

Advisory Committee of Council Memo



Date	October 15, 2024
To	Accessibility Advisory Committee (AAC)
From	Lucas Mollame, Policy Planner II
Service Area	Infrastructure, Development, and Environment (IDE)
Department	Planning Services
Subject	Additional Residential Dwelling Unit Incentive Program – Final List of Accessible Design Features

Purpose

Following the discussion and motion from the August 20, 2024 AAC meeting, this memo serves to present and confirm the final accessible design features list that will be included as a component of the Additional Residential Dwelling Unit (ARDUs) Incentive Program. Most of the recommendations from the motion have been included as part of the final accessible design features list, with a few requiring further explanations. Staff will also be sharing details about changes to the ARDU Incentive Program structure.

Memo message

We are pleased to present the final list of accessible design features (Attachment-1) that will be implemented as a component of the Additional Residential Dwelling Unit Incentive Program following the valuable input and discussion from the Accessibility Advisory Committee (AAC). These changes reflect the City's commitment to facilitating housing that caters to the needs of all community members. Many of the recommendations from the motion have modified the initial list presented on August 20, but there is also a careful balance between current construction costs and staff resourcing. Overall, staff are of the opinion that this final list will result in an appealing incentive program that may lead to more accessible ARDUs. Attachment-2 is the Engagement Summary of the interviews completed with local ARDU developers and homeowners.

We invite you to review the final list of accessible design features and appreciate your continued engagement on this project.

In terms of the ARDU Incentive Program structure, there have been some changes made since the August 20 meeting. The ARDU Incentive Program will now be included as part of the larger Affordable Housing Community Improvement Plan being developed for the entire City of Guelph. A Community Improvement Plan or CIP is a municipal tool that provides programs, such as grants, loans, or other types of financial assistance, to meet specific goals and community improvement needs, like affordable housing. While the ARDU Incentive Program will continue to focus exclusively on ARDUs, there is an opportunity to synergize with other programs offered in the CIP to deliver more affordable housing, including

potentially accessible affordable housing, in a variety of unit types and configurations. In particular, the other programs offered by the Affordable Housing CIP will focus on multi-unit residential buildings. An overview of the Affordable Housing CIP and its programs will be presented to the AAC on October 15, 2024 by Economic Development staff.

Modifications to the final list of Accessible Design Features:

City staff have made several modifications to the final list of accessible design features to integrate comments from the AAC and match project objectives. This includes:

- Adding language about requiring permanent ramps where ramps are proposed;
- Including winged tap faucets with lever style door hardware;
- Adding a new design feature to address mirror installation height in the bathroom that aligns with the barrier-free Ontario Building Code; and
- Combining, removing and/or harmonizing certain design features to respond to AAC member feedback and achieve a final list with 10 accessible design features to match expected project incentives and objectives.

Overall, these modifications balance accessible unit design objectives with the amount of incentive the City is able to offer through this program.

Guelph Non-Profit Housing Corporation:

City staff did meet with the Guelph Non-Profit Housing Corporation and shared the final list of accessible design features. The accessible units that Guelph Non-Profit Housing Corporation builds are mostly focused on multi-unit residential buildings, like apartments so there are some differences in comparison to ARDU design. There may be opportunities to align those accessible features with other incentive programs included in the Affordable Housing CIP. As well, Guelph Non-Profit Housing Corporation modifies their unit based on specific tenant needs. However, there are some similarities, such as the inclusion of grab bars as part of the base unit design. Staff at Guelph Non-Profit Housing Corporation were supportive of the final list of accessible design features. City staff will continue to meet with Guelph Non-Profit Housing as necessary on this particular component of the ARDU Incentive Program.

Accessible Entrance or Pathway to Unit:

Staff have incorporated an accessible route as a design feature that is eligible for financial incentives. The dimensions for this accessible route align with the requirements in the FADM and the accessible driveway requirements in the Comprehensive Zoning By-law.

Accessibility Assessments as part of Program:

At this time, staff will not be able to offer accessibility assessments for homeowners as part of the program. However, as part of the awareness and education component of the ARDU Incentive Program implementation phase, staff will encourage interested homeowners in using the CMHC Accessible by Design guidelines and this accessible design features list as a strong basis for accessible unit design fundamentals.

In closing:

The City is excited to launch this ARDU Incentive Program in January 2025 as part of our Housing Accelerator Fund Action Plan. ARDUs play a key role in bringing more affordable housing stock to the City of Guelph and through this accessible design features list, there is the potential to incentivize more accessible housing for all Guelph residents.

Attachments

Attachment-1 Final List of Accessible Design Features for the ARDU Incentive Program

Attachment-2 ARDU Incentive Program Engagement Summary

Attachment 1

Final List of Accessible Design Features for the ARDU Incentive Program

- A barrier-free path of travel of at least 1100 millimetres wide from the suite entrance door into the following rooms and spaces:
 - At least one bedroom;
 - At least one bathroom;
 - A kitchen or kitchen space; and
 - A living room or space.
- The main bathroom of the unit shall have a clear transfer space at least 900 mm wide and 1500 mm deep provided on each side of the water closet, be designed to permit a wheelchair to turn in an open space not less than 1500 mm in diameter, and allow for a forward approach to the sink.
- Grab bars installed in water closet, shower, and bathtub in accordance with Ontario Building Code.
- Lever style door hardware and winged faucet taps such that door handles and faucets can be operable with a closed fist.
- 1500 millimetres wide wheelchair accessible entrance to the suite either by an at-grade suite entrance (If exterior entrance uses a ramp, it should be permanent and it should not have a slope greater than a ratio of 1:12 and have a clear width of 1000 millimetres between handrails) or with a wheelchair lift (exterior or interior).
- Minimum doorway sizes of 850 millimetres in fully open position (3' doors) throughout. Doors in barrier-free path of travel shall have a clear space on the latch side extending the height of the doorway and not less than:
 - 600 mm beyond the edge of the door opening if the door swings toward the approach side;
 - 300 mm beyond the edge of the door opening if the door swings away from the approach side, and
 - 300 mm beyond both sides of a sliding door.
- Exterior door threshold is level with the adjacent finished floor or a bevelled threshold not more than 13 mm higher than the adjacent finished floor.
- Create or plan for open space under sink and cooktop to permit use while seated – 680 millimetres high by 750 millimetres wide by 250 millimetres deep.
- Main mirror installed in washroom shall be mounted with its bottom edge not more than 1000 mm above the finished floor or inclined to the vertical to be usable by a person in a wheelchair.
- Accessible route of at least 1500 mm in width directly from the street/sidewalk which can be reduced to 1200 mm in width to serve as turning space where path connects to a ramp.

City of Guelph Additional Residential Dwelling Unit Incentive Program

Developer Interview Summary Report
August 22, 2024



Introduction

The City of Guelph is actively pursuing initiatives to address the growing need for more housing options as part of its broader housing goals. As part of this commitment, the City aims to meet the Province of Ontario’s mandated target of 18,000 new housing units by 2031.

In January 2024, the City of Guelph received \$21.4 million dollars through the Federal Housing Accelerator Fund (HAF) to support the creation of 739 units over the next three years. Part of this strategy, and funding, includes a target of incentivizing the development of 35 Additional Residential Dwelling Units (ARDUs).

ARDUs can play a crucial role in addressing housing affordability and increasing the housing supply in Guelph. These units, which can be created through the conversion of existing spaces or the construction of small, detached structures, can offer a more affordable housing option compared to traditional housing forms (such as single detached homes). Given their flexibility and lower cost of construction, ARDUs are well-positioned to help meet the City’s housing goals while providing more options for homeowners and renters.

In recognizing this, the City is exploring how best to structure an ARDU Incentive Program that could provide the necessary financial assistance to encourage development. The goal is to have this program in place by January 2025.

To inform the development of this program, the City retained Jodi Ball, J Consulting Group, to facilitate a series of interviews with local homeowners and developers who have experience with ARDU projects. These interviews aimed to gather insights into the constraints and challenges associated with ARDU development, particularly in terms of project costing and financing. The findings from these interviews will help shape the ARDU Incentive Program.

This report summarizes the key themes and insights from these interviews, providing insights and experience for the City to consider as it works to design a program that will effectively encourage the creation of affordable, accessible, and sustainable ARDUs in Guelph.

Interview Summary

Seven interviews were conducted as part of the research to inform the development of Guelph’s ARDU incentive program. Interviews were held with a mix of homeowners and developers with previous experience building ARDUs.

Several respondents were homeowners who had developed either a single ARDU on their property or multiple units, typically using personal savings or home equity lines of credit. The types of ARDUs varied, including both detached units in backyards and basement apartments. Some homeowners had only recently completed their first ARDU, while others had more extensive experience, including legalizing previously illegal units.

Other respondents were developers or builders with significant experience in ARDU development, often working on multiple projects simultaneously. These individuals typically worked with homeowners looking to add units for rental income or to accommodate intergenerational living.

Costing & Financing

Total Costs and Unexpected Costs:

- Costs ranged from \$60,000 to \$100,000 for a basement apartment, with costs increasing based on size and renovations required (i.e., may depend on whether the basement is finished or unfinished).
- Costs for a garage conversion was estimated at \$120,000 to \$130,000.
- Costs ranged from \$135,000 to \$350,000 per detached (generally backyard) unit. Costs vary based on size, complexity, and finishings. Smaller units (i.e., one-bedroom) range from about \$135,000 to \$225,000, while larger units (i.e., two-bedroom) range from about \$200,000 to \$350,000.
- Common unexpected costs included increased materials prices since COVID, additional plumbing, and development charges from the city. A couple interviewees noted being 'surprised' by an increase in development charges (now \$3,000+).
- Some interviewees highlighted delays in permits resulting in additional costs.

Rent Levels:

- Rents vary among developers and homeowners; generally, a one-bedroom (detached) is from \$1,500 to \$2,400 while a two-bedroom can be \$1,600 to \$3,000 with an average at about \$2,000-\$2,200.
- One interviewee is renting a basement ARDU for \$1,350/month.

Financing Methods:

- Personal savings, home equity lines of credit, and borrowing against existing homes were common financing methods.
- Financing challenges included cash flow issues and difficulty securing mortgages specifically for ARDUs. Several interviewees identify challenges with banking institutions having little experience with ARDUs.

Helpful Financial Assistance:

- Grants and free/low-interest loans were frequently mentioned.
- Upfront funding to cover start-up costs and mitigate unexpected expenses was seen as critical.

Perceived Demand

Homeowner Perspectives:

- Interest exists, but perceived demand varies, with some noting barriers due to property conditions.
- Developers emphasized the need to increase awareness to boost demand.

Developer Perspectives:

- Consensus that demands for ARDUs in Guelph is growing and will continue to rise.

Incentives & Program Design

Financial Incentives:

- Grants, loans, and tax incentives were all suggested as beneficial, with preference generally for grants and low/no-interest loans.
- Specific amounts varied, but \$20,000 to \$50,000 was commonly cited as impactful. Interviewees generally agree that detached units are more expensive to build and should have a higher level of incentive.
- Other incentives suggested including waiving of building permit fees and development charges.
- Most interviewees expressed an interest in participating in the program once established.

Additional Outcomes and Incentives:

- **Accessibility:** Funding of \$10,000 to \$50,000 would encourage incorporating accessibility features. It was noted that many features such as wider doorways, grab bars, etc., are already being done in new builds but additional features such as lifts would be at a more significant cost.
- **Green Design:** Some already incorporate green features (i.e., heat pumps, smaller footprint); incentives up to \$50,000 could encourage more elements such as solar.
- **Affordability:** Support of \$20,000 to \$100,000 was suggested to make units affordable, with varied commitment periods for maintaining affordability. Amounts for basement apartments were much lower, closer to \$20,000, while most noted around \$30,000 to \$50,000 for detached units.
- Several interviewees expressed the importance, and interest, in providing affordable units, some highlighting that funding should (only) be aimed at creating affordable units.

Program Design Considerations:

- Simplicity and clarity in the program were emphasized.
- Suggestions included pre-approved plans, streamlined permit processes, and focusing on supporting homeowners and smaller developers rather than large 'investment' developers. One interviewee highlighted barriers with stormwater management policies, another highlighted barriers with the current zoning by-law in converting a garage into an ARDU. The costs of servicing upgrades were also noted as a barrier. Emphasis was placed on looking into these 'other' barriers to developing ARDUs.
- The need for better enforcement of illegal units was also noted, as well as the need for better communication and support from City staff were also noted (i.e., having a dedicated person to speak with and more clarity on Zoning By-law requirements).

Best Practices:

- Pre-approved plans and pre-vetted builder lists, as seen in Mississauga and California.
- Promoting ARDUs through fairs and other awareness campaigns.

Key Themes and Considerations in Moving Forward

Prioritize Affordability:

- Several interviewees stressed that financial incentives should prioritize making units affordable. This includes providing sufficient grants or low-interest loans to offset the higher costs of building affordable housing.
- Suggested amounts for significant impact range from \$20,000 to \$50,000 (lower end for attached, higher end for detached), with a higher amount needed for more substantial affordability commitments (i.e., timeframe, depth of affordability).

Balance Between Encouraging Development and Affordability:

- While encouraging any ARDU development is seen as beneficial to increase housing supply, there is a preference for ensuring that these units contribute to affordability in the community.

Focus on Simplicity and Accessibility:

- Simplifying the process, providing clear guidelines, and ensuring easy access to incentives were highlighted as essential to encourage participation.
- There was a consensus that making the process less burdensome would naturally lead to more developments, including affordable units.

Support During the Development Process:

- While there was a preference for funding up front in the process, several interviewees mentioned the importance of financial assistance throughout the development process. This could include phased funding or ongoing support to cover unexpected costs.

Pre-approved Plans and Streamlined Permits:

- Simplifying the permitting process with pre-approved plans and pre-vetted builders could significantly reduce the time and complexity for homeowners and developers. This approach was highlighted as successful example from Mississauga.

Community Awareness and Education:

- Increasing awareness about the benefits of ARDUs and providing education on the process can help boost interest and demand. Hosting ARDU fairs or workshops was suggested to help homeowners understand the possibilities and requirements.
- Some areas where information might be helpful in sharing, in addition to the program details, is the impact of developing and ARDU on property taxes, and meeting Zoning and other requirements such as servicing requirements.

Focus on Equity and Accessibility:

- Ensuring that incentives are accessible to a wide range of homeowners, not just those with significant equity or resources, was seen as important for some interviewees.

Long-term Affordability Commitments:

- Encouraging developers and homeowners to commit to long-term affordability (e.g., ten years or more) can help ensure that the benefits of the incentive program are sustained over time.

Additional Outcomes Beyond Affordability:

- Consider incentives for additional positive outcomes such as green building practices, accessibility features, and multigenerational housing. These incentives can help align ARDU development with broader city goals.

Mitigating Unintended Consequences:

- Ensuring that incentives do not inadvertently encourage short-term rentals or speculative investments that do not benefit the local community. Clear guidelines and regulations should be in place to prevent this.

Regular Review and Adaptation:

- Implementing a system for regular review and adaptation of the incentive program can help ensure it remains effective and responsive to changing needs and market conditions. Gathering feedback from participants and stakeholders is crucial for continuous improvement.

Aligning with Broader Housing Strategies:

- Ensure that the ARDU incentive program is aligned with broader housing strategies and policies within the city, including those aimed at increasing overall housing supply, and improving affordability.

Ensuring Adequate Infrastructure:

- Consider the impact of increased ARDU development on local infrastructure and services. Ensure that necessary upgrades and supports are in place to handle additional demand on utilities, transportation, and community services.

Emerging Priorities

Based on the interviews, the most significant themes to emerge as priorities for developing an effective ARDU incentive program include establishing affordability as a focus, streamlining the process and enhancing communication, and ensuring accessibility to the program.

Streamlined Processes and Enhanced Communication

- **Why It's Important:** Almost every interviewee expressed challenges with the complexity of the current permitting process. There was a clear call for better communication and support from city staff in navigating the process, as well as the need to simplify and expedite the permitting process. Respondents emphasized the need to focus on creating a more user-friendly process by implementing pre-approved plans, establishing a dedicated support team, and improving the clarity of current building regulations.

Affordability as a Focus

- **Why It's Important:** Several interviews highlighted the importance of affordability in ARDU development. Many developers and homeowners highlighted the need for financial incentives specifically designed to make ARDUs affordable for renters. There was a strong consensus that without targeted incentives, it would be challenging to maintain affordable rent levels.

Equity and Accessibility in Incentive Distribution

- **Why It's Important:** Many interviewees emphasized that financial incentives should be accessible to a wide range of homeowners, not just those with substantial financial resources or equity in their properties. There was a concern that without careful design, the incentive program could disproportionately benefit larger developers or those already well-positioned to build ARDUs, rather than the homeowners who might need the most help.

Next Steps

Building on the insights from these interviews, as well as research underway on best practices, the City of Guelph will now focus on finalizing the ARDU Incentive Program. This includes conducting a feasibility analysis, continuing stakeholder engagement and community awareness, and preparing for the program's launch by January 2025. With the ARDU program in place, the City will continue its work towards achieving its broader goal of creating 18,000 new housing units by 2031.