

# REPORT

#### PLANNING AND DEVELOPMENT COUNCIL MEETING

| FROM:              | Planning Services Department | PD-090-13 |  |
|--------------------|------------------------------|-----------|--|
| DATE:              | September 26, 2013           | FD-090-13 |  |
| SUBJECT:           | Live-Work Information Report |           |  |
| LOCATION:<br>WARD: | Town wide                    | Page 1    |  |
|                    |                              |           |  |

#### **RECOMMENDATION:**

That Planning Services report PD-090-13, dated September 26, 2013, be received.

## **KEY FACTS:**

The following are key points for consideration with respect to this report:

- This report provides an overview of live-work development in Oakville, including benefits and limitations, recent trends, the current policy framework and built examples within the Town
- Live-work units have evolved from units where the residential and nonresidential components are occupied by the same individual, to a more mixed-use function where these components may be unrelated and leased by separate individuals
- The Livable Oakville Plan and North Oakville East Secondary Plan provide a policy framework which encourages mixed uses, including live-work forms of development

## BACKGROUND:

This report responds to an outstanding item from the October 22, 2012, Planning & Development Council meeting.

With regard to Item 4 – Housing Information Report, Planning Services staff were directed to:

*"Provide a report on live-work units addressing matters including current trends and research, challenges with implementation and operation, and an assessment of such developments in Oakville".* 

## WHAT IS LIVE-WORK?

Live-work is a type of mixed use development, generally defined by residential and non-residential (e.g. commercial or office) spaces being directly connected, allowing the proprietor to both live and work within the same unit.

The intensity associated with the number of customers, deliveries and employees is generally less in live-work developments than single purpose commercial or office space, but more intense than home occupations.

Live-work spaces can be of any spatial configuration and can be purpose built or a retrofit of an existing building. In many municipalities, live-work permissions were historically granted to accommodate artists who required affordable studio space and were located in traditionally non-residential areas. Today, live-work developments are more commonly found in mixed use built-up areas, with an emphasis on the residential component.

Generally, live-work developments tend to locate in built up areas or areas that are planned for a higher intensity of development. They can provide a variety of small scale retail and service commercial uses.



Figure 1: Typical live-work townhouse floor plan

## BENEFITS

There are a number of community benefits associated with live-work units. True livework units, where the occupant both lives and works in the unit, eliminate the need to commute.

Live-work units can be a more affordable option for business owners, as it eliminates the need to lease a separate workspace. In some cases, the cost of ownership of a live-work space would be less per month, based on the nonresidential area, than leasing a commercial unit in the same area with similar usability.

They also provide opportunities for smaller-scale services within neighbourhoods, contributing to complete communities. Live-work developments can offer flexibility for small business growth and create an environment where business owners can interact with one another.

#### LIMITATIONS

Traditional live-work developments are limited in that there are no controls in place to ensure that those who live in the unit also utilize the work space, and vice-versa. In some cases, the property owner will lease the commercial space and live in the residential portion or utilize the commercial space and lease the residential portion, contrary to the intended purpose of the live-work concept. This type of use structure essentially converts the live-work unit to a typical mixed use development, whereby the residential and non-residential uses are completely separate and unrelated.

Services are incorporated in units as a whole, meaning there is no separate metering of the residential and commercial components of a live-work unit. This can limit flexibility for owners wishing to lease a portion of their space.

The size of the non-residential component of a live-work unit is often small and can be a limitation for owners, particularly as their business grows over time and additional employees are required. In townhouse form live-work developments, the non-residential space of a unit is typically around 500 square feet (46 m<sup>2</sup>) in area. This space restriction limits the type of business that can operate from a use standpoint, and can lead to higher turnover should the business require additional space. Further use restrictions are generally outlined in the associated zoning bylaw.

Parking is also a challenge that faces live-work developments, particularly where the residential and non-residential spaces are utilized by separate occupants who require parking space. The addition of employees who may require additional

parking can further complicate situations. In most cases, customer parking is available on-street, often in a lay-by area in front of the development. Additional visitor parking is often provided in the rear of the development; however, the number of these spaces may be limited.

## CURRENT TRENDS

Based on recent development applications in Oakville, there has been less demand for live-work developments and a greater demand for mixed use development. This trend is also being seen in surrounding municipalities such as Burlington and Mississauga and more residential condominiums are incorporating commercial uses on the ground floor.

Mixed use configurations allow greater flexibility as the commercial/office space on the ground floor is not related or internally connected to the uses on the upper floors. Because these ground floor spaces are not tied in tenure to the uses above, the unit is not necessarily constricted by continuous walls. This allows greater flexibility for the size of the non-residential units and provides for the potential of utilizing several units side by side for a specific use.

This flexibility contributes to attracting a range of retail, service commercial and office uses with varying floor area requirements. For example, service commercial uses such as veterinary clinics and financial institutions may require larger units, whereas small business offices or niche retail shops may require smaller units. As businesses grow, this type of configuration offers the potential for expansion of their space through the acquisition of an adjacent unit, avoiding relocation.

The neighbouring cities of Burlington and Mississauga do not reference live-work uses specifically in their Official Plans and Zoning By-laws. Instead, the focus is on mixed uses generally and height restrictions and use permissions dictate where livework developments would be permitted.

#### **EXISTING POLICY FRAMEWORK**

#### Livable Oakville Plan

The Livable Oakville Plan directs the highest concentration of mixed uses to identified Growth Areas.

Typically, the mixed use form envisioned in the Livable Oakville Plan includes commercial units on the ground floor and lower levels of a building, with office and/or residential uses above. These uses would typically be completely separate from the commercial uses below. However, this does not preclude the possibility

that someone who is running a business on the ground floor would live upstairs in the same building.

There are four mixed use land use designation in the Livable Oakville Plan – Main Street 1, Main Street 2, Urban Centre and Urban Core. Given the typical townhouse live-work form in Oakville being three storeys in height, the opportunity to construct a live-work development would be under the Main Street 1 land use designation, as illustrated in Table 1 below.

| Mixed Use<br>Designations | Minimum<br>number of<br>storeys | Maximum<br>number of<br>storeys |
|---------------------------|---------------------------------|---------------------------------|
| Main Street 1             | 2                               | 4                               |
| Main Street 2             | 4                               | 6                               |
| Urban Centre              | 6                               | 8                               |
| Urban Core                | 8                               | 12                              |

Table 1: Mixed Use Designation Building Heights

The Livable Oakville Plan directs that Mixed Use designations are intended to:

- "Allow for a diversity of residential, commercial and office uses which are integrated in buildings to provide for the efficient use of municipal services and infrastructure" (S.12.1.1) and;
- "Create animated streets by providing retail and service commercial uses at grade, fronting onto the street and other pedestrian environments. The location and size of any use on upper and/or lower floors within mixed use buildings will be determined through the development process and regulated by the implementing zoning." (S12.1.3)

#### North Oakville East Secondary Plan

The North Oakville East Secondary Plan envisions the Urban Core designations as being true mixed use urban areas (S.7.3.2). Live-work is considered a type of mixed use development, and mixed use is encouraged in the Trafalgar Urban Core, Dundas Urban Core and Neyagawa Urban Core areas.

Live-work units are also specifically encouraged to locate in the Neighbourhood Areas (S.7.6.7.a). The Neighbourhood Centre Area is intended to accommodate a range of medium density residential development including live-work units (S.7.6.7.1.a). While predominantly residential, the General Urban, Sub-urban and High Density Residential areas are to provide for live-work functions (S.7.3.3.b-d).

## Oakville Zoning By-law

The Town of Oakville Zoning By-law 1984-63 (2011 Consolidation) defines "commercial residential" as:

"A form of mixed use or live-work structure that has a commercial component and a residential component consisting of:

- a) "Combined commercial residential": A structure where the commercial and residential components are accessed by entirely separate entrances; or
- b) "Connected commercial residential uses": A multiple attached dwelling where the ground floor is used exclusively for commercial purposes and where the commercial and residential components are accessed by a common internal entrance" (P.1, S.2)

Based on this definition, typical mixed use developments would be classified as "combined commercial residential" and live-work developments would be classified as "connected commercial residential".

Currently, the Central Business District – Residential (C3R) Zone permits commercial residential developments. Within the C3R Zone, "for connected commercial residential uses, the residential component will be located entirely above the commercial uses" (P.3, S.41.2.4d). This provision would restrict residential use of a basement located in a live-work unit.

A study was completed by the Town in 2006 which discussed the establishment of parking standards for live-work developments. It concluded that separate parking should be provided for the residential and non-residential components of live-work developments. The non-residential rate is to be based on the commercial floor area and the residential rate is to be per unit. The current rates are a minimum of one parking space for each 32.6m<sup>2</sup> leasable floor area for the commercial component, and two parking spaces for the residential component of each unit (P.3, S.43.1).

#### North Oakville Zoning By-law

The North Oakville Zoning By-law 2009-189 (2011 Consolidation) defines "commercial/residential" as:

"A form of mixed-use or live-work building that has a commercial component and a residential component consisting of:

- i. "combined commercial/residential": A building where the commercial and residential components are accessed by entirely separate entrances; or,
- ii. "connected commercial/residential": A townhouse dwelling, including a stacked townhouse dwelling, where the ground floor, or part thereof, is

used for commercial purposes and where the commercial and residential components are accessed by a common internal entrance" (S.7.0)

As in the Oakville Zoning By-law, typical mixed use developments would be classified as "combined commercial/residential" and live-work developments would be classified as "connected commercial/residential". Commercial/residential uses are permitted in the Trafalgar Urban Core (TUC), Dundas Urban Core (DUC), Neyagawa Urban Core (NUC), Neighbourhood Centre (NC) and High Density Residential (HDR) Zones.

As discussed above, live-work developments are typically three storeys in height. Based on minimum height restrictions, the TUC, DUC, NUC and NC Zones would provide the opportunity for a live-work development, as shown below:

| North Oakville<br>Zone        | Minimum<br>number of<br>storeys | Maximum<br>number of<br>storeys |
|-------------------------------|---------------------------------|---------------------------------|
| Trafalgar Urban<br>Core - TUC | 3                               | 5                               |
| Dundas Urban Core<br>- DUC    | 2                               | 8                               |
| Neyagawa Urban<br>Core - NUC  | 3                               | 8                               |
| Neighbourhood<br>Centre - NC  | 2                               | 5                               |
| Urban Core – MU4              | 5                               | 10                              |

Table 2: Commercial/Residential Zone Height Regulations

On lots which abut Trafalgar Road, and where surface parking areas are permitted, the maximum lot frontage or flankage on Trafalgar Road occupied by surface parking areas is 5% for commercial/residential uses (S.4.1.6.vii).

The parking rate for commercial/residential connected (live-work) uses is broken down by component. For the residential component, a minimum of one and maximum of two parking spaces per dwelling unit, which may be provided in tandem, is required. Where the commercial component is up to 90 square metres, two parking spaces are required. Where the commercial component exceeds 90 square metres, the applicable regulations for non-residential uses apply nonresidential floor area (Table 4.1B).

## <u>inZone</u>

The First Draft 2014 Zoning By-law, dated June 18, 2013, defines Mixed Use Building as "a building in a mixed use zone containing residential uses and at least

one other non-residential use permitted by this By-law" (Part 3). Five mixed use zone categories are proposed, all of which permit residential dwellings.

Based on proposed height restrictions, the Central Business District (CBD) and Main Street 1 (MU1) zones would provide the opportunity for a live-work development. This is further illustrated in the below table:

| Mixed Use Zone      | Minimum<br>number of<br>storeys | Maximum<br>number of<br>storeys |
|---------------------|---------------------------------|---------------------------------|
| Central Business    | n/a                             | 4                               |
| District - CBD      |                                 |                                 |
| Main Street 1 – MU1 | 2                               | 4                               |
| Main Street 2 – MU2 | 4                               | 6                               |
| Urban Centre – MU3  | 6                               | 8                               |
| Urban Core – MU4    | 8                               | 12                              |

Table 3: Mixed Use Zone Height Regulations

Residential uses are proposed to be prohibited in the first 9.0 metres of building depth on the first storey having lot frontage onto Lakeshore Road West, Lakeshore Road East, Kerr Street, Oak Park Boulevard, and Old Bronte Road. (S.9.2.3.b). "Ancillary residential uses" such as stairs and lobbies are proposed to be limited to occupying only 15% of the length of the wall oriented toward the front lot line on the first storey (S.9.2.3.b). This is to ensure that commercial uses occupy the majority of the building frontage along the street, contributing to a vibrant, main street environment.

The use of a basement on a lot in any mixed use zone is proposed to be permitted by any use on the same lot (S.8.8). This provision would permit the residential and/or commercial use of a basement located in a live-work unit.

The parking rates are proposed to be a minimum of one space per 35m<sup>2</sup> leasable floor area for the non-residential uses, plus the minimum number of parking spaces for the residential use. inZone also requires a minimum number of bicycle parking spaces. In mixed use zones, this is to be the greater of two or one per 1,000m<sup>2</sup> leasable floor area, plus the minimum number of bicycle parking spaces for the residential use.

#### Ontario Building Code Act, 1992

The Ontario Building Code Act defines a live/work unit as:

"A dwelling unit having an area of not more than 200 m<sup>2</sup> that contains a subsidiary business and personal services occupancy or a subsidiary low

hazard industrial occupancy, and which is used and operated by one or more persons of a single household"

Live/work units are required to comply with Part 3 of the Building Code for the commercial component and Part 9 of the Building Code for the residential component.

## LIVE-WORK IN OAKVILLE

In Oakville, and other communities, existing live-work units have been built in townhouse configurations with commercial or office space at-grade. These non-residential spaces are generally separated from the residential space by an interior door, and separate entrances to the live and work spaces exist. This type of configuration allows complete separation of the two uses should the internal access be locked, potentially allowing separate occupants to utilize the spaces.



Figure 2: Live-work example in Oakville (Postridge Drive)

Table 3 below provides an overview of the current live-work developments in Oakville. A map of the locations is provided in Appendix A and photographs of the developments are provided in Appendix B.

| # | General | Address                   | Live-work | Official Plan  | Zoning |
|---|---------|---------------------------|-----------|----------------|--------|
|   | Area    |                           | Units     |                |        |
| 1 | Uptown  | 516 – 540 Postridge Drive | 12 units  | Medium Density | R8     |
|   |         |                           |           | Residential    | SP.679 |
| 2 | Uptown  | 2374 – 2384 Parkhaven     | 6 units   | Growth Area –  | UCR1B  |

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|   |                          | Boulevard   |          | Main Street 2                                 | SP.592,<br>837 |
|---|--------------------------|---|----------|---|----------------|
| 3 | Lower<br>Kerr<br>Village | 102-106 Lakeshore Road<br>West                                | 3 units  | Growth Area –<br>Central Business<br>District | C3R            |
| 4 | Lower<br>Kerr<br>Village | 76 – 94 Lakeshore Road West                                   | 10 units | Growth Area –<br>Central Business<br>District | C3R<br>SP.801  |
| 5 | Lower<br>Kerr<br>Village | 112-130 Lakeshore Road<br>West                                | 10 units | Growth Area –<br>Central Business<br>District | R7<br>SP.799   |
| 6 | Lower<br>Kerr<br>Village | 113-129 Lakeshore Road<br>West                                | 9 units  | Growth Area –<br>Central Business<br>District | C3R<br>SP.791  |
| 7 | Bronte<br>Village        | 2353 Lakeshore Road West                                      | 3 units  | Growth Area –<br>Main Street 1                | C3R            |
| 8 | Bronte<br>Village        | 2334 - 2364 Lakeshore Road<br>West & 80-90 Nelson Street      | 22 units | Growth Area –<br>Main Street 1                | C3R<br>SP.778  |
| 9 | Bronte<br>Village        | 2465 - 2471 Lakeshore Road<br>West & 108 – 118 Bronte<br>Road | 10 units | Growth Area –<br>Main Street 1                | C3R<br>SP.763  |
|   | TOTAL                    | Table 4: Summary of live work d                               | 86 units |   |                |

 Table 4: Summary of live-work developments in Oakville

All but one of the live-work developments are located in a designated Growth Area. The majority are also currently within the C3R zone and all but two have special provisions in the current Zoning By-law which relate to the live-work units.

Based on site observation, all of the live-work developments in Oakville appear to be in operation, with few vacancies observed. At the time of this report, a total of four units were advertised for lease. Of these four units for lease, it appeared that three were specifically leasing the non-residential component, and one was specifically leasing the residential component.

It should be noted that there is one known instance within the town where a livework unit was converted to an entirely residential function. This was a unique case located within The Greenery off of Sixth Line, outside of a designated Growth Area. Special Provision 557 in the Oakville Zoning By-law permitted one corner convenience store in addition to a detached building containing one residential unit within the R7(b) Zone (Residential – Mixed Dwellings). The corner convenience store was located on a local street within the development and did not front onto Sixth Line. It was intended to serve the immediate community; however, it proved to be unsuccessful for the business owner and the unit was converted to an entirely residential use. This was not problematic from a zoning or planning perspective, due to the R7(b) zone permissions allowing entirely residential uses and its mediumdensity residential designation.

## CONCLUSION

Oakville's live-work developments are currently functioning with both residential and non-residential uses being utilized. Conversions of live-work units to an entirely residential function or an entirely non-residential function are not common, given the zoning requirements and policy framework associated with existing live-work developments. The Town cannot control how a property owner chooses to lease his/her space and as a result, there is no certainty that the Town's current live-work developments are functioning as truly combined living and working spaces for the occupant.

Live-work developments can have the ability to function as typical mixed use configurations where the residential and non-residential spaces are separated and unrelated. Typical mixed-used developments provide more flexibility for nonresidential uses located on the ground floor and still achieve the goals of complete communities by combining small scale retail and service commercial uses with residential uses. However, live-work units can also offer additional benefits to the occupant if utilized as intended.

The Livable Oakville Plan, North Oakville East Secondary Plan and the Zoning Bylaws currently contemplate mixed uses, and the extent to which live-work is addressed in those documents is considered adequate.

Based on staff analyses of current trends and the existing live-work examples in Oakville, it is likely that more typical mixed use development will occur in the Town's urban areas. The current policy framework will continue to permit live-work uses at appropriate locations, should there be development interest.

## **CONSIDERATIONS:**

- (A) PUBLIC No public notice was required
- (B) FINANCIAL None arising from this report
- (C) IMPACT ON OTHER DEPARTMENTS & USERS None arising from this report
- (D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS

This report addresses the corporate strategic goal to:

- provide outstanding service to our residents and businesses
- be innovative in everything we do
- be dedicated in everything we do
- be the most livable town in Canada

#### (E) COMMUNITY SUSTAINABILITY

This information report generally complies with the sustainable objectives of the Livable Oakville Plan.

#### **APPENDICES:**

Appendix A – Live-work location map Appendix B – Live-work development photographs

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