

**To: Warden and Members of County Council**

**From: Director of Human Services**

## **My Second Unit Program Update**

### **RECOMMENDATIONS**

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1. That County Council approve amendments to the 'My Second Unit' funding program, as detailed in Report No. HS 2023-05;
2. And further, that Report No. HS 2023-05 be circulated to Area Municipalities for information purposes.

### **REPORT HIGHLIGHTS**

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- The 'My Second Unit' program launched in September 2022 has received significant public interest with few applications submitted to date.
- Staff are proposing to increase the maximum funding amount, as well as provide flexibility in terms of unit location and prospective tenants to increase household eligibility, in an effort to promote the creation of more 'missing middle' housing.

### **Implementation Points**

Upon Council's approval, staff will prepare various communication releases and updated guidance materials in support of the Program.

### **Financial Impact**







As staff are proposing to utilize the existing approved budget allocation for this Program, there will be no further impact on the current year's budget. For Council's information, the current balance of the Program fund is approximately \$200,000.

### **Communications**

Since the launch of the Program, a number of communication and promotion materials have been released on various platforms (newspaper, radio, County website, social media, and brochures) to reach as many residents as possible.

Should Council be supportive of the proposed updated program parameters, staff will schedule for similar public outreach, including County website updates, radio advertisements and social media posts. Members of the public that have indicated previous interest in the Program will also be contacted.

### Strategic Plan (2020-2022)

					
<b>WORKS WELL TOGETHER</b>	<b>WELL CONNECTED</b>	<b>SHAPES THE FUTURE</b>	<b>INFORMS &amp; ENGAGES</b>	<b>PERFORMS &amp; DELIVERS</b>	<b>POSITIVE IMPACT</b>
1.i. 1.ii.		3.iii.			

## DISCUSSION

### Background

On August 10, 2022, County Council passed a resolution authorizing the implementation of the 'My Second Unit' pilot program, following considerable consultation with members of the public and Area Municipalities.

The original Program parameters permitted a grant of up to \$15,000 to eligible homeowners seeking to construct a secondary affordable rental unit within the primary home on their property. The second unit must be rented at or below 100% of the Average Market Rent, being \$1,062 for a one-bedroom unit, for a minimum period of 10-years. Eligible tenants for the funded second unit were also limited to those with a total household income of less than \$92,700 (i.e. sixth income decile), and individuals who were not family members. These targets were consistent with the outcomes of the Master Housing Strategy and were intended to provide support to the 'missing middle'.

Since the launch of the 'My Second Unit' program in September 2022, staff have been communicating with a number of interested residents, including those that participated in the original consultation process (over 100 individuals). Although there has been significant interest in the Program, only three applications have been submitted for approval.

In light of this response, staff have been closely monitoring the community's response, in anticipation of Program updates based on the feedback received. Now that sufficient feedback has been received, staff are seeking Council's approval to implement a number of updates.

### Comments

Since the implementation of the pilot Program, staff have received various feedback with respect to the existing eligibility parameters. This feedback is summarized, as follows:

- Homeowners are hesitant to create an affordable second unit in light of rising construction costs;

- Interested homeowners are seeking to create an affordable second unit for an aging family member, to provide family support and avoid supportive services and care homes; and,
- Homeowners are seeking to create a second unit in an accessory building (i.e. above a garage), as suitable space is not available in their home and less building code upgrades are necessary.

In support of this feedback, staff also reviewed similar programs offered by other Municipalities (Region of Peel, Region of Waterloo and County of Simcoe) to determine if potential updates would assist to ensure the program remains effective. The relevant findings of this review are summarized as follows:

- Maximum funding amounts for similar programs range from \$25,000 to \$30,000;
- Funding is secured by way of a registered charge on title; and,
- Family members are eligible tenants in newly created/renovated second units.

#### Proposed Program Updates

In light of the feedback that was received, and based on the findings of similar programs offered by other Municipalities, staff are proposing the following updates to ensure continued Program effectiveness:

Existing Parameters	Proposed Parameters
The second unit must be located within the primary residence on the property.	The second unit will be permitted in the primary residence or an accessory building on the property (i.e. above a detached garage), in accordance with Area Municipal requirements (building code / zoning).
A financial contribution of up to \$15,000 will be provided to support the creation of an affordable second unit.	A financial contribution of up to \$30,000 will be provided to support the creation of an affordable second unit.
Eligible tenants cannot be direct family members of the homeowner.	Family members currently living in the County are now eligible tenants.
Funding is secured by way of contribution agreement and promissory note.	Funding is secured by way of a contribution agreement and charge on title (second mortgage).

The proposed updates will directly address the feedback that has been received from the public with respect to construction costs, eligible tenants and available space. In doing so, the Program will be more effective at addressing the 'missing middle', as well as allowing seniors to age in place or receive on-site family support.

As the program was initially implemented as a pilot, updates were anticipated into 2023. Staff will continue to monitor the success of the Program and consider further modifications as necessary.

## **Conclusions**

The proposed updates to the 'My Second Unit' program are in keeping with Council's direction to support the creation of affordable rental housing, as identified as a goal in the Oxford County Strategic Plan, County Official Plan, Future Oxford Community Sustainability Plan, 10-Year Shelter Plan and Master Housing Strategy.

The proposed changes are expected to provide greater flexibility to homeowners seeking to create a secondary affordable unit on their property. These Program updates are a necessary step forward in the County's efforts to creatively support the creation of affordable housing throughout the community.

## **SIGNATURES**

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### **Report Author:**

Original signed by

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### **Report Author:**

Original signed by

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### **Departmental Approval:**

Original signed by

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### **Approved for submission:**

Original signed by

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