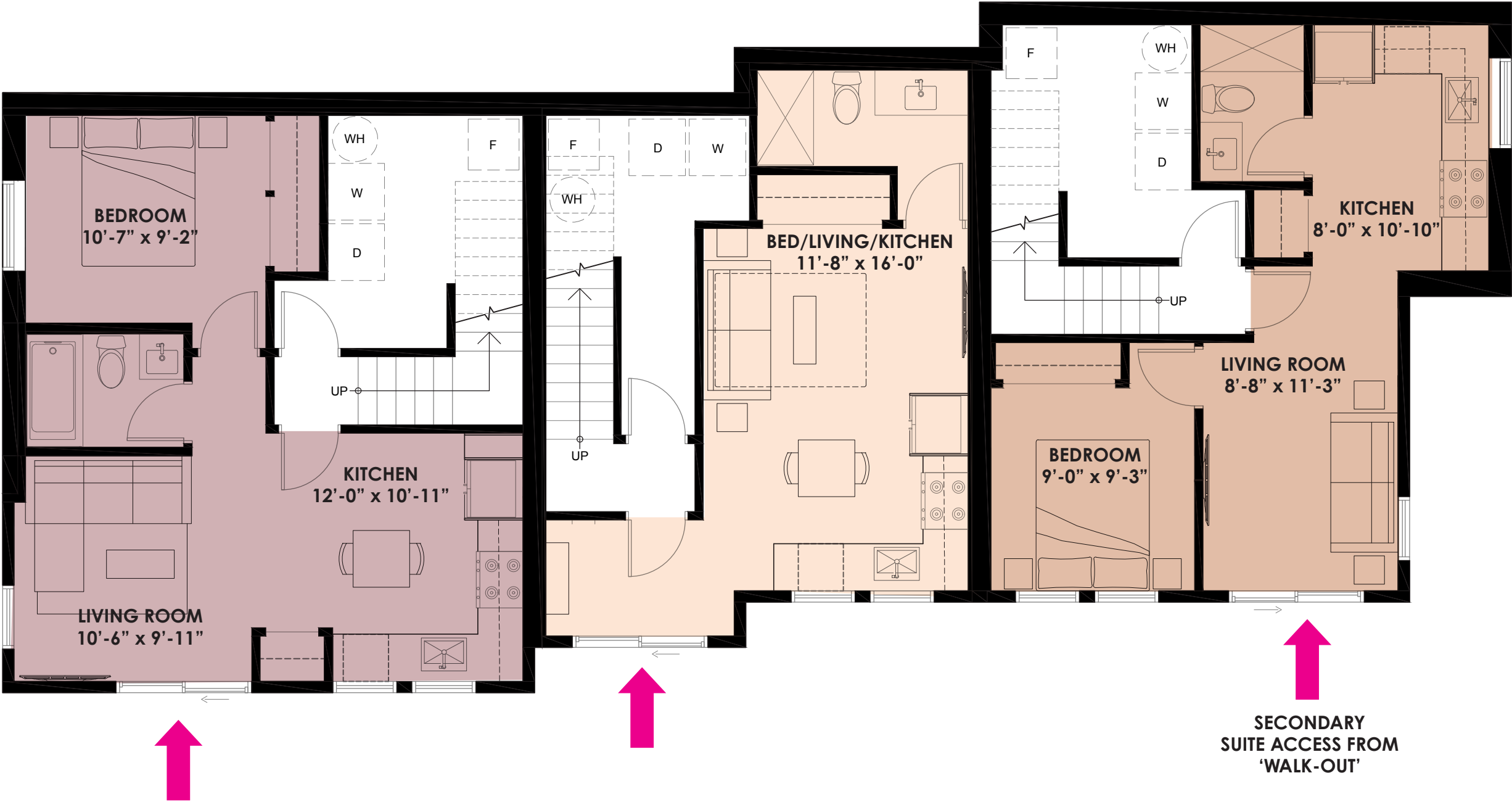
SUNDANCE COURT - EXISTING

- SUNDANCE COURT**
- NEW ACCESS PATH
 - SECONDARY SUITE ACCESS FROM WALK-OUT SIDE
 - APPROX 275-400 SQUARE FEET



SUNDANCE COURT - POSSIBLE SUITE

- SUNDANCE COURT**
- NEW ACCESS PATH
 - SECONDARY SUITE ACCESS FROM WALK-OUT SIDE
 - APPROX 275-400 SQUARE FEET



SUNDANCE COURT - POSSIBLE SUITE PLAN