

TO Guelph City Council

SERVICE AREA Planning, Engineering and Environmental Services
DATE August 3, 2010

SUBJECT **Proposed Amendment to Zoning By-law Number (1995)-14864, (Guelph's Comprehensive Zoning By-law) Regarding Shared Rental Housing**

REPORT NUMBER 10-84

RECOMMENDATION

THAT Report 10-84, regarding a proposed amendment to Zoning By-law Number (1995)-14864 regarding shared rental housing, from Planning, Engineering and Environmental Services, dated August 3, 2010, **BE RECEIVED.**

SUMMARY

Purpose of Meeting:	Statutory Public Meeting for City-Wide Zoning By-law Amendment under Section 34(12) of the <i>Planning Act</i> .
Purpose of Report:	<ul style="list-style-type: none">• For public input, present recommended changes to Guelph's comprehensive Zoning By-law to regulate lodging houses and two-unit houses mainly to address destabilization threats to neighbourhoods because of the concentration of these forms of housing.• To identify a licensing program for lodging houses and two-unit houses, subject to 2011 budget approval. Licensing has been identified as the mechanism to regulate the number of rental bedrooms in residential dwellings e.g. two-unit houses.
Council Action:	Hear delegations and receive report. A staff report and the By-law will be before Council on August 30 th for consideration.
Related Initiatives/ Next Steps:	<ul style="list-style-type: none">• Implement a clear communications plan to keep stakeholders engaged and aware of all initiatives.• Increased By-law enforcement to deal with parking and noise complaints• Continue public consultation processes including circulation of the draft Zoning By-law Amendment and

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- hold focus group sessions on the proposed changes.

 - Subsequent to August 30, 2010, develop a licensing program that will include a limitation on the number of bedrooms that can be rented in two-unit houses. A maximum of four (4) rental bedrooms in a two-unit house is recommended for consideration. The licensing program will be subject to approval of the 2011 Budget.
 - Review the By-law that deals with the registration of two-unit houses and recommend appropriate amendments.
 - Repeal the Interim Control By-law once the appeal period for the Zoning By-law Amendment has passed provided there are no appeals to the Ontario Municipal Board.

BACKGROUND

Planning and Building Services has initiated a review process of shared rental housing encompassing zoning regulations, licensing, communications, and enforcement particularly as it relates to the issue of the concentration of shared rental units and need to stabilize neighbourhoods in terms of providing a balance of housing forms. (See CDES Report 10-53, Attachment 1) Shared rental housing includes both lodging houses and two-unit houses (residential dwellings with accessory apartments). The review has included a scan of other municipal practices involving rental housing policies and licensing practices which are presented respectively in Attachment 2 and Attachment 3. It should be noted that a comprehensive review of shared rental housing was conducted during 2003-2005. The City's website (www.guelph.ca, <quick link shared rental housing>) includes all previous reports on this matter along with a link to the previous 2003-2005 review.

This report deals with proposed changes to Zoning By-law Number (1995)-14864 with the intent to address concerns raised regarding regulations governing shared rental housing within the City.

Concerns raised by the public are as follows:

- The concentration of shared rental housing is leading to the deterioration/destabilization of some identified neighbourhoods;
- Property standards and lack of lot maintenance;
- 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; and

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- An increase in intensity of residential uses where a single detached or semi-detached dwelling is rented in its entirety, including those dwellings which contain an accessory apartment and impacts on parking, behavioural concerns and property standards issues.

Proposed changes to the City's Zoning By-law will deal with the location, density, and intensity of shared rental housing. Meanwhile, a licensing program will regulate the business of shared rental housing, including how many bedrooms can be rented. A limit of four (4) rental bedrooms is the recommended approach.

Current Situation and Regulations

In the City of Guelph there are currently 53 certified lodging houses and approximately 1,500 registered two-unit houses. Known legal shared rental housing properties accounted for 2% of zoning complaints, 5% of property standards complaints, and 8% of noise complaints in 2009. The vast majority of complaints involve other types of properties, which do include illegal shared rental housing units.

Lodging Houses

The 53 certified lodging houses in the City of Guelph offer 424 lodging units. On average, lodging houses offer eight (8) lodging units. Approximately 4% of the certified lodging houses are owner occupied. On average, one new lodging house is created in the City each year (2002 – 2010). Geographically, lodging units are concentrated in Ward 5 which supports over 80% of known lodging houses.

Under the Zoning By-law, lodging houses are permitted in single detached residential dwellings and are limited to five (5) to 12 lodging units, depending on the ability to provide parking and amenity area. As part of the 2003-2005 shared rental housing review process, the number of permitted lodging units in the Zoning By-law was harmonized with unit numbers in the *Ontario Fire Code* and *Building Code Act* which both specify a starting size of five (5) units. New lodging houses are subject to a 100 metre separation distance from an existing lodging house, and lodging houses cannot contain an accessory apartment. Certification requires annual Fire and Property Standards inspections.

Two-Unit Houses

Currently, in the City of Guelph there are approximately 1,500 registered two-unit houses. Approximately 68% of the legal two-unit properties are owner occupied. On average, 100 new accessory apartments are created in the City each year (2002 – 2010). Accessory apartments were incorporated into the City's Zoning By-law in 1994. Since that time 281 units, in existence prior to 1994, have been legalized. Geographically, accessory units are distributed throughout the City. The City's Affordable Housing Discussion Paper recommends a proposed target of 90 new accessory units per year.

Accessory apartments are currently permitted in single detached and semi-detached residential dwellings. In addition, accessory apartments are limited to two (2) bedrooms, depending on the ability to provide parking requirements. A

separate by-law was passed in 1997 requiring the registration of two-unit housing. Registration is subject to a one-time \$100 fee.

Interim Control By-law

In response to citizen concerns, an Interim Control By-law was enacted and a review of the zoning regulations was directed by Council. The Interim Control By-law was passed by City Council on June 7, 2010, effectively limiting new shared rental housing within all of Ward 5 and portions of Ward 6 east of the Hanlon Expressway, pending a review of the zoning regulations. The review of city-wide zoning regulations is being expedited in order to minimize the time period in which the Interim Control By-law is in place. The Interim Control By-law should be repealed once the appeal period for the Zoning By-law Amendment has passed if no Ontario Municipal Board appeals are filed.

REPORT

The Zoning By-law regulates the use of all land in the City and the erection, location, and size of all buildings and structures. Policies governing shared rental housing were last amended in 2006, in response to the 2003-2005 review.

Community Workshop

To inform the review of current regulations, a community workshop was held on June 24, 2010 to communicate current conditions and regulations governing shared rental housing. The community workshop also provided stakeholders with an opportunity to share views on proposed changes. The issue of shared rental housing involves a number of publics (landlords, community members, tenants, etc.) and remains a divisive issue. The workshop provided an important opportunity to build some common awareness and understanding of the current situation which has changed since the 2003-2005 comprehensive review. The information gained from the community workshop is intended to supplement the feedback received during an open house held on January 14, 2010 dealing with a proposed licensing process for lodging houses and two-unit houses (See CDES Report 10-09 for comments on the January 14, 2010 open house).

In addition, the practices of other municipalities, regarding shared rental housing, have been reviewed. The feedback received from the January open house, along with other municipal practices formed the basis of many of the options presented by staff during the June workshop. External legal advice has also been retained to advise on potential regulatory tools and implications.

The community workshop held on June 24, 2010 was well attended with 14 people pre-registered and over 70 participants actually attending the session. Participants represented an even split between landlords and neighbourhood residents, with one person identifying themselves as a tenant of shared rental housing.

Stakeholder Feedback

Overall, participants weighed enforcement as the most important response area followed closely by regulation. Communication was viewed as important but not to the same degree as a regulatory and/or enforcement response.

In general, key concerns revolve around enforcement and inspection of housing units, particularly illegal shared rental housing, and absentee landlords. Some participants recognized the importance of two-unit housing as one form of affordable housing and supported additional owner occupied units. The University was noted as an important stakeholder with the need for a Code of Conduct raised. (See Attachment 4)

There was no apparent support for limiting the number of bedrooms permitted in residential dwellings to five (5), which is a practice used in the City of London, or limiting accessory apartments to residential dwellings with less than five (5) bedrooms.

There was support for continuing to permit accessory apartments in semi-detached dwellings. A reduction in the number of bedrooms permitted in two-unit houses was not supported and in fact some expressed a need for three bedroom apartments which are not currently permitted.

In looking at the number of lodging units permitted in lodging houses, many believed that a reduction in the number of units was warranted. There was also recognition that lodging houses appeared to be better regulated than two-unit houses.

Many thought the best approach to deal with the destabilization of neighbourhoods due to the intensity of use was to control the square footage of dwellings and occupancy levels. Parking was raised as an issue especially with small frontage properties (e.g. lots less than 40 feet) being unable to support demands for on-street parking.

When asked about harmonizing the treatment of two-unit houses and lodging houses, participants were divided. Once again the tenure of units was raised as an issue with responses noting that non-owner occupied houses should be considered lodging houses and two-unit houses should require the owner to live on the property.

Requiring a separation distance for two-unit houses was also raised as a means to deal with the intensity of use and harmonize the policies with lodging houses.

Provincial Policy Statement (PPS)

The Provincial Policy Statement provides policy direction on matters of Provincial interest related to land use planning and development. The current PPS requires provisions for an appropriate range and density of housing types to meet projected requirements of current and future residents.

City's Official Plan

The City's Official Plan establishes the overall land use policy framework for the City. The policies provide direction for development, and the foundation for development control documents such as the City's Zoning By-law. In accordance with the Provincial Policy Statement, and the Growth Plan for the Greater Golden Horseshoe, the City's current Official Plan directs the City to:

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- encourage the development of a variety of housing types and forms to provide for the housing needs of a wide array of socio-economic groups;
 - encourage and assist, where possible, an adequate supply and mix of affordable housing; and
 - provide for the creation of accessory apartments and other alternative, low impact housing forms within the lower density residential areas of the City.

Neither the PPS or Growth Plan promote the destabilization of neighbourhoods through the over concentration of particular housing types: rather the policies encourage the provision of an appropriate range of housing in balanced neighbourhoods.

Legal Framework

An effective regulatory response to shared rental housing must be implemented within the legislative authority of the City. Shared rental housing issues involve a number of legislative tools that municipalities can use to regulate properties and/or activities, which include the *Planning Act*, *Municipal Act, 2001*, *Building Code Act*, 1992 and the *Ontario Fire Code*. To help expedite the review, external legal advice has been retained. This advice has guided staff regarding the selection of potential regulatory responses suggested below.

There are two distinct regulatory tools available to deal with shared rental housing: zoning by-laws under the *Planning Act* and licensing by-laws under the *Municipal Act, 2001*. It is imperative to understand the purpose of each tool so that they are used appropriately.

Zoning Bylaws

Zoning by-laws can regulate the use of land to:

- avoid incompatibility between uses;
- reduce impacts on neighbours;
- regulate location, form, function, parking, and intensity of uses;
- restrict land uses to a defined area (zone);
- restrict the number of bedrooms within residential dwellings or lodging houses, e.g., two bedrooms within an accessory apartment;
- segregate uses on the basis of intensity of use or zoning categories; and
- impose minimum separation distances between shared rental housing uses subject to a valid planning rationale.

The zoning by-law cannot address:

- tenure, i.e. absentee owner properties must be treated the same as owner occupied properties; or
- make distinctions on the basis of relationship or persons (the zoning by-law cannot “people zone”).

Statutorily, the City is obligated to recognize uses that were lawfully in existence on the day a new zoning by-law is enacted, or when the existing zoning by-law is amended. This “grandparenting” is in effect for as long as the lawful use continues.

Illegal or non-registered uses would be subject to any new zoning provisions.

Licensing

Licensing can regulate the business and activity of renting buildings for residential use. Licensing, essentially governs how the business of shared rental housing may be carried out.

Recent changes to the *Municipal Act, 2001* permit a municipality to use licensing to regulate any activities, matters or things that a municipal council considers necessary or desirable for the public, including the rental of residential units. The licensing of rental housing was previously not allowed under the *Municipal Act, 2001*.

Under the *Municipal Act, 2001* a licensing regime can:

- indirectly deal with the tenure of shared rental housing by requiring a licensee to reside in the accommodation they are operating or alternatively could impose a requirement for an “on-site manager/superintendent” where the building’s owner does not live on-site;
- require inspections;
- impose fees and penalties;
- impose a limit on the number of “lodging units” a proprietor may operate; and/or
- prescribe different licensing requirements for lodging houses and two-unit houses.

Licensing cannot:

- restrict intensity or location;
- restrict the number of bedrooms (which are different from lodging units in a lodging house); or
- impose separation distances.

These issues can only be addressed by the zoning by-law.

Unlike new zoning regulations, new licensing regulations can be imposed on existing shared rental housing operations regardless of when they were established, i.e. grandfathering would not apply.

Both regulatory tools may be used at the same time, however it is important that the appropriate tool is used. To regulate the business of shared rental housing, a licensing by-law should be used. To regulate the location, density and intensity of shared rental housing, a zoning by-law should be used. Many municipalities are moving towards using both the Zoning By-law and a licensing program for shared rental housing given the nature of concerns.

Role of Shared Rental Housing

Shared rental housing is an important component of the City’s desire to supply a full continuum of housing, including affordable housing. The offering of a diverse range of housing types throughout the City assists with meeting the needs of a wide array of socio-economic groups. A diverse mix of housing types also assists in stabilizing areas by offering housing choices to various types of households as their needs change. Essentially, a variety of housing options within a neighbourhood

offer households the choice to stay in the same neighbourhood when their needs change. Shared rental housing is part of that choice which brings with it stability. Shared rental housing is also an important means of meeting the City's growth and intensification targets. The Draft Official Plan Update includes a separate affordable housing target of 90 new accessory apartment units per year. A city-wide dispersion approach to meeting this housing target helps provide options for housing throughout the City.

Excluding these forms of housing from neighbourhoods where there are dwellings of a similar scale and density would have a restrictive impact on individuals likely to benefit from this form of housing, including people who are part of protected groups under human rights legislation.

Potential Regulatory Options for Council's Consideration

While considering a number of approaches to address the concerns about the destabilization of neighbourhoods, the following discussion addresses key planning issues of maintaining stable neighbourhoods with balanced forms of housing opportunities.

In light of the above legal framework, stakeholder concerns, and City Official Plan directions for shared rental housing, the following regulatory mechanisms are recommended for Council's consideration. (See Attachment 5 for Draft Zoning By-law Amendment)

Recommended Revisions and Rationale

Attachment 6 provides a summary of the recommended revisions to the Zoning By-law and recommended directions for licensing discussed below.

Lodging Houses

- 1) Reduce the maximum number of lodging units permitted in the Zoning By-law from 12 to eight (8) so that lodging houses support five (5) to eight (8) lodging units

Rationale:

Many stakeholders are concerned about the intensity of lodging units in particular areas of the City and the destabilization of the neighbourhood when this use prevails over other housing forms. Amending the Zoning By-law to limit the number of units to eight (8) would help address this concern without unduly impacting existing operations. The lower lodging unit cap would reduce new larger lodging houses. Smaller lodging house structures are also easier to modify for single household occupancy should future needs change. From an urban design viewpoint, smaller structures are also more compatible with the existing neighbourhood. Currently, in the City of Guelph certified lodging houses offer an average of eight (8) units and approximately a third of the lodging houses exceed eight (8) lodging units. These existing units would still be permitted.

2) Limit lodging houses to one kitchen

Rationale:

Lodging houses are not permitted to include accessory apartments. The potential presence of a second kitchen in a lodging house could allow the house to be used as a two-unit dwelling.

3) Maintain the 100m separation distance between lodging houses

Rationale:

The 100m separation distance addresses intensity of lodging units and provides for their dispersal throughout the City.

4) Approve a licensing program for lodging houses

Rationale:

As noted previously, the Zoning By-law cannot regulate tenure or how the business of shared rental housing may be carried out, while licensing can regulate the business of shared rental housing. A number of stakeholders expressed concern over absentee landlords. Licensing could address this concern by requiring a licensee to reside in the accommodation or on-site management/superintendents to improve accountability for tenant behavior. Many municipalities, such as Oshawa and London have moved toward a licensing regime. Licensing for rental accommodation would allow the City to impose conditions as a requirement for obtaining, continuing to hold, or renewing a license, which could include regular inspections. Previous planning reports have recommended that the implementation of a licensing program should be part of the overall shared rental housing work program.

The May 17, 2010 CDES Report 10-53 identified in the work plan the review of the licensing program to commence in the last quarter of 2010.¹ (See Attachment 1) Licensing is also seen as the primary tool for regulating businesses to ensure effective management and supervision of the premises. Issues such as noise and property standards cannot be regulated through a license and must continue to be regulated through enforcement of the applicable municipal by-law, e.g. property standards by-law.

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Develop by-law to require lodging houses and two-unit houses to have a licence

-Consult public stakeholders on proposed by-law

-Determine exact costs, resource requirements and timing of implementation Attachment 6 CDES Report 10-53, May 17 2010

Two-Unit Houses

- 5) Maintain the current limit of two bedrooms in accessory apartments in the Zoning By-law

Rationale:

Stakeholders did not express a strong concern for the current number of bedrooms permitted in two-unit houses. Having a range of one and two bedroom accessory apartments provides a greater range of housing options, e.g. a single person household and small family households could find appropriate rental accommodation in a two-unit house.

- 6) Apply a 100 metre minimum distance separation requirement to two-unit houses (accessory apartments) with six (6) or more bedrooms in total e.g. four (4) up and two (2) down in the Zoning By-law

Rationale:

Compatibility issues begin to surface when large two-unit houses are entirely rented and reach a size that is comparable to the size of a lodging house, particularly when they are concentrated on a street or within a particular neighbourhood. Higher intensity uses, such as the two-unit houses with four (4) bedrooms up and two (2) bedrooms down should be subject to a 100 metre minimum distance separation from other large two-unit houses, thus dispersing this housing form. This approach would reduce the concentration of these larger two-unit houses in existing low density neighbourhoods and be applied on a city-wide basis. In this way, the future concentration of these units in city neighbourhoods would be alleviated, thus aiding in the preservation of neighbourhood stability.

Existing registered two-unit houses would still be permitted but illegal units would not be legalized if they did not meet the minimum distance separation. This approach will not affect the existing supply of legal two-unit houses and smaller two-unit houses, with less than six (6) bedrooms, would not be subject to the 100 metre minimum separation distance.

- 7) Instead of Zoning, the licensing by-law will address the number of rental bedrooms within this two-unit house type and also address the issue of absentee landlords. Approve a licensing program for two-unit houses (accessory apartments) that limit the number of bedrooms that may be rented to four (4) bedrooms.

Rationale:

Concern was expressed around absentee landlords and how many of these properties are poorly maintained. A licensing regime could permit the City to require that the owner reside in the dwelling or that on-site management/superintendents be provided. Many municipalities are moving towards a licensing regime for residential rental properties, including two-unit houses. In addition to addressing concerns about how absentee landlords tend the business of shared rental housing, a licensing program could also include

requirements for regular inspections and the provision for fines when properties offend previously established standards for property maintenance and safety.

In addition, licensing could limit the number of bedrooms that could be rented. A maximum of four (4) rental bedrooms is recommended for consideration. This regulation would address the current and future number of properties renting five (5) or more bedrooms within two-unit houses (residential dwellings with an accessory apartment). This would align with the number of lodging units in lodging houses which are defined as having five (5) or more lodging units.

Existing lawful two-unit houses, renting five (5) or more bedrooms, would have to reduce the number of rental units to four (4). Strengthened enforcement needs are anticipated since over a third of existing units permitted in the Zoning By-law could become unlawful (if they rent more than four (4) bedrooms) and the pressure to create more unlawful occurrences may become greater. Nevertheless, along with zoning requirements, licensing would manage the ways the shared rental housing business is conducted and thereby reduce conflicts which the over- concentration of this form of housing can cause within a neighbourhood.

8) Limit accessory apartments to single detached properties

Rationale:

Very few semi-detached dwellings can meet the zoning by-law requirements for an accessory unit often because of restrictive parking requirements. As such, permission for accessory apartments to locate in semi-detached properties should be removed from the zoning by-law. To allow a use and then not permit it because of specific regulatory restrictions creates a misleading expectation for the property owner. As such, permission for accessory apartments to locate in semi-detached properties should be removed from the Zoning By-law.

9) Clarification of definitions involving lodging houses and accessory apartments (two-unit houses)

Rationale:

Shared rental housing includes both lodging houses and two-unit houses. These forms of housing are mutually exclusive and require definitions with clear lines which recognize the function and role of these housing forms.

Two-unit houses are essentially two dwelling units within one building. This form of housing is generally a low impact housing form that can work well within lower density residential areas of the City. Two-unit houses assist the City to meet its intensification targets and affordable home ownership targets. However, the concentration of such housing form must be controlled to ensure that there is not an over concentration.

In comparison, lodging houses are a higher intensity use where the structure/property is used by multiple residents. The location of this form of housing is directed towards residential areas with adequate residential amenities and services nearby.**Related On-going Initiatives**

In addition to regulation changes, a number of other initiatives are being recommended in accordance with the work plan included in CDES Report 10-53 dated May 17, 2010. (See Attachment 1) The City will continue with a pro-active property standards and zoning enforcement program. During August, Fire Services will be conducting a voluntary home fire inspection program for residential properties with shared rental housing. Additional by-law enforcement to deal with parking and noise complaints is occurring this fall and can be sustained until December 2010 at a cost up to a maximum of \$30,000. Liaison with the University of Guelph is ongoing to address student housing accommodation issues such as property standards and maintenance.

Next Steps

Changes to the Zoning By-law in reference to lodging houses and two-unit houses is currently under circulation and a number of focus group sessions are being held to discuss the proposed amendment. Information from the above consultation processes will be included in the report requesting a Council decision on the Zoning By-law Amendment. Future amendments may also be required to By-law Number (1997) – 15392 which deals with the registration of two-unit houses. As noted above, and in the shared rental housing work plan in Attachment 1, an integrated response is underway to deal with shared rental housing issues. Key components that connect with changes to the Zoning By-law include the implementation of a licensing program which will have budget implications.

In addition, the Interim Control By-law in place, should be repealed once the appeal period for the Zoning By-law Amendment has passed if no Ontario Municipal Board appeals are filed.

Above all a clear communications plan is necessary to keep stakeholders engaged and aware of any initiatives.

Staff will work with By-law Enforcement and Corporate Communications regarding increased enforcement.

CORPORATE STRATEGIC PLAN

Urban Design and Sustainable Growth Goal # 1: An attractive, well-functioning and sustainable City.

FINANCIAL IMPLICATIONS

To expedite changes to the Zoning By-law, outside legal advice has been retained at a cost of up to a maximum of \$60,000.

The financial implications of licensing and the broader communications plan will be expanded upon through the licensing review and the 2011 budget.

DEPARTMENTAL CONSULTATION

Staff from Planning, Building, Zoning, Clerks, Communications, Legal, Fire, Solid Waste, and By-law Enforcement have been consulted for this report and have representation on an internal shared rental housing working group.

COMMUNICATIONS

Staff is building a communications plan to support the City's work plan with respect to shared rental housing. In the meantime, the statutory public meeting scheduled for August 3, 2010 has been advertised in the Guelph Tribune. The immediate focus has been to deal with communications around the interim control by-law and the zoning by-law amendment process. As an initial response to the broader issue of shared rental housing, a separate quick link has been created on the City's website called "shared rental housing", which includes initiatives and contacts for the City's various services including planning regulations and enforcement activities.

As part of the next steps, staff will work with By-law Enforcement and Corporate Communications regarding increased enforcement.

ATTACHMENTS

ATTACHMENT 1 - Proposed Shared Rental Housing Work Plan from May 17, 2010
CDES Report 10-53

ATTACHMENT 2 - Municipal Rental Housing Practices Review

ATTACHMENT 3 - Municipal Rental Housing Licensing Practices Review

ATTACHMENT 4 - Summary of Public Feedback from Community Workshop

ATTACHMENT 5 - Draft Zoning By-law Amendment

ATTACHMENT 6 - Summary of Recommended Revisions to the Zoning By-Law and
Recommended Direction for Licensing

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ATTACHMENT 1

Proposed Shared Rental Housing Work Plan Summary

Short Term Measures (by September 2010)			
Type	Description of Tasks	Proposed Timing	Anticipated Costs
Additional Targeted By-law Enforcement	<ul style="list-style-type: none"> - Build on existing enhanced by-law enforcement program - Analysis of 2009 complaints data to determine geographic areas of focus 	Mid-August to Mid-December at known peak periods of complaints (exact timing to be determined)	Additional staffing and vehicle in use \$30,000 (Operations, By-law Enforcement)
Zoning By-law Amendment	<ul style="list-style-type: none"> - Review options to amend the Zoning By-law to better address properties with Two-Unit Houses where both units are rented (4 up 2 down) - Several options are under consideration, including separation distance, changes to definitions and changes to regulations regarding lodging houses and accessory apartments - Ward meetings and focus groups to be held to gauge opinions. Meetings to be held in the spring and summer of 2010 	Zoning By-law Amendment could be brought to Council for a statutory public meeting in late 2010 or early 2011. Depending on public comments, the zoning by-law amendment could be considered for approval by Council in early 2011. (20 day appeal period would follow by-law adoption)	In Community Design and Development Services, current staff time – tasks have been re-prioritized to address this priority work.
Communications Plan	-Communication of short term measures will be researched, developed and implemented (i.e. Newspaper Ads and newsletters to residents outlining related shared rental housing changes such as the start	By August, 2010	Current staff time – tasks to be re-prioritized.

	<p>of Additional By-law Enforcement and Zoning By-law Amendment Process)</p> <ul style="list-style-type: none"> - Update and distribute “Good Neighbour, Great Neighbourhoods” Guide, which provides information on City by-laws and facilities to residents 		Materials Cost – to be determined – no budget allocation
Longer-Term Measures (Fall 2010 to 2011)			
Zoning By-law Amendment	<ul style="list-style-type: none"> - Legal review is needed to determine potential implications and fit with provincial legislation - Meeting with public stakeholders recommended before statutory public meeting in front of Council to consider the draft by-law 	By-law approval by early 2011.	
Rental Licensing By-law	<ul style="list-style-type: none"> -Develop by-law to require lodging houses and two-unit houses to have a licence -Consult public stakeholders on proposed by-law -Determine exact costs, resource requirements and timing of implementation 	November to March to write by-law and gather public input	Additional Staffing and Start Up Costs. Licence fees can be based on cost recovery.
Review of Enforcement Procedures	<ul style="list-style-type: none"> -Review fines, fees, charges and procedures associated with related city by-laws (Noise, Parking, Zoning, Property Standards) - Review potential for “service charges” for nuisance properties - Explore alternative approaches to by-law enforcement considering staff and financial resource availability 	September to December 2010	To be determined. Focus on methods of cost recovery.
Communications Plan	<ul style="list-style-type: none"> -Communications of Long Term Measures -Local Town and Gown Association together with the University of Guelph and public stakeholders -Review potential for one phone number for all neighbourhood complaints - Improved web tools 	Late 2010 to early 2011	To be determined through review for 2011 Budget.

ATTACHMENT 2 – Municipal Rental Housing Practices Review

	London	Waterloo	Hamilton	Oshawa	Barrie
Related Policy Initiatives	Near Campus Neighbourhoods – Vision and Strategies; - Proposed policy to stop supporting variances to legalize past construction	Rental Housing Licensing Study (underway since 2008)	Residential Rental Housing Review (underway since 2007)	Student Housing Strategy (underway since 2008) - proposed policy change to redirect to rental housing/intensification to sites along arterial roads	Official Plan Update in process Rooming, Lodging, Boarding House Review in 2007 Georgian College Neighbourhood Strategy (2007)
Accessory Apartment Regulations	Not a permitted use in single detached housing	Allowed only when they existed prior to November 16, 1995, if there is sufficient evidence. Regulated by Planning Act.	Only permitted in some areas of the former City of Hamilton, staff aware of many illegal ones	Converted dwellings are permitted in some housing. Must be zoned R.2 or R.5. Minimum area of 450 m ² and frontage of 12 metres	A two-unit house is legal under the City's Zoning By-law where; a) A two-unit house is a permitted use (in specific zones) b) The two-unit house is in a house constructed prior to 1945 and complies with the 'converted house' requirements of the Zoning By-law; c) The two-unit house was legally established under a former Zoning By-law, and continued in use ever since; or d) The two-unit house existed on May 22, 1996 and complied with the requirements of the Resident's Rights Act, 1994, and has continued in use ever since.
Lodging House Definition	Class 1 – 3 or fewer lodging units rented Class 2 - More than 3 lodging units rented	<u>Lodging House Class One</u> – a lodging house which is located in the whole of a building and: (i) occupied by four or more persons in	4 or more persons	"Lodging House" means a building or a part of a building, containing three to ten lodging units, which does not appear to function as a dwelling	Small and Large Rooming, Lodging and Boarding Houses defined

		<p>addition to the proprietor and his/her household; or (ii) occupied by six or more persons without a proprietor and his/her household.</p> <p><u>Lodging House Class Two</u> – a lodging house located within a dwelling unit occupied by 4 or 5 persons without a proprietor and his/her household.</p>		<p>unit, although one may be included with the lodging units. It includes, without limitation, a rooming house and a boarding house, a fraternity or sorority house. A lodging house may involve shared cooking or washroom facilities. Meals may or may not be provided to residents. Common areas, such as living rooms, may or may not be provided.</p>	
<p>Specific Zoning Regulations for rental housing (i.e. Separation Distance)</p>	<ul style="list-style-type: none"> - No separation distance - Trying to limit creation of small lot singles for student rentals - No zoning regulations that specify owner or renter or specific area - All single detached housing limited to a maximum of 5 bedrooms 	<p>The lodging house license is subject to the Minimum Distance Separation (MDS) of 150 metres in the following zones: GR1, GR2A, SD, SD-1, R, SR1, SR1A, SR1-10, SR2, SR2A, SR3, SR4 and FR. The lodging house license is subject to the Minimum Distance Separation (MDS) of 75 metres in the following zones: MD, MD1, MD2 and MD3 (3 properties have site specific exemptions)</p>	<p>Reviewing options for zoning by-law amendment limiting the number of bedrooms in houses</p>	<p>No separation for accessory apartments or lodging houses – instead only permitted in two zones.</p>	<p>75m MDS for small lodging houses located within low density residential areas</p>
<p>Area focus or City-wide?</p>	<p>Citywide, all properties with 1-4 rental units required to be licensed</p>	<p>Considering single and semi-detached, duplexes, triplexes and townhouses on a city</p>	<p>Considering single and semi detached housing only, on a city-wide basis</p>	<p>Rental units in certain neighbourhoods close to University of Ontario and Durham College.</p>	<p>City wide</p>

	Developing Official Plan Policies around defined "Near Campus Neighbourhoods"	wide basis			
Licensing or Registration of Rental Units	New licensing program (March 2010) for all properties with 1-4 rental units (with a total of more than 3 bedrooms rented) - Self certification program requires fire inspection and 15% of properties will be randomly inspected	Reviewing and recommending a rental unit license program	Licensing or registering rental units under consideration at present in city-wide rental review	Licensing by-law	Licensing required for lodging/rooming /boarding houses
Fees	\$25 annual licence fee	\$280 annually recommended	To be determined	\$250 annually	\$300 annual licence fee
Primary Types of By-law Complaints	Large parties, parking, garbage left out	Noise, parking and garbage City wide. More densely populated around University, so more complaints in area	Property Standards, Long Grass and Weeds, Noise, Waste	Noise, parking and in summer months property standards (absentee landlords)	Legality of apartment or lodging house and front yard parking on grass
Use of Warnings and Fines	For garbage - 1 warning, then contractors come in and clean up property, charge costs to landlord plus an admin fee	Use- Fire Department is first contact, then Zoning. Compliance based, if co-operation then warning and compliance letters. Fines for parking on grass etc now done like a parking ticket, no warning.	1 warning then fines, property owner notified and can be fined as well for noise and nuisance issues.	Licence is first point of contact. Need to obtain licence and if not obtained proceed with charges. If property standards, compliance notice. Noise is a ticket issued.	Offence found- warning letter with \$110 service fee for apartment and \$55 for parking. Reinspect in two weeks and if no compliance, service fee for second letter of \$550 for apartment and \$275 for parking. Court is next step
Fine Amounts	Parking - \$50 ticket Zoning – up to \$3000 fine and prohibition order. Not having a			Generally \$250 for property standards, parking and \$300 for noise. Not having a	Parking on grass- \$55 Apartment violation is \$110

	licence – up to \$25,000 for the first offence			licence – up to \$50,000	
Owner or Tenant Charged	Garbage – owner Parking – tenant or car owner	Personal infractions (noise, parking) are tenant. Use is owner.	Tenant warned and owner notified, if infraction continues, owner can be charged.	Personal infractions (noise, parking) are tenant. Use is owner.	Parking is tenant. Use is owner in court on Part 3.
Monitoring and Inspections	Proactive enforcement since 1995 in areas near UWO - Visit problem areas 1-2X a week - Map complaints and use info to target areas		Recent approval of 18 month proactive enforcement pilot project – 6 part time by-law enforcement officers monitoring property standards, tidy yard by-law, parking across		Additional enforcement during April, Aug, Sept and October – focused on parking and exterior yard maintenance
Role of University or College in Off-Campus Student Behaviour	Joint UWO/Fanshawe and City mediator to help resolve neighbourhood issues; Fanshawe has a Student Code of Conduct; Good support from student union at Fanshawe and UWO;	Joint off-campus housing fair, door knocker program	Looking at opportunities for a City, University and College Liaison	Information sharing at this time, reviewing role of Town & Gown Committee	Town and Gown Committee
Education Materials	Student street captains share info with other students; Student videos, newspaper ads	Door knocker program – by-law staff and students visit neighbourhoods and provide info to new tenants about by-laws – Community Relations Division – neighbourhood guide, Neighbourhood Spirit Builder	Website with info for students and landlords	Website with info for students and landlords	Unknown.

ATTACHMENT 3 Municipal Rental Housing Licensing Practices Review

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 enacted September 21, 2009 and to be in force March 1, 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

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 4

Summary of Responses Community Workshop - Shared Rental Housing, June 24, 2010

Question 1:

Do you have a concern with the number of lodging units permitted in lodging houses? (currently lodging houses are limited to 5-12 lodging units)

Do you have a concern with the number of bedrooms permitted in two-unit houses? (currently accessory apartments are limited to two bedrooms)

e.g. Should the City limit two-unit houses with 4 or more bedrooms to a one bedroom accessory apartment, while dwellings with 3 or fewer bedrooms are permitted a two bedroom accessory apartment?

Response:

Lodging Houses

- I have a ten unit lodging house and it runs fine I have never had problems with neighbours or the city
- No concern with the number of lodging units in lodging houses (I've never experienced problems with them)
- No, I do not have a concern about the # of lodging units per lodging house
- Any reduction in the number of lodging units would be an improvement
- I believe that a lodging house should have no more than 8 units
- Lower the number of units in lodging houses to 5-8
- 12 units is far too many
- Yes I would prefer a smaller # of lodging units in a lodging house. Is there a limited on the # of people in a lodging unit?
- Yes, I am concerned regarding the number of units permitted in lodging houses. Should be limited to minimum of 4 units especially if formerly a private home that has been converted to lodging house.
- Lodging houses – I do feel that 12 is too many although I understand the process to grant one is tough and thus they are sure to be safe but concentration of that many people is difficult
- I think lodging houses are the better regulated of the two

Two-Unit Houses

- Yes, I have a concern with the number of bedrooms permitted in two unit houses. As a single parent with 2 children, I require three bedroom units and would not be able to house myself and my children in rental accommodations if 3 bedroom units were not permitted. This is discriminatory to lower income single parent families. The problems being experienced are not being caused by family households. Your solutions are making it impossible for families to live together affordably.

- I think the number of bedrooms in a 2 unit house should be limited – accessory apt no more than 2 bedrooms.
- Two unit – accessory apartments should not be less than two bedrooms for an affordability issue for the tenants plus safety for those tenants...ex., I feel the total of six bedrooms is a good number, but I do feel that it should be limited to detached dwellings only but the interior size of the apartment should be increased.
- I have a concern about bedroom quantity in two-unit houses; houses are not architecturally set up as lodging houses so sharing space in a lodging house is more comfortable, potentially, while an excess of bedrooms in a two-unit house could feel cramped.
- The number of accessory apartments is fine but the 2-unit homes should be owner occupied....I have big concerns about houses that are entirely rented to 2-4 students that are not owner occupied. These are not regulated at all and cause the most disturbances in my area. They are also the fastest growing type of rental home in my area. All student rental houses that are not owner occupied should be regulated.
- I believe there should be a limit on # of bedrooms in a home and the # of bedrooms allowed in an accessory apartment.
- Not fair or right to limit seniors, persons on disability and new home buyers housing choices they have found in homes offering affordable rents.

Both/Other:

- Single and semi-detached units should have the number of rented units limited and the distance between units should be enforced.
- Number of units should not exceed safety and maintenance issues, # of driveways, # of bathrooms. Too many people per square foot, noise levels etc. all become issues. I think any more than 6 in a house are too many.
- No, your issues do not support the lowering of occupants
- Too many renters in one house (far more people are living in illegal situations)
- Too much- heavy concentration in private homes, cap is too high (depends on size of house), 6 is preferable
- Accessory apartments should be owner occupied!
- I think a cap on the total number of people in a house is simplest. I have seen situations with fridges, computers, and other electronics in each bedroom maxing out the electrical capacity – this is a fire concern. Per person the family home experiences the greater tax burden. Yes I think the number of lodging units per home needs to be less than 5 people.
- Do it by square foot per person
- Regular inspection of lodging housing and accessory apartments would help
- University needs to bear some responsibility

Question 2:

Should the City limit accessory apartments to dwellings with less than 5 bedrooms?

Should the City limit 5 bedroom homes in Guelph, e.g. City of London?

Response:

There was no support for limiting the number of bedrooms. Respondents felt this would be discriminatory to large families and would be terrible for affordable housing. The real issue was the use of the bedrooms/space and owner-absent homes. The number of bedrooms should depend on the size of the house.

Question 3:

Should accessory apartments continue to be permitted in semi-detached dwellings? Please note that currently lodging houses are not permitted in semi-detached dwellings and very few semi-detached dwellings meet zoning requirements.

Response:

Respondents felt that accessory apartments should continue to be permitted in semi-detached dwellings since these are a common form of housing for young families and it effects the property rights of people who cannot afford a single family home. Affordable rental housing and affordable ownership is important.

Question 4:

Should bedrooms in two-unit houses be treated the same as lodging units in lodging houses?

Response:

Responses were divided on whether to treat the units the same. A connection was made to treating the units the same to prevent neighbourhoods from turning into ghettos for students. Others felt they should have separate by-laws.

Participants felt non-owner occupied houses should be considered lodging houses and two-unit houses should require the owner to live on the property.

Question 5:

Other regulation changes?

Response:

- Need a separation distance
- The 100 metre rule should definitely be enforced to keep property values where they should be. I'd like to think the cost of student housing to students is balanced by my children's needs for a school within reasonable and safe walking distance and property values that are reflective of the house and property and not just its income value. Density and Enforcement are the key issues for me.
- Licensing and inspection of lodging houses and 4 bedroom houses should be instated.
- Reducing # of bedrooms would exacerbate the problem.
- Two unit houses need to be treated as lodging houses if they have the number of lodging units which total the number qualifying as a lodging house.
- Can the number of lodgers/lodging units be regulated? There should be only 1

- lodger permitted per lodging unit.
- Need to attack the illegal places they comprise the biggest headache because those owners are in this for the money, not the welfare of the tenant.
 - I feel the issue of importance is more about enforcement than regulations...maintenance and by laws must be enforced.
 - Properties must be regulated/enforced and two unit houses should be owner occupied.
 - The city should know who owns every house and where they can contact the owner.
 - Make sure that when complaints are raised that they are dealt with property...enforcement is key!!
 - LTA (Landlord and Tenant Act?) must provide info to tenants form. Lease must provide tenants name, address and phone number.
 - Code of conduct for university
 - Unfortunately, this evening was poorly organized... We saw the presentation before (this is a bit insulting). The questions did not allow the group to explore creative option, especially based on practises in other communities.
 - Why does this have to be done by September?
 - Over regulation is making it more difficult for people to make ends meet. Need to think of households trying to subsidize their incomes to pay bills and/or to find affordable housing, e.g. seniors, young families, disabled. If you decrease opportunities for people to pay their own way, you will be subsidizing more households and increasing welfare cases.

ATTACHMENT 5

Draft Zoning By-law Amendment

- 1) Reduce the maximum number of lodging units permitted in the Zoning By-law from 12 to eight (8) so that lodging houses support five (5) to eight (8) lodging units
 - 4.25.2 Maximum Occupancy for **Lodging Houses**
 - 4.25.2.1 **Lodging Houses** shall be limited to a maximum of 8 **Lodging Units**.
 - 2) Limit lodging houses to one kitchen
 - 4.25.2.2 **Lodging Houses** shall be limited to one kitchen.
 - 3) Limit accessory apartments to single detached properties
 - 4.15.1.2 An **Accessory Apartment** shall only be permitted within a **Single-Detached Dwelling**.
 - 4.15.1.3 A maximum of one **Accessory Apartment** shall be permitted in a **Single-Detached Dwelling** provided that the **Single-Detached Dwelling** is a conforming **Use** in the **Zone** in which it is located.
 - 4.13.4.3 Remove parking reference "**Semi-Detached Dwelling** with an **Accessory Apartment** – 3 Minimum Required **Parking Spaces**"
 - 5.2.1 Remove Permitted Uses reference "**Accessory Apartment** in accordance with Section 4.15.1
 - 4) Apply a 100 metre minimum separation distance requirement to two-unit houses with six or more bedrooms in total (e.g., four (4) up and two (2) down)
 - 4.15.1.8 Minimum separation between **Buildings** being used as **Accessory Apartments** with six (6) or more bedrooms shall be 100 metres. Such distance is to be measured from the closest points of the two properties at the property lines.
 - 6) Clarification of definitions involving lodging houses and two-unit houses

Proposed Zoning Definitions

Lodging Houses:

Current

"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.

Proposed

"Lodging House Type 1" means any **Building** or part thereof that is used to provide 5 or more **Lodging Units** for hire or gain directly or indirectly to persons.

Lodging Unit:

Current

"Lodging Unit", for the purpose of **Lodging House Type 1** and **Lodging House Type 2**, means a room **Used** to provide living accommodation which does not have the exclusive use of both a kitchen and a bathroom.

Proposed

"Lodging Unit", for the purpose of **Lodging House Type 1** and **Lodging House Type 2**, means a room **Used** to provide sleeping accommodation which does not have the exclusive use of both a kitchen and a bathroom.

Accessory Unit:

Current

"Accessory Apartment" means a **Dwelling Unit** located within and subordinate to an existing **Single Detached Dwelling, Semi-Detached Dwelling** or a **Link Dwelling**

Proposed

"Accessory Apartment" means a **Dwelling Unit** located within and subordinate to an existing **Single Detached Dwelling**

General

Dwelling Unit:

Current

"Dwelling Unit" means a room or group of rooms occupied or designed to be occupied exclusively as an independent and separate self-contained housekeeping unit including a house;

Proposed

"Dwelling Unit" means a room or group of rooms occupied or designed to be occupied as an independent and separate self-contained housekeeping unit usually containing cooking, eating, living, sleeping and sanitary facilities

Current Zoning Definitions (no changes proposed)

"Building" means any **Structure** or building as defined in the Ontario Building Code, S.O. 1992, Chapter 23 as amended from time to time or any successor thereof, but does not include a **Vehicle**;

"Place" includes any land, **Lot, Building, Structure**, place or any part thereof;

"Single Detached Dwelling" means a free-standing, separate, detached **Building** consisting of 1 **Dwelling Unit**;

"Structure" means anything constructed or built permanently or temporarily and which is fixed to or resting on or in the ground, but does not include a sign, advertising device, retaining wall, fence, curb, planter, statue, sculpture, play equipment, birdbath, pole, pillar, antenna and garbage container;

"Use" includes **"Used"** and **"Using"** having corresponding meanings and means the arrangement of, design or the intended **Use** or actual **Use** of any **Place**;

ATTACHMENT 6

Summary of Recommended Revisions to the Zoning By-Law and Recommended Direction for Licensing

Lodging Houses

Topic	August 30, 2010 Zoning By-law Provision	2011 Licensing Provision
Number of Lodging Units	Limit lodging units to 5-8 (reduced from current By-law provisions of 5-12)	Propose Licensing of all lodging houses
Separation Distance	Maintain current Zoning By-law provision of 100m separation distance between lodging houses	
Accessory Apartment and Number of Kitchens	Maintain current policy – no accessory apartment and permit only one (1) kitchen	
On- Site Management/ Owner Occupied		Can be a provision of the licence
Legal Non-conforming (grandparenting)	Legal non-conforming Lodging Houses are recognized – including the number of lodging units	

Two-Unit Houses (Houses with Accessory Apartment)

Topic	August 30, 2010 Zoning By-law Provision	2011 Licensing Provision
Type of Dwelling	Only permitted in Single Detached Dwellings (current plan permits accessory apartment in Semi-Detached Dwellings also)	
Number of Bedrooms in Accessory Apartment	Maximum of 2 bedrooms	Propose licensing of all Two-Unit Houses
Separation Distance	100m separation distance require for Two-Unit House that have a total of six (6) or more bedrooms	
Number of Bedrooms Rented		Limit the total number of bedrooms that can be rented to four (4) within the entire building (e.g. within the principle and accessory dwelling unit)
On-site management/Owner Occupied		Can be a provision of the licence
Legal Non-conforming (grandparenting)	Legal non-conforming Two-Unit Houses are recognized (zoning cannot address the number of bedrooms rented-see licensing)	All legally existing Two-Unit Houses would be required to reduce the total number of bedrooms rented to 4.