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Affordability and Choice Today

ACT Solutions

Modifying Municipal Regulations to Accommodate Two-Generational Houses Quebec City, Quebec

The issue

Smaller families, an aging population and a housing stock in need of repair and renovation have sparked municipalities to modernize post-war single-family neighbourhoods to meet the needs of contemporary society.

One attractive and affordable housing option is transforming a single-family home to accommodate a secondary suite. A secondary suite is a self-contained dwelling, which includes one to three bedrooms, a bathroom, a kitchen and living spaces.

Secondary suites are a desirable alternative particularly for seniors (in this case, they are called two-generational houses), whose housing needs and financial circumstances have changed but who wish to continue living independently in their own homes and communities. The problem is that zoning bylaws in most single-family neighbourhoods do not permit this type of dwelling.

The plan

In fall 1999, the City of Quebec was awarded an ACT grant to review the current regulatory context and propose changes to municipal regulations in order to encourage the development of two-generational housing in two post-war single-family suburbs in Quebec City.

To this end, the project team carried out the following:

- Surveyed regulatory approaches to secondary suites
- Identified incentives and obstacles
- Created a regulatory framework for secondary suites
- Evaluated the impact of changes.

The project team

City of Quebec Planning and Development Assistance Depts.
La Société d'habitation du Québec
Laval University School of Architecture
Germon Construction Inc.



Source: Mélissa Côté-Farndon, Laval University, School of Architecture.

The results

The City made the following key changes to the zoning bylaw in the pilot neighbourhood:

- Permit the conversion of a single-family home into a two-family home by adding a secondary suite.
- Revise site development standards to permit (1) the encroachment into the side setback of a garage transformed into a secondary unit, (2) parking

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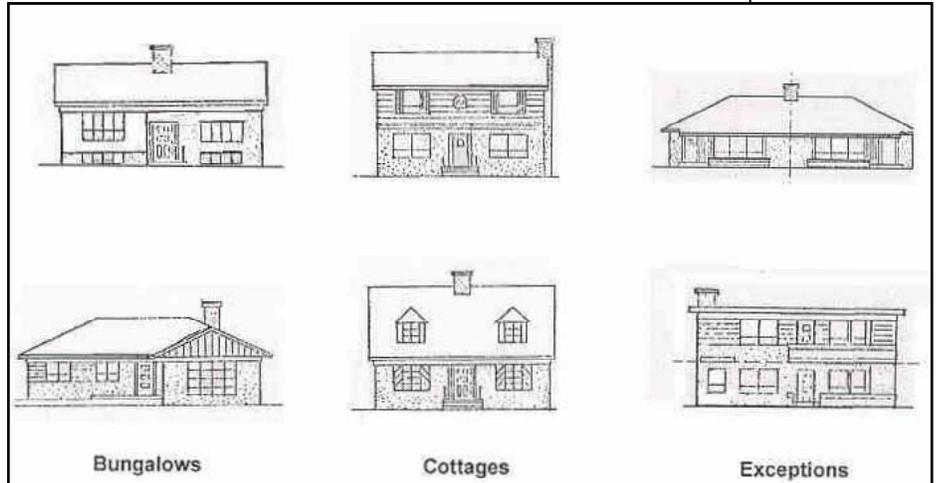
in front of an addition made to the side of an existing dwelling, and (3) a reduction in the side setback to 1.5 metres on one side, allowing a total of 4 metres for both side-yards

The zoning changes adopted by the City of Quebec provide a regulatory framework for two-generational housing. By rezoning single-family neighbourhoods to permit the addition of secondary suites in conjunction with updating site development standards, municipalities can encourage secondary suite additions while ensuring that their construction complements the lifestyle and architectural character of suburban neighbourhoods.

In addition, the public consultation process undertaken for this ACT project has been instrumental in introducing and sensitizing citizens to the concept of two-generational housing.

Secondary suites and two-generational homes are sustainable housing forms that enhance and modernize Canadian suburbs in many ways. They provide affordable housing in safe, quiet neighbourhoods often accessible only to the more affluent; they allow seniors to stay in their homes despite reduced mobility and economic circumstances; and they make better use of existing municipal infrastructure and facilities.

Furthermore, establishing a regulatory framework for secondary suites helps municipalities ensure an acceptable level of quality for a housing form that is often built illegally.



Source: Laval University, School of Architecture.

Related reports

La résidence deux générations : adaptation du concept à une réglementation d'urbanisme municipale (D. Arbour et associés, 1992)

ACT Case Study: *Construction Standards for Accessory Suites* (Energy Pathways Inc., 1997)

ACT Case Study: *Legalization of Secondary Suites in Surrey, B.C.* (R. Kinnis and D. Scherlowski, 1997)

ACT Case Study: *How the District of North Vancouver Built Community Acceptance for the Legalization of Secondary Suites* (1999)

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AFFORDABILITY AND CHOICE TODAY (A•C•T) DEMONSTRATION PROJECT

Two-generational Housing

***L'Association provinciale des constructeurs d'habitations du Québec
Anjou, Quebec***

Prepared for:

Federation of Canadian Municipalities

Canadian Home Builders' Association

Canadian Housing and Renewal Association

Canada Mortgage and Housing Corporation

Prepared by:

Energy Pathways Inc.

Ottawa, Ontario

June 1997

This case study was funded by Canada Mortgage and Housing Corporation, but the views expressed are the personal views of the authors and the Corporation accepts no responsibility for them.

FOREWORD

The project documented in this case study received funding assistance under the Affordability and Choice Today (A•C•T) Program. A•C•T is a joint initiative, managed by the Federation of Canadian Municipalities, the Canadian Home Builders' Association, and the Canadian Housing and Renewal Association, together with the funding agency Canada Mortgage and Housing Corporation. The A•C•T Program is administered by the Federation of Canadian Municipalities.

A•C•T, which was launched in January 1990, was designed to foster changes to planning and building regulations and residential development approval procedures in order to improve housing affordability, choice and quality.

Through A•C•T, grants are awarded to municipalities, private and non-profit builders and developers, planners and architects to undertake innovative regulatory reform initiatives in municipalities across Canada. Three types of projects are awarded grants under the A•C•T Program: Demonstration Projects, Streamlined Approval Process Projects, and Case Studies (of existing initiatives).

- *Demonstration Projects* involve the construction of innovative housing that demonstrates how modifications to planning and construction regulations can improve affordability, choice and quality.

- *Streamlined Approval Process Projects* involve the development of a method or an approach that reduces the time and effort needed to obtain approvals for housing projects.
- *Case Study* grants are awarded for the documentation of existing regulatory reform initiatives.

Change and innovation require the participation of all the players in the housing sector. A•C•T provides a unique opportunity for groups at the local level to work together to identify housing concerns, reach consensus on potential solutions, and implement action. Consequently, a key component of A•C•T-sponsored projects is the participation and cooperation of various players in the housing sector in all phases of each project, from development to realization.

All projects awarded a grant under the A•C•T Program are documented as case studies in order to share information on the initiatives and the benefits of regulatory reform with other Canadian communities. Each case study discusses the regulatory reform initiative, its goals and the lessons learned. Where appropriate, the cost savings resulting from modifications in various planning, development, and construction regulations are calculated and reported.

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PROJECT OVERVIEW

In March 1990, *Construction Germon Inc.*, of St. Jean Chrysotome, Quebec, submitted a "two-generational" housing design for young families and seniors to the Canada Mortgage and Housing Corporation (CMHC) competition for excellence in housing. The firm won an honorable mention for its innovative approach to meeting the housing needs of the target market segments.

A two-generational house is a single-family unit built or renovated to house two families, of two generations, in two distinct spaces, for a limited period of time for the older generation.

Two-generational housing was conceived as a means to assist young couples in buying their own home while providing retired parents with a comfortable and secure environment in which to live.

Intended for single-family zones, the exterior architecture of a two-generational home conforms to that of a traditional single-family unit, while the interior is designed to protect the independence and privacy of two separate households.

In 1991, *L'Association provinciale des constructeurs d'habitations du Québec* (APCHQ) was awarded an A•C•T grant to study how current planning regulations and regulatory processes could be modified to permit both the construction of, and the adaptation of existing dwellings into, two-generational homes. A second objective of the A•C•T project was to develop technical design and construction criteria for two-generational housing.

APCHQ retained the consulting firm of *Daniel Arbour & Associés* to carry out the study with *Construction Germon Inc.* and

the planning departments of Verdun and Ste. Foy. The project would address zoning, site planning and building regulations and encourage Quebec municipalities to adopt regulations that would allow two-generational housing in single-family zones.

The completed study provides model regulations that focus on exterior and interior design considerations for two-generational units. It also discusses two approaches available to municipalities interested in adopting the regulations:

- The traditional approach, based on standard planning regulations and by-laws
- The siting and architectural integration plan approach, which provides quality-control of housing projects using specifically developed criteria for construction, development, and the integration of building projects into areas that are already developed

Various financing solutions were also proposed. For example, both generations could share in the initial downpayment, the retired parents could rent the space converted by the younger couple, or both families could be co-owners.

In April 1994, APCHQ sent copies of the study to 40 Quebec municipalities to encourage them to adopt the proposed regulations for two-generational housing. At the time of publication, the municipalities of Buckingham, Gatineau, Laplaine, Prévost and Sorel had adopted regulations for two-generational housing, and Carignan, Otterburn Park, Lachenaie, St-Hubert and Verdun were soon to adopt new regulations.

1.0 PROJECT DESCRIPTION

1.1 Two-generational Housing

Young families in the 1990s are finding it increasingly difficult to buy their own homes. Tight budgets, lack of job security, limited buying power, strict mortgaging requirements, and escalating housing prices have seriously curtailed their choice in housing. As a result, young couples may settle for something unsuited to their needs, hoping that in the years to come they will be able to buy a home that will accommodate their growing families. For many couples, that may not be possible.

The parents of these young couples, on the other hand, may have homes that have become too large for them to manage. They are retired, living on their own and growing older. Their house is their main asset and security, but one day they may have to sell it because it will be too difficult to maintain both physically and financially.

In March 1990, *Construction Germon Inc.*, submitted a "two-generational" housing design for young families and seniors to the Canada Mortgage and Housing Corporation (CMHC) competition for excellence in housing. The firm won an honorable mention for its innovative approach to meeting the housing needs of the target market segments.

The two-generational housing concept was conceived as a temporary solution that would be advantageous to both families. Since the concept addressed two serious housing problems in Quebec, it received much media attention and public interest throughout the province.

Designed to accommodate a young couple and one set of parents, two-generational housing allows the older generation to maintain their independence and a familiar lifestyle for a longer period of time, while permitting the younger generation to buy a more comfortable home than they could normally afford.

1.2 Project Objectives

In 1991, the A•C•T Program awarded a grant to *l'Association provinciale des constructeurs d'habitations du Québec* (APCHQ) to develop model regulations for two-generational housing, and to examine how regulatory processes relating to zoning, site-planning and building could be modified to permit the construction of, and adaptation of existing dwellings into, two-generational homes in single-family zones.

Another objective was to develop technical design and construction criteria that would:

- ensure the privacy and independence of the two households
- facilitate conversion to a single-family house, if desired

The final objective was to encourage municipalities to adopt the proposed regulations to permit two-generational homes.

1.3 Project Methodology

APCHQ worked on the project with *Construction Germon Inc.*, *Daniel Arbour & Associés*, and the planning departments of Ste. Foy and Verdun.

The project team examined how current planning regulations and regulatory processes could be modified to permit two-generational homes in single-family zones by:

- identifying specific zoning, site planning, and building regulations that would have to be adapted for two-generational homes
- preparing draft regulations for review by municipal representatives and building contractors
- creating a regulatory process and control mechanism applicable to all Quebec municipalities
- finalizing model regulations

The results of the project, discussed in the next section of this case study, are presented in a report entitled *La résidence deux générations: Adaptation du concept à un réglementation d'urbanisme municipale*.¹

In April 1994, APCHQ sent copies of the report to 40 Quebec municipalities, encouraging them to adopt the proposed regulations. As discussed in section 4.0, the response was largely positive.

¹ Daniel Arbour & Associés, (July 1992). The report is available in French only. A copy may be obtained from François Bernier, APCHQ, 5930, boulevard Louis-H. Lafontaine, Anjou (Québec) H1M 1S7. A copy may also be purchased or obtained on loan from the Canadian Housing Information Centre, 700 Montreal Road, Ottawa, Ontario, K1A 0P7, Tel: (613) 748-2367, Fax: (613) 748-4069, TTY: (613) 748-2143.

2.0 PLANNING FOR TWO-GENERATIONAL HOUSING

A two-generational house is a single-family unit built or renovated to house two families, of two generations, in two distinct spaces, for a limited period of time for the older generation.

2.1 Design Considerations

The two-generational house design must ensure the privacy and comfort of the two couples so that family ties are not strained by living under the same roof. Safety, too, is an important consideration.

Design and construction criteria should ensure that the dwelling looks like a single-family home on the outside, and that the interior can be easily converted into a single-family home once two separate units are no longer required.

Exterior Design Considerations

- A new two-generational home or a converted existing unit must conform to the planning regulations that apply to single-family zones. This includes the architecture and landscape development, which must integrate with surrounding single-family dwellings.
- The building materials, particularly when converting an existing unit, must be of a similar or superior quality to that of the existing unit and blend in well with the existing material.
- A two-generational home should have only one civic number posted, with a shared main entrance and a passage leading to two separate living areas. Access to the backyard should be provided for both households. While access should conform to existing single-family dwelling regulations, the proposed regulations provide for barrier-free accessibility that people with physical disabilities might require.
- No additional parking space, other than that provided for single-family units, should be created. The city parking regulations for single-family zones should be flexible enough to permit parking for the second couple.
- Fences and other separating elements should not be erected to give privacy to two separate households, since the exterior space of a two-generational home should conform to that of a single-family unit. However, a private area in the backyard could be reserved for the older couple that is not visible from the balcony, the porch, or the steps leading to the entrance allotted to the other family. Privacy could be ensured by building a wall that harmonizes with the architecture of the house and that projects no more than three meters from the wall of the house.
- There should be no need to enlarge the garden shed or other accessory buildings. Again, the same principles that apply to single-family units should apply here.
- Ideally, there should be only one mailbox, one doorbell, one service entrance for water, gas, cable and telephone installations.

Interior Design Considerations

Since two-generational housing targets seniors, care should be taken to adapt the interior to the needs of people with physical disabilities.

The project team developed two sets of interior design criteria based on those used by the provincial government for social housing projects. The first set relates to the theme of *comfort, privacy, and security* that the converted rooms should reflect. The second set is concerned with *accessibility* aimed at meeting the needs of the elderly parents, who may be handicapped in a way that reduces their mobility.

The figures on the following pages illustrate exterior and interior designs proposed.

2.2 Use and Occupancy Criteria

In theory, in a two-generational home, the space adapted for the parents would be incorporated into the home of the younger couple once it is no longer required. However, the question naturally arises of whether the space could be rented to another family member or outsider.

According to Article 113 of the Quebec Land Use Planning and Development Act, building use and occupancy regulations are determined by zone only. The law makes it very clear that it would be illegal to impose regulations regarding two-generational housing that would only allow for the shelter of retired parents.

Furthermore, the Act prescribes that the rules that could regulate the conversion and use of the space cannot be applied in order to control occupancy.

Despite the absence of municipal authority that would assure the reconversion of the adapted space once it is no longer required, there are certain factors that may discourage those wishing to use it as a permanent two-family home. These disadvantages lie mainly in the mutual use of certain areas such as the main entrance, parking, and backyard, and the sharing of equipment and services such as electricity and the telephone, with individuals to whom the homeowners are not related.

Figure 1. Two-generational House—Front Elevation

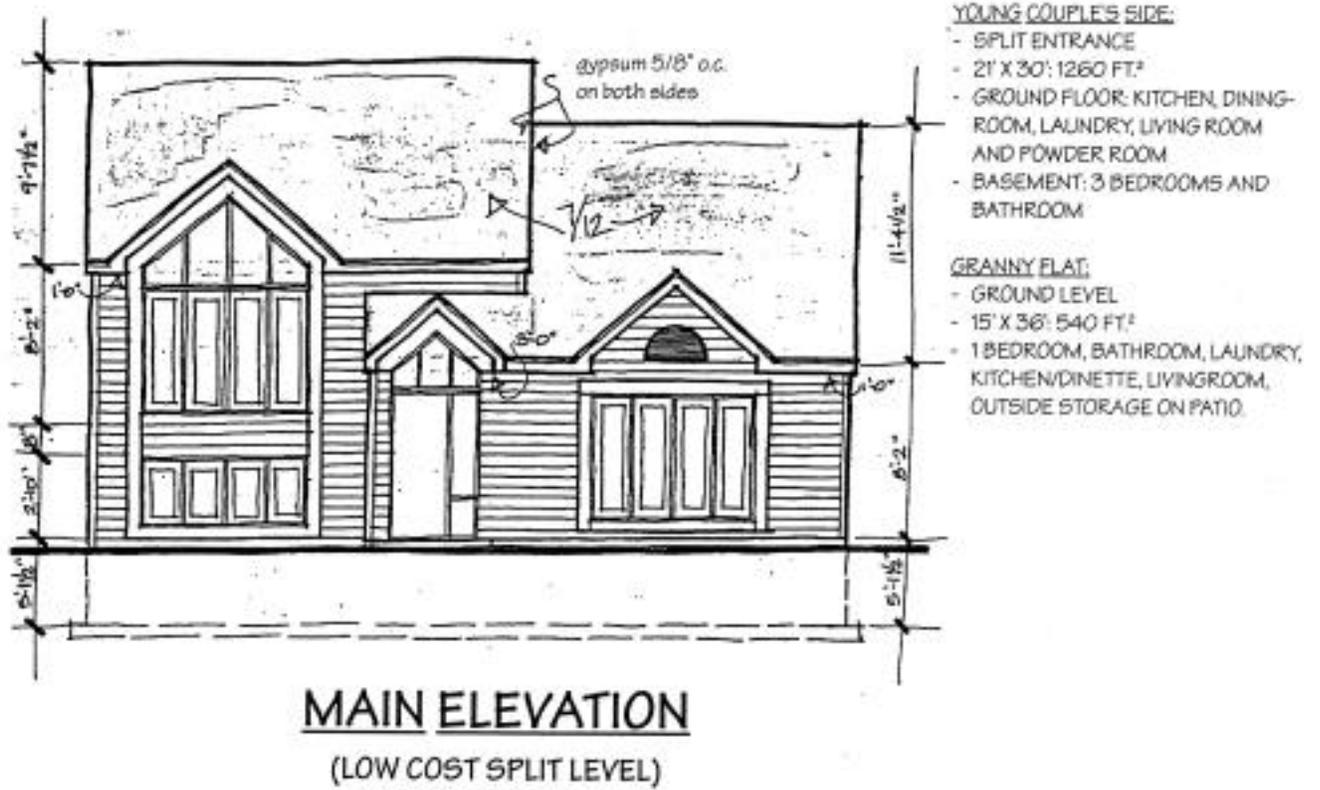


Figure 3. Two-generational House—Second Floor Plan

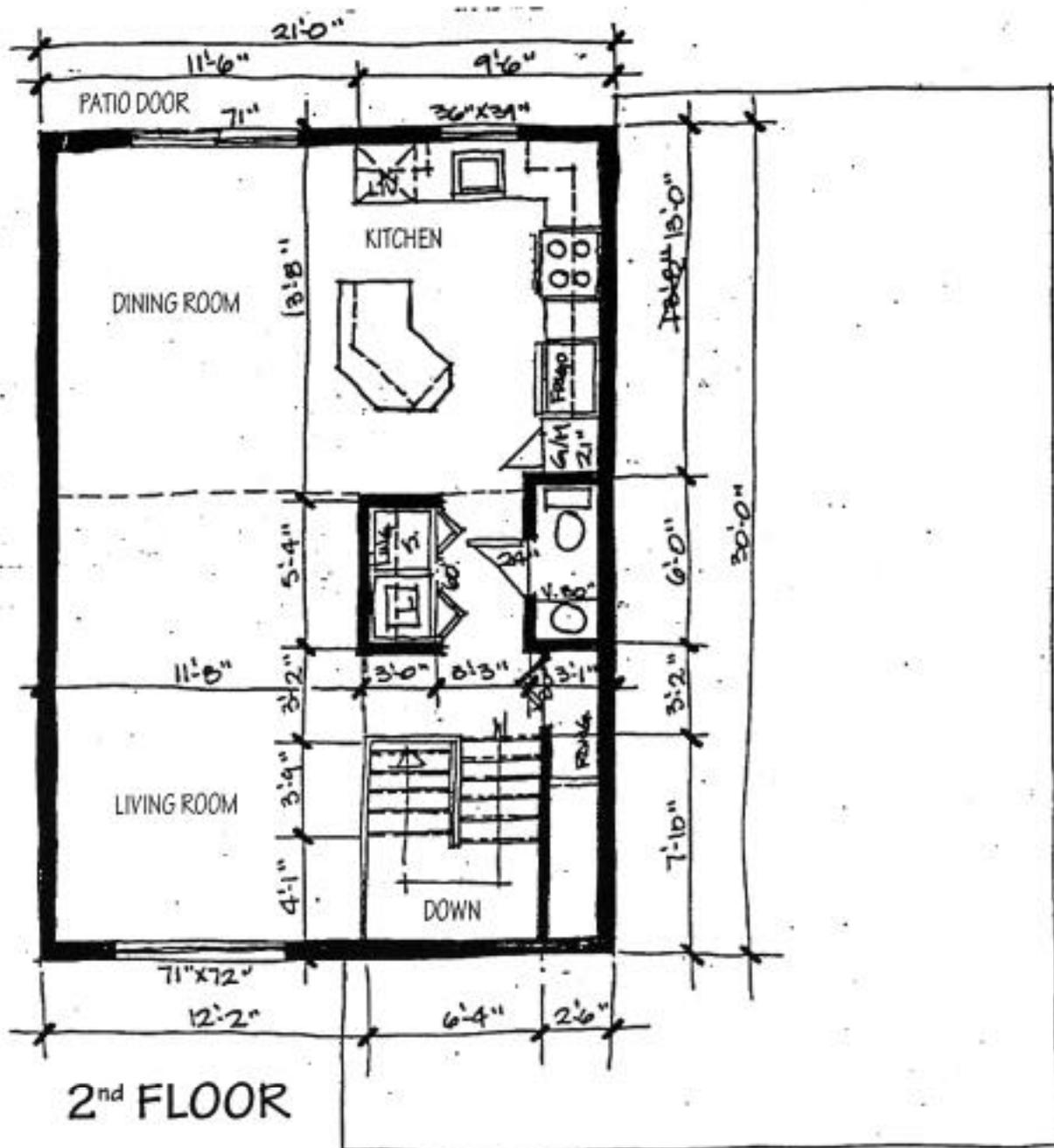
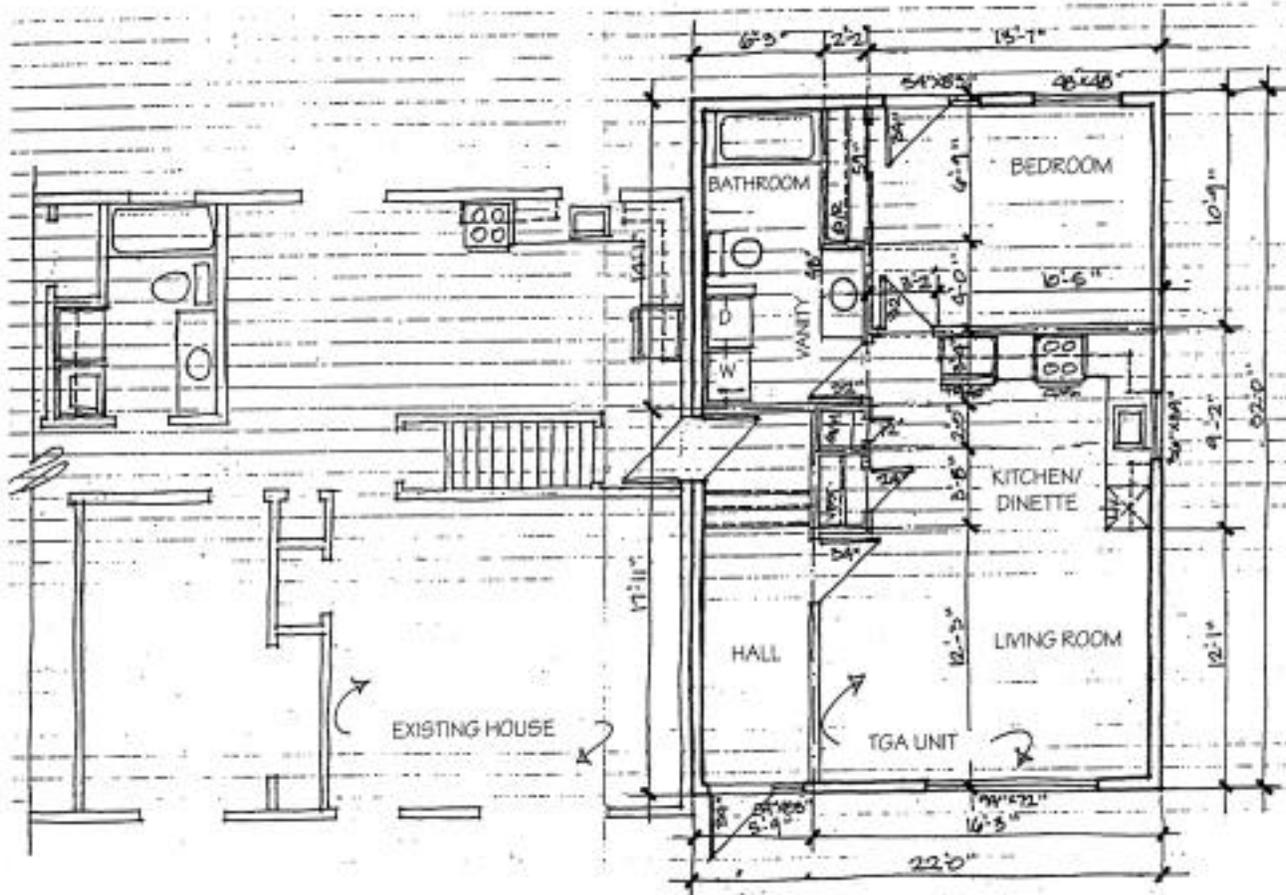


Figure 4. Two-generational Adaptation—Front Elevation



Figure 5. Two-generational Adaptation—Floor Plan



2.3 Regulatory Approaches

The project team identified two approaches to regulating two-generational housing.

The Traditional Approach

The traditional approach is based on following specific standard planning regulations and by-laws that are somewhat lacking in flexibility. Using the traditional approach to regulation would require authorizing the building of two-generational homes in all zones that permit single-family dwellings.

In regulatory terms, this would mean allowing a secondary or mixed use in a single-family home as in the case of basement bachelor apartments or daycare services. Municipalities wishing to permit two-generational housing using the traditional approach would need to re-define permitted uses to include two-generational housing.

The Siting and Architectural Integration Plan Approach

The second option is based on the siting and architectural integration plan approach that is provided for under the Quebec *Loi sur l'aménagement et l'urbanisme* (the provincial planning act). Compared to a traditional regulatory approach, this method provides quality-control of housing projects using specialized criteria.

Although projects must meet standard regulations, municipalities can allow for more flexibility, if qualitative objectives can be met through the siting and architectural integration plan approach.

Building permits for individual projects are issued only when the planning committee of a municipality has made its recommendations to council, which in turn gives final approval.

Siting and Architectural Integration Plans

Siting and architectural integration plans are a provision of Quebec's Loi sur l'aménagement et l'urbanisme, introduced in June 1989, which provide municipalities with greater flexibility in applying their by-laws. These plans make it possible to achieve the following:

- Better siting and architectural quality for projects
- Effective application of regulatory standards while being attentive to quality objectives

A municipality can require a siting and architectural integration plan, before issuing subdivision and building permits, which provides information on such aspects as a building's siting, vehicular access, landscaping and other features.

2.4 Financing

A number of options are available for financing a two-generational home:

- Both generations could share in the initial downpayment.
- Rent could be paid by the parents in exchange for the use of the space converted by the younger couple.
- Both couples could be joint owners.

Another A•C•T project, carried out by Dvertel Construction Ltd.,² found that a

² This A•C•T project is documented in the case study entitled "The Convertible House: A Flexible Alternative" available from the Canadian Housing Information Centre (footnote 1 contains the Centre's address).

new two-generational house may cost more to build and, therefore, sell at a higher price than a comparable conventional house. However, depending on a number of variables—construction costs, land value, amount of rent, amount of downpayment

and interest rates—rental income paid by the parents could lower considerably the qualifying income required of first-time homebuyers. As figure 6 shows, the increase in affordability can make two-generational housing a very attractive option.

Figure 6. The Financial Impact of Conversion: First-Time Homebuyer

House Price*	\$115,000		
Mortgage Principal	\$86,250		
Monthly Carrying Cost:			
Mortgage Payment**	\$900		
Taxes	115		
Maintenance/Utilities	<u>135</u>		
Total***		\$1,150	
Required Annual Qualifying Income			\$46,000
Conversion Cost \$15,000			
Additional Monthly Carrying Cost:			
Mortgage Payment	\$160		
Taxes/Maintenance/Utilities	<u>125</u>		
Total		\$285	
Total Monthly Carrying Cost		\$1,435	
Market Rent for Additional Unit	\$600		
Net Monthly Carrying Cost		\$835	
Net Monthly Financial Benefit		\$315	
Required Annual Qualifying Income			\$33,400
% Change in Affordability (before tax)			25%

* Assumes a 25 percent downpayment

** Assumes a 12 percent interest amortized over a 25-year period

*** Based on 30 percent Gross Debt Service

Source: Canada Mortgage and Housing Corporation, *New Made-to Convert Housing*, p. 9.

3.0 THE KEY PLAYERS

3.1 *L'Association provinciale des constructeurs d'habitations du Québec*

Formed in 1961, APCHQ is a non-profit association of more than 10,000 companies active in the housing industry. APCHQ members are responsible for more than 80 percent of residential construction projects under-taken in Quebec. The Association is credited with the creation of numerous programs aimed at protecting the consumer, one being the *Garantie des maisons neuves* that, since 1976, has provided a warranty for more than 200,000 new homes in Quebec. Also, in 1985, the Association established the first warranty program in Canada for residential renovation. APCHQ is actively involved in training, technology transfer and research.

3.2 *Construction Germon Inc.*

Construction Germon Inc. is a building firm located in St. Jean Chrysotome, Quebec. The company created the award-winning two-generational housing concept, and participated in developing design criteria with other members of the project team.

3.3 *Daniel Arbour & Associés*

Based in Montreal, *Daniel Arbour & Associés* is the largest consulting firm in urban planning in Canada. Consultants from the firm worked closely with APCHQ to develop the proposed regulations and prepare the final project report on two-generational housing.

4.0 REGULATORY REFORM INITIATIVES AND IMPACT ON HOUSING COST, CHOICE AND QUALITY

Two-generational housing offers a number of benefits, by potentially:

- providing young couples and retired parents with an affordable, secure and attractive environment in which to live
- increasing affordability through shared downpayment, rental income or shared ownership
- meeting homeowners' changing needs
- assisting the elderly to remain in their community for as long as possible
- helping to maintain the character of single-family neighbourhoods

The award-winning design could also help diversify Quebec's housing stock, increase residential densities in urban areas and reduce urban sprawl.

In April 1994, APCHQ sent a copy of the study to forty Quebec municipalities to encourage them to adopt the proposed

regulations for two-generational housing. Montreal and Quebec City, whose own regulations permit more than one unit per building in most zones, suggested that the proposed regulations be more flexible in terms of their technical and zoning criteria. At the time of publication, the municipalities of Buckingham, Gatineau, Laplaine, Prévost and Sorel had adopted regulations for two-generational housing, and Carignan, Otterburn Park, Lachenaie, St-Hubert and Verdun were soon to adopt new regulations.

APCHQ and *Daniel Arbour & Associés* regularly receive requests for information regarding two-generational housing. Demonstrated consumer demand, builders' interest, and strong municipal support have convinced the participants in the project that two-generational housing, which offers quality housing at an affordable price, has a very real future in Quebec.