

COMMITTEE REPORT



TO **Community Development and Environmental Services
Committee**

SERVICE AREA Community Design and Development Services
DATE December 14, 2009

**SUBJECT Proposed Changes to Lodging House and Two-Unit
House Administrative Procedures**

REPORT NUMBER 09-100

RECOMMENDATIONS

"That Report 09-100 from Community Design and Development Services regarding proposed changes to the administration of lodging houses and two-unit houses, dated December 14, 2009, BE RECEIVED,"

"That staff be directed to develop procedures and regulations to license all lodging houses and two-unit houses for consideration by Council," and

"That staff be directed to consult with the public and stakeholders regarding the proposed licensing process for lodging houses and two-unit houses."

BACKGROUND

On July 27, 2009, Council approved staff recommendations to require lodging housings to have a business licence and to change the Two-Unit House Registration By-law to require houses with accessory apartments to renew their registration every three years (See Council Resolutions in **Attachment 1**).

At the same meeting Council also directed:

THAT staff be directed to report back on opportunities for licensing and other forms of management, including designation as a lodging house, of two-unit rentals within single family homes.

Concern about two-unit houses¹ where both units are rented, has arisen through public complaints regarding this form of housing in several areas across the City. Specific concerns include:

- Concentration of rental properties in some neighbourhoods;
- Property standards and lack of lot maintenance;

¹ Two-Unit House: When a single detached or semi-detached dwelling contains an accessory apartment.

-
- Safety concerns when buildings are not maintained to relevant Fire and Building Code requirements;
 - Parking concerns, with cars parking on front lawns and boulevards because there is inadequate parking for tenants;
 - Behavioural issues and nuisance concerns – i.e. parties and noise from tenants of these units.

Staff have reviewed regulations in place in other municipalities that have similar concentrations of rental housing. Many municipalities had chosen to license lodging houses, though few have chosen to license all rental units. Waterloo and Hamilton are also in the process of reviewing their regulations around rental housing. A summary of findings is found in **Attachment 2**.

After reviewing various options for regulating and managing two-unit houses where both units are rented, staff recommend that both lodging houses and two-unit houses that are rented, be required to be licensed under a separate rental housing licensing by-law. Proceeding with a separate by-law to manage rental housing instead of amending the business licence by-law and registration process would require Council to rescind the previously adopted resolutions related to the Business Licence and Two-Unit House Registration By-laws as shown in **Attachment 1**.

REPORT

Purpose of Licensing

The purpose of licensing would be to protect the health and safety of residents of rental units and endeavour to minimize impacts on property standards and surrounding residential neighbourhoods through initial and renewal inspection requirements.

Licensing for rental housing would require owners of rental units to meet specific conditions for providing and maintaining safe residential housing. The Municipal Act permits the City to require a licensee to pay a licence fee and to permit inspections prior to obtaining or renewing the licence. The Municipal Act also allows for the City to impose conditions as a requirement of obtaining, continuing to hold or renewing a licence.

A licensing system for all lodging and two-unit rental houses can help ensure that tenants have safe housing that meets Fire and Building Code requirements by proactively monitoring housing conditions through annual inspections. Annual inspections also mean that landlords can be provided with records of any conditions on their properties which contravene City by-laws (i.e. property standards, building code), leading to enhanced care and maintenance of rental properties.

Requiring licensing for two-unit houses will not remedy all concerns associated with this form of housing. Behavioural and nuisance issues will need to continue to be enforced through existing by-laws. The enhanced by-law enforcement program that came out of the 2004-2005 Shared Rental Housing Regulation Review has had some success in addressing complaints and should be continued, targeted to neighbourhoods with higher concentrations of rental housing and by-law infraction

complaints. In addition, existing City by-laws can be enforced more proactively, such as the Yard Maintenance By-law (2008-18552), which permits the City to clean up a private property and charge the owner to recover the clean up costs. Staff and resource allocation will need to be examined further to better determine opportunities for additional by-law enforcement measures.

Proposed Licensing By-law

Potential options for different methods of regulating two-unit rental houses have been reviewed. As a result it is proposed that the City license all two-unit rental houses and lodging houses through a separate and specific rental housing by-law as permitted under the Municipal Act.

It is recommended that the licensing of all lodging houses and rented two-unit houses be broken into the following three categories:

1. Lodging Houses (5-12 lodging units)
(Would require annual inspection and licence renewal)
2. Two-unit houses with 5 or more bedrooms rented (5-6 bedrooms rented)
(Would require annual inspection and licence renewal)
3. Two-unit houses with 4 or less bedrooms rented (1-4 bedrooms rented)
(Would require inspection and licence renewal every 3 years)

With respect to annual inspections and licence requirements, lodging houses and two-unit houses where both the main and accessory units are rented would be treated the same. Two-unit houses where four or less bedrooms are rented would require inspection and licence renewal every three years. The distinction between the two types of two-unit housing addresses the complaint that building maintenance and nuisance issues are more of a concern where the owner is not on site.

Instead of amending the current Business Licensing By-law as originally proposed and approved by Council in July 2009, staff recommend that a separate by-law be developed to regulate both lodging houses and two-unit houses. Community Design and Development Services staff are expected to administer the proposed licensing program. A separate by-law, that sets out the specific licensing requirements for lodging houses and two-unit houses would also be more straightforward for staff to implement than an amendment to the current Business Licensing By-law.

No additional changes are proposed to the Zoning By-law regarding current regulations for two-unit houses or lodging houses. Planning staff support the continued availability of accessory apartments and two-unit rental houses city-wide as an integral part of affordable housing. As well, this housing form helps the City meet intensification targets. For these reasons staff do not support a separation distance for accessory apartments. Currently the City receives approximately ninety (90) applications per year for accessory apartments and there are approximately 1500 in total throughout the City. Recent review of all registered two-unit houses

showed that the majority (68%) are occupied by the owner. Most rent a one or two bedroom accessory apartment while residing in the main unit.

Proposed Next Steps

Staff still have several outstanding issues to address regarding the development of a licensing program, including:

- Estimate of costs of implementation of the licensing process.
- Estimate of proposed licence fees (based on cost recovery).
- Determine most appropriate licensing appeals process and penalties for failure to comply with licensing requirements.
- Determine how to best phase in existing two-unit properties from the registration process to licensing.
- Determine specific licensing conditions to apply to Lodging House and Two-Unit House property licensees.

Once a draft licensing program is developed, staff propose to engage interested members of the community and specific stakeholder groups for feedback on the draft program before bringing it back to Council for a decision.

Summary

Staff recommend that the City pursue a licensing program for lodging houses and two-unit rental houses. Next steps would include the development of proposed regulations and engaging interested members of the public and stakeholders for feedback on the proposed licensing program.

CORPORATE STRATEGIC PLAN

- Urban Design and Sustainable Growth Goal #1: An attractive, well-functioning and sustainable City.
- Personal and Community Well-being Goal #2: A healthy and safe community where life can be lived to the fullest

FINANCIAL IMPLICATIONS

Community Design and Development Services staff are in the process of determining actual cost to run this program. Staff anticipate that the licensing administrative process would recover all costs through the required licensing fees.

DEPARTMENTAL CONSULTATION

Staff from Building, Zoning, Planning, Legal, Clerks, Fire and By-law Enforcement met to discuss and develop this report.

COMMUNICATIONS

Should the recommendations of this report be approved, staff will bring forward details of the proposed licensing system and by-law to the public and stakeholders for review and feedback before coming back to Council for approval. **Attachment 3** is a summary of ongoing projects related to Shared Rental Housing.

ATTACHMENTS

Attachment 1 – Council Resolutions from July 27, 2009
Attachment 2 – Review of Rental Housing Regulations in Other Municipalities
Attachment 3 – Shared Rental Housing Update

Prepared By:

Katie Nasswetter
Senior Development Planner
519-837-5616, ext 2283
katie.nasswetter@guelph.ca

Recommended By:

Marion Plaunt
Manager of Policy Planning &
Urban Design
519-837-5616, ext 2426
marion.plaunt@guelph.ca

Recommended By:

James N. Riddell
Director of Community Design and Development Services
519-837-5616, ext 2361
jim.riddell@guelph.ca

P:\Planning&DevelopmentServices\Planning\CD&ES REPORTS\2009\09-100(12-14)SRH
Licensing (Katie N).docx

ATTACHMENT 1

Council Resolutions from July 27, 2009



July 29, 2009

Mr. J. Riddell
Director of Community Design
& Development Services

Community Design
and Development Services

JUL 31 2009

Dear Mr. Riddell:

At a meeting of Guelph City Council held July 27, 2009, the following resolution was adopted:

"THAT the Community Design and Development Services Report 09-60 regarding the Administrative Procedures for Lodging Houses and Accessory Apartments, dated July 20, 2009, be received;

AND THAT staff be directed to report back with a proposed amendment to the Business Licensing By-law, to require Lodging Houses to have a business license;

AND THAT staff be directed to prepare an amendment to the Zoning By-law to require a licensing process in order to establish priorities for lodging houses;

AND THAT staff be directed to report back with a proposed amendment to the Registration of Two-Unit Houses By-law Number (1997)-15392, to incorporate the expiration of registration after three years to require the reinspection of these properties."

Yours truly,

A handwritten signature in black ink, appearing to read 'Joyce Sweeney', is written over a faint, illegible typed name.

Joyce Sweeney
Council Committee
Coordinator

cc. Mrs. L.A. Giles

LAG:db

City Hall
1 Carden St
Guelph, ON
Canada
N1H 3A1

T 519-822-1260
TTY 519-826-9771

guelph.ca





July 29, 2009

Mr. J. Riddell
Director of Community Design
& Development Services

Community Design
and Development Services

JUL 31 2009

Dear Mr. Riddell:

At a meeting of Guelph City Council held July 27, 2009, the following resolution was adopted:

"THAT staff be directed to report back on opportunities for licensing and other forms of management, including designation as a lodging house, of two-unit rentals within single family homes."

Yours truly,

Lois A. Giles
Director of Information
Services/ City Clerk

LAG:db

City Hall
1 Carden St
Guelph, ON
Canada
N1H 3A1

T 519-822-1260
TTY 519-826-9771

guelph.ca

ATTACHMENT 2

REVIEW OF RENTAL HOUSING REGULATIONS IN OTHER MUNICIPALITIES

Municipality	Rental Units Licensed and program start date	What is licensed	Methodology	Administration	Fee	Penalties
Hamilton	Under consideration at present by City Wide Community Liaison Committee	Considering single and semi detached only on a city-wide basis	Reviewing licence and zoning by-law regulations	Under review	Under Review	Under Review
Kingston	No rental unit licence program	Lodging Houses Every premises in which four or more persons, exclusive of staff, are lodged, with or without meals, in return for a fee	Application circulated to: Building, Fire, Health Unit, Police, Utilities Kingston or ESA	Administered through a schedule in the business licence by-law	\$100 annually	Penalties are contained within the business licence by-law along with appeals mechanism
London	Rental Licensing by-law adopted October 1, 2009 and to be enacted in March 2010	License buildings containing four or less rental units (singles, semis, duplexes and triplexes, fourplexes and converted dwellings)	Has to conform to applicable zoning and other by-laws, fire code and the OBC	Separate Licence By-law created	\$150 for a five year period	Penalties are contained within the Residential Rental Units Licensing By-law – a licence by-law with an appeals mechanism
Oshawa	Proposed for 2008, by-law challenged	Rental units in certain neighbourhoods close to University of Ontario and Durham College <i>“LODGING HOUSE”</i> means a Building or part of a Building, containing three to ten Lodging Units. It includes, without limitation, a rooming house and a boarding house, a fraternity house or sorority house	Must comply with applicable by-laws and codes. Maximum number of rental units in a building limited to four. Amended to six on certain streets. Does not apply to a property with two or less rental rooms	Administered through a schedule in the business licence by-law	\$250 annually	Penalties are contained within the business licence by-law along with appeals mechanism

REVIEW OF RENTAL HOUSING REGULATIONS IN OTHER MUNICIPALITIES (continued)

St. Catharines	No separate rental unit licence	Only "second level lodging houses". "Second Level Lodging House" means a nursing home and any house or other building or portion thereof	Application is circulated to Fire, Building, Zoning, Property Standards, Health and Hydro for approval	Administered through a schedule in the business licence by-law.	\$200	Penalties are contained within the business licence by-law along with appeals mechanism.
Waterloo	Reviewing and recommending a rental unit licence program	Considering single and semi-detached, duplexes, triplexes and townhouses on a city wide basis	Under consideration	Under consideration	\$280 annually for lodging houses	Under consideration
Windsor	No separate rental unit licence. The City of Windsor reviewed and rejected licensing of rental units in a report dated November 19, 2008 by the Licensing and Enforcement Department	Licence for Lodging House 1 and 2. CLASS 1. Where the operator provides no assistance to the resident in caring for their health and for their personal needs, including washing, dressing or eating (2) CLASS 2. Where the operator provides assistance to the resident in caring for their health and for their personal needs including washing, dressing or eating	Clearance required from Chief Building Official, Fire, Health, Electrical Safety Authority and Police	Administered through a schedule in the business licence by-law	\$398 initial and \$358 renewal	Penalties are contained within the business licence by-law along with appeals mechanism

ATTACHMENT 3: SHARED RENTAL HOUSING UPDATE

Shared Rental Housing and Community Concerns

The City has received complaints about excessive noise, parking problems and property standards issues from residents in some neighbourhoods with concentrations of rental housing.

The City and the University of Guelph have initiated several projects to help improve the situation. These include:

- **Licensing Review of Lodging Houses and Two-Unit Houses:** The City is reviewing options for requiring Lodging Houses and Two-Unit Houses (houses with accessory apartments) to be licensed. This process will assist in providing safer accommodations for tenants through more frequent inspections of these units for fire safety and property standards. Watch for public engagement opportunities in 2010.
- **Enhanced By-law Enforcement:** City of Guelph by-law enforcement staff have expanded Noise By-law enforcement to 24 hours a day, 7 days a week after a successful program that focused on Thursday to Saturday nights. Staff are also continuing to proactively inspect for property standards and fire safety in areas with a history of complaints.
- **Student Code of Rights and Responsibilities:** The University of Guelph is reviewing its Student Code to include consequences issued by the University for non-academic offences. The University has a code of conduct for students living on campus, and is considering one for students living off-campus.
- **Guelph Chapter of Town and Gown Ontario:** This association has been formed, and will develop into a working committee of students, landlords, the City, and the University to address all issues related to being a thriving university town.

These initiatives are being pursued with the goal of strengthening the safety, security and quality of life of all who live in these neighbourhoods.

Who to call

If you have concerns about your neighbourhood, please call the appropriate City enforcement group at the contact information below.

Noise	Guelph Police	519-824-1212
Parking (i.e. on lawns/ sidewalks)	By-law Enforcement	519-836-7275
Property Standards or Zoning Concerns	Building Services	519-837-5615
Fire Safety	Fire Prevention Office	519-763-8111
Waste (i.e. sorting, items left at curb)	Solid Waste Resources	519-767-0598