

COMMITTEE REPORT



TO **Community Development and Environmental Services Committee**

SERVICE AREA Community Design and Development Services
DATE July 20, 2009

SUBJECT **Changes to Administrative Procedures for Lodging Houses and Accessory Apartments**

REPORT NUMBER 09-60

RECOMMENDATION

"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;"

"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 licence;"

"That staff be directed to prepare an amendment to the Zoning By-law to require a licensing process in order to establish priority 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."

BACKGROUND

This report is in response to the following resolution from the Community Design and Environmental Services Committee's March 30th and April 7th 2009 meeting:

"THAT staff be directed to report back with a recommendation on a by-law amendment process relating to the administrative procedures used for certification of Lodging Houses and Accessory Apartments."

This resolution is based on public concern about the lack of a clearly defined process for reviewing lodging house certification applications.

Shared Rental Housing Regulation Review

From 2003-2005 staff conducted a review of regulations and processes relating to shared rental housing in Guelph. The two common forms of shared rental housing in Guelph are lodging houses¹ and accessory apartments. These forms of housing are regulated through the Zoning By-law as well as the Provincial Fire and Building Codes. The goal of this review was to ensure an adequate and safe supply of affordable rental housing in the City of Guelph while addressing issues identified by the community and City staff.

The staff review, together with extensive public input, resulted in over 50 issues being identified and recommendations for enhancement to public education, by-law enforcement, zoning regulations and administration. Following Council approval in June 2005, staff implemented the recommendations of the staff report to improve shared rental housing for tenants, landlords and neighbours (the recommendations can be viewed on the City's website: guelph.ca, use quicklinks menu to find "shared rental housing").

REPORT

1. Lodging House Process

Lodging houses are regulated under the Zoning By-law and certified by the City under a voluntary certification program if they meet fire and building code requirements. The Zoning By-law allows lodging houses in single detached housing zones provided that a 100 metre separation distance is maintained between lodging houses and adequate parking and amenity area regulations are met. Voluntary certification is renewed annually provided fire and property standards requirements are met upon inspection.

Currently there are 49 certified lodging houses in the City compared to 45 licensed lodging houses in 2001. On average only a few new applications for lodging houses are received every year. The Zoning By-law requires that the minimum separation distance between lodging houses is 100 metres.

a) The Current Certification Process

Under the current certification process in order to ensure the 100 metre distance separation, precedence is given to the first application or notice of intended application for lodging house certification. Since this process relies upon voluntary applications for certification in order to determine priority, issues have arisen when more than one application has been applied for within 100 metres at the same time.

The voluntary certified lodging house process has worked well for properties that have taken part and they have rarely been the cause of complaints. That being said, few additional properties have come forward to be certified despite the

¹ Lodging houses are defined in the City of Guelph Zoning By-law. A "Lodging House Type 1," means any **Place**, including but not limited to a **Dwelling Unit**, that is used to provide 5 or more **Lodging Units** for hire or gain directly or indirectly to persons.

regulatory changes from the shared rental house review. Newly created or existing lodging houses that are not certified continue to be communicated to staff through public complaints.

b) Previous Licencing Process for Lodging Houses

Prior to the shared rental housing review, lodging houses were required to be licensed under the City's Business Licensing By-law. During the Shared Rental Housing Review, staff recommended that the lodging house licensing requirement be repealed for two main reasons. First, during the legal review of lodging house regulations in 2004 it was determined that the *Municipal Act* prohibited the licensing of "residential units". It was difficult for enforcement staff to collect sufficient evidence to distinguish between a lodging house and a residential unit. Secondly, staff wished to encourage lodging house owners to come forward to have their lodging houses inspected to ensure they met safety requirements. In place of the licensing requirement, staff recommended a voluntary certification process for lodging houses. The Zoning By-law amendment pertaining to lodging houses was approved by Council in July, 2006.

In 2007, the *Municipal Act* was revised and the regulations that prohibited licensing residential units were removed. Therefore lodging houses can now be regulated through licensing. A recent staff review found that many municipalities currently require business licences for lodging houses including Waterloo, Kitchener, Brantford, London, Mississauga, Windsor, Oakville and Kingston.

As such, staff recommend that the Business Licensing By-law be amended to require a licence for lodging houses. Annual inspections for fire safety and property standards requirements should be continued and be made part of the licence renewal process. Reinstating the lodging house licensing requirement would provide the City with a means of enforcement against owners that do not comply with the licence conditions or that choose to operate without a licence. In addition, the requirements of the Zoning By-law, the Building Code and the Fire Code would continue to apply. The licensing application process would also be used by the City as a mechanism for establishing priority for the 100 metre separation distance in the Zoning By-law, and all licence applications would require the signed concurrence of the registered owner. An administrative amendment to the Zoning By-law would be required to recognize the licensing process.

2. Accessory Apartment Process

Accessory apartments are regulated under the Zoning By-law and are required to be registered by the City under the Two-Unit Houses Registration By-law (By-law number (1997)-15392). The Shared Rental Housing Regulation Review recommended changes to the accessory apartment regulations in the Zoning By-law to ensure they acted as subsidiary units and were more compatible with existing residential neighbourhoods. The Zoning By-law allows accessory apartments in single and semi-detached houses provided that adequate lot size is available to meet the need for additional parking and the size of the accessory unit and number of bedrooms are limited (a maximum of 80 square metres and two bedrooms).

The current registration process for accessory apartments has been working well. On average there are approximately 100 new units registered every year. A total of 1449 units have been registered since 1995. A survey of accessory apartment owners in 2005 revealed that 72 percent of houses with accessory apartments were occupied by the owner and that 10 percent of owners considered their accessory apartment to be temporary and planned on removing it within 2-10 years.

Accessory apartments are generally viewed by staff as a positive addition to the housing mix in the City. They provide affordable rental units and are encouraged by the Province as a way of providing residential intensification both in the Provincial Policy Statement and in the Growth Plan for the Greater Golden Horseshoe.

A concern with the current accessory apartment registration process is that there is currently no method to reinspect accessory units to ensure that they are being maintained to building and fire code requirements. Once a unit receives its registration, reinspection only happens at the request of an owner or if a complaint is made. Also, staff have no way of knowing how many accessory apartments are still in use or if they have been removed.

To improve administration and ensure the safety of occupants, staff recommend altering the registration process for accessory apartments by placing a time expiration on the registration to require reinspection for compliance with the fire and building codes. Staff recommend that these properties be reinspected at least every three years (both newly developed and already existing accessory units). This will better ensure that these units are safely maintained and staff will be able to better monitor the number that exist and their location.

3. Next Steps

If Council adopts these resolutions, staff will develop and bring forward a report with the proposed lodging house licensing details, and amendments to the Business Licensing By-law, the Two-Unit House Registration By-law, and the Zoning By-law to incorporate the proposed changes.

CORPORATE STRATEGIC PLAN

Goal 1: An attractive, well-functioning and sustainable city.

Goal 2: A healthy and safe community where life can be lived to the fullest.

FINANCIAL IMPLICATIONS

Additional staff time will be required for follow up inspections and the increased administrative requirements given additional inspections that would be required with changes to the Two-Unit House Registration By-law. Any additional funding requirements will be brought forward as part of the operating budget process.

DEPARTMENTAL CONSULTATION

Staff from Planning, Building, Zoning, Clerks, Fire and Legal Services have been involved in the review of processes related to lodging houses and accessory apartments.

COMMUNICATIONS

None.

ATTACHMENTS

Schedule 1 – Resolution from March 30 and April 7, 2009 CDES Meeting

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Process Report (Katie N).doc

SCHEDULE 1

Council Resolution



Community Design
and Development Services

APR 27 2009

April 24, 2009

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

Dear Mr. Riddell:

At a meeting of the Community Development and Environmental Services Committee held on March 30 and April 7, 2009, the following resolution was adopted:

"THAT staff be directed to report back with a recommendation on a bylaw amendment process relating to the administrative procedures used for certification of Lodging Houses and Accessory Apartments."

Yours truly,

A handwritten signature in black ink, appearing to read "Tina Agnello".

Tina Agnello
Deputy City Clerk

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