



City of
Peterborough

To: Members of Committee of the Whole

From: John Kennedy, City Clerk

Meeting Date: June 19, 2017

Subject: Report CPCLK17-012
Business Licensing By-law, Lodging Houses and Rental Dwelling Units

Purpose

A report to seek Council's approval of a Lodging House and Rental Dwelling Unit Business Licence By-law.

Recommendations

That Council approve the recommendations outlined in report CPCLK17-012 dated June 19, 2017, of the City Clerk, as follows:

- a) That Business Licence By-law 14-080 be amended in accordance with Article 7.1 of the proposed Lodging House and Rental Dwelling Unit By-law, attached as Appendix A and,
- b) That the Lodging House and Rental Dwelling Unit By-law, attached as Appendix A of Report CPCLK17-012, be adopted.

Budget and Financial Implications

The administration of a Lodging House and Rental Dwelling Unit By-law will require an increased time commitment by Clerks Office staff to issue licences and Building Services Division and Fire Services staff to conduct inspections to enforce the Ontario Building Code, Ontario Fire Code and Zoning By-law where necessary.

Background

Lodging Houses and Rental Units within the City of Peterborough are subject to various requirements related to fire and health, safety, property standards, **Ontario Building Code**, **Ontario Fire Code**, Zoning By-law provisions and police services. Issues related to Lodging Houses and Rental Units have been before Council in various forms since approximately 2010. Council directed staff to review and update the Zoning By-law and Licensing By-law related to Lodging Houses and Rental Dwelling Units in an effort to harmonize the approach of the requirements with the **Ontario Building Code**, **Ontario Fire Code** and Licensing, and to proceed with the formal public notice to implement the regulatory measures presented in the February 2016 Report PLPD16-019, based on the response to public consultation of the issues.

In 2010 Council approved an Interim Control By-law to prohibit the creation of new lodging houses until a review and update of the Zoning By-law regulations was completed. The Interim Control By-law was extended for a second year in May, 2013 and expired in May, 2014. During this period, Staff from the Building and Planning Divisions, Legal Services Department, Police and Fire completed a review of regulations affecting these types of rental accommodations. At the same time, an in depth review of by-laws from other municipalities struggling with similar issues was completed.

Life safety and acceptable land use standards have been identified as the public interest in regulating the use of residential properties described as 'rooming houses'. Issues related to fire and health, safety, property standards, **Ontario Building Code** enforcement, zoning compliance, and police services associated with such properties were identified by Report PLPD12-004 with an objective to create regulations that would ensure compliance with the **Ontario Building Code**, the **Ontario Fire Code**, municipal by-laws addressing land use, property maintenance standards, motor vehicle parking requirements and noise.

Zoning Does Not Address Occupant Behaviour

It was determined through a series of interdepartmental meetings that the primary source of complaint was not from licensed 'lodging houses' that complied with the Zoning Bylaw, but rather with the behaviour of occupants in certain non owner-occupied, rental properties incorrectly described as 'rooming houses'. This posed a dilemma from a planning perspective because land use controls cannot be used to 'people zone'.

The City implemented an approach to incrementally address the issues by tightening of the Noise By-law and stepping up enforcement of the Zoning By-law. The City also amended the Business Licensing By-law as it applies to boarding houses, now requiring compliance with other by-laws, particularly the Zoning By-law, before a licence can be issued. This approach has improved the City's enforcement position with regard to boarding houses. What remained, however, was the prolific use of residential dwellings

as rental units throughout the City, often without municipal guidance to ensure life-safety and reasonable standards of impact.

Zoning cannot be used to regulate the people who use a property and how they live. Regulating lodging houses and rental units is extremely challenging, as inevitably, all types of residential rental units become captured by the review. For example, from a land use perspective, there may be very little difference between a five bedroom single detached home that is rented and occupied by a family; a five bedroom single detached home rented to a group of students; or a five bedroom single detached home where each bedroom is rented individually. Whether the occupants are related or not, or live together operating as a single housekeeping unit, or do not interact at all with each other, cannot be regulated via zoning. Land use controls can only pertain to the use of land and physical characteristics of property development.

Peterborough is not alone in trying to address the impact that lodging houses and shared rental accommodation dwellings have on neighbours and on neighbourhoods. A series of significant court cases from different municipalities have affected the scope of what a municipality can accomplish under its licensing and zoning powers. In general, these court decisions have not been helpful for municipalities and/or have arisen from fact situations that are not present in Peterborough.

The courts have lessened the distinction between lodging houses and single housekeeping units, therefore making it difficult for the City to only license lodging houses.

The inter-department committee considered many enforcement approaches with an effort to make it easily understood and enforceable. Licensing is seen as the mechanism to tie together, the land use controls with the interests of the **Fire Code**, **Building Code** and Property Standards. Relying on the Zoning By-law to try to prove that a collection of individuals do or do not function as a 'single housekeeping unit' is virtually impossible. This is why it is proposed that a Licensing By-law be used to regulate rental dwelling units containing 4 or more bedrooms and to determine whether a dwelling unit is functioning as a single housekeeping unit.

Regulate Use by Number of Bedrooms

The committee determined that the most effective approach is to regulate the use by the number of bedrooms in the dwelling unit. Bedrooms are a physical characteristic of a building and the basis of a lodging house. While not foolproof, it is more easily enforced than trying to determine who lives there and how they pay their rent. The licensing process will augment the amendments to the Zoning By-law. For example, in the situation where a dwelling with five or more bedrooms is rented as a single housekeeping unit, the owner will be required to obtain a Business Licence, but this dwelling could be located within any Residential Zoning District permitting a 'dwelling unit'. As part of the Business Licensing process, the owner will be required to file an annual 'self-attestation' form, to satisfy the Clerk that the dwelling is a single housekeeping unit.

On March 23, 2015, Staff Report PLPD15-017 presented a proposed approach to the regulation of Lodging Houses and Rental Dwellings to Planning Committee. Subsequently, Planning Staff joined staff from Fire, Building, Clerk's and Legal divisions to conduct a series of presentations regarding the proposed approach to the regulation of Rental Dwellings and Lodging Houses to various interest groups concluding with a presentation advertised as an open house to the general public on November 25, 2015. The purpose of the meetings was to present the regulatory framework and invite feedback from the community in reaction to the approach.

In addition to the formal presentations, numerous informal discussions and questions from the public and real estate professionals were fielded over the course of the year, enquiring about the regulations being developed and the potential for secondary suites also being developed by Planning and Building Services Division Staff as a separate initiative.

An opportunity to further improve the alignment of the proposed regulations with safety interests of the Fire Department and described minor changes was presented in Report PLPD16-019 in February 2016. This forms the basis of the regulatory approach including some amendments to both the Zoning By-law and the Business Licensing By-law and the introduction of a stand-alone licensing by-law for Lodging Houses and Rental Dwelling Units. Council concurred with the regulatory approach and the minor changes and directed Staff to proceed with the formal public notice to the Zoning By-law to implement the measures as presented in Report PLPD16-019.

Planning Staff have also had an opportunity to meet with members of the Peterborough Landlord Association (PLA) recently, to review the draft zoning amendment. The PLA had previously expressed concern that the requirement for a Business License for small scale rental dwellings (up to 4 bedrooms) could be onerous. City staff has kept the concerns of the Landlord Association in mind and propose to encourage the registration of rental units by offering free registration for a period of up to 15 months and a discounted renewal fee of \$50 for small and large rental dwelling units. Likewise, a Small Lodging House or Large Lodging House initial registration fee is proposed to be waived if acted upon within 15 months.

The PLA also expressed a desire to continue to offer an entire dwelling unit to a group of people who will use a property as a single housekeeping unit (homogeneous group). The proposed regulatory regime will also recognize this option as a Rental Dwelling Unit or a Large Rental Dwelling Unit as included in the draft Licensing By-law. The proposed licensing and zoning changes are to be considered by Council at its meeting of June 26, 2017.

A Review of the Regulatory Approach

Lodging Houses and Rental Dwelling Units will be regulated through a combination of licensing and zoning. The underlying land use is controlled via zoning. Where properties with 4 bedrooms or more are rented either by bedroom or as a whole, a combination of licensing and zoning apply. **With this approach, an owner of a dwelling unit with 3**

or fewer bedrooms will not require a business license to rent the dwelling as a whole or to rent individual rooms therein. All other residential rental properties will require a business licence.

- Dwelling units with 4 bedrooms, **rented individually by room or as a single housekeeping unit** to a group of people, will be permitted by the Zoning By-law in any Zoning District that permits a 'dwelling unit'.
- Dwelling units with 5 bedrooms or more, rented as **a single housekeeping unit**, to a group of people, will also be permitted by the Zoning By-law in any Zoning District that permits a 'dwelling unit'.
- A Lodging House that rents 5 or more bedrooms **individually**, will be permitted by the Zoning By-law in any Zoning District that permits a 'Lodging House' based on the number of bedrooms being rented.

A new 'Lodging House' definition proposes to replace the current 'Boarding, Lodging or Rooming House' definition and changes regulations related to Lodging Houses to be based on the number of bedrooms versus the number of 'boarders'. The Zoning By-law Amendment also introduces new definitions for other related terms to provide clarity and certainty for landowners and enforcement.

Table 1 describes the approach that was approved by Council in 2016. This table provides an example of the different licence types; the number of bedrooms associated with each; and potential categories as determined by rental arrangements, based on a combination of the Licensing By-law and Zoning By-law.

Table 1: Rental Dwelling Unit and Lodging House Types Requiring Business License:

Lodging House or Dwelling Unit	Zoning Compliance Required	Rental Type	Number of Bedrooms	Number of Bedrooms Rented	Business Licence Required
Small Rental Dwelling Unit	Zoning which permits a dwelling unit	Rental by Bedroom or Entire Dwelling	4 plus	1-4	Yes – Small Rental Dwelling
Large Rental Dwelling Unit	Zoning which permits a dwelling unit	Rental of Entire Dwelling (single housekeeping unit)	5 plus	Entire Dwelling	Yes – Large Rental Dwelling
Small Lodging House	Yes	Rental by Bedroom	5 plus	5-10	Yes – Small Lodging House
Large Lodging House	Yes	Rental by Bedroom	11 plus	11-30	Yes – Large Lodging House

Changes to the Zoning By-law

The Business Licensing By-law contains definitions which are harmonized with the draft definitions contained in Planning Report PLPD17-024. The intention of this harmonization is to make it easier for members of the public and staff to better understand the new regulatory environment.

The combination of the Zoning By-law Amendments and the Lodging House and Dwelling Rental Unit By-law provides landowners with new zoning flexibility to rent up to four individual rooms in a dwelling unit without being deemed to be a 'Lodging House'. Currently, regulations limit a proprietor to having a maximum of two tenants within a single dwelling unit. This change is aimed at recognizing a contemporary form of rental accommodation within Peterborough that has the potential to support the same number of persons per household as a traditional single dwelling unit. Regulations in the proposed Licensing By-Law, attached as Appendix A, is intended to ensure basic fire safety requirements are met for these rental dwelling units, and to create a registry of rental dwelling units within the City.

Frequently Asked Questions (FAQ's)

To assist the public in better understanding the proposed Lodging House and Rental Dwelling Unit By-law, staff has compiled a list of anticipated questions and answers. The draft FAQ's attached as Appendix B will be included with the application package for a Business Licence. It will also be available on the City's website. Staff will continue to update the FAQ's with new information as questions arise.

Business Licensing By-law

Regulations in the proposed Business Licensing By-Law are intended to ensure basic fire safety requirements and **Building Code** criteria are met for Rental Dwelling Units and Lodging Houses. The Office of the Chief Coroner of Ontario identified, in a report, Lodging-type houses, as being included in the Top 10 Death Environments for the years 2012 – 2015. Many students and residents live in a rental dwelling unit or lodging house as defined by the proposed Business Licence By-law. Due to the compliance issues encountered by Peterborough Fire Services and the fire safety trends in the Province of Ontario, it is reasonable that Lodging Houses be licensed to enhance public fire safety.

Current inspections conducted by Building Services Division staff create challenges to determine the actual occupant numbers. This results in repeat inspections, delayed decisions, extended resource involvement, reduced response capability, unsafe living situations extended, as well as a frustrating environment for tenants, neighbours, councillors and landlords. The proposed by-law amendments will improve the ability of the Building Services Division enforcement staff to determine if the building is in compliance with the health and safety requirements set out in the **Ontario Building Code (OBC)**, as well as compliance with the City's Zoning By-law. The new approach of room count will quickly determine if zoning is appropriate, will enable staff to more quickly enforce the **OBC** safety requirements in regard to egress route, egress window size, door numbering, fire alarm and detection, as well as health requirements of room size, natural light (windows), headroom and sanitary facilities. The lodging houses will be located in appropriate areas, the tenants will live in safer accommodations and the landlords will be operating on a more level playing field.

Licensing Fees

The proposed Lodging House and Rental Dwelling Unit By-law creates four classifications of rental accommodations requiring a licence. A **Small Rental Dwelling Unit** containing no more than four bedrooms - to create a registry of rental units within the City with an application form for a nominal fee of \$75 and a \$50 renewal fee. Similarly, **Large Rental Dwelling Units** with five or more bedrooms, used as a single housekeeping unit, will be required to apply for a licence with an initial fee of \$75 and a \$50 renewal fee, and a potential inspection fee. Lodging Houses with five or more bedrooms are regulated by both Zoning and Licensing in the case where the bedrooms are rented individually and will require an application form and inspection with an initial fee of \$250 for a '**Small Lodging House**' with 5 to 10 bedrooms and \$400 for a '**Large Lodging House**' with 11 to 30 bedrooms. Annual renewal fees of \$175 and \$200 respectively, are proposed in the draft Business Licensing By-law. Inspections carried out by Fire Services and Building Services Division staff. The above fees are based on

staff's review of lodging House and rental dwelling unit by-laws from Kingston, Waterloo, Guelph and London.

Fines

The proposed Set Fines and short form wording identified in Schedule B of the attached by-law are subject to review and approval by the Regional Senior Judge. In the event these are changed by the Regional Senior Judge, staff will update Schedule B accordingly.

Free Registration and Inspection until September 30, 2018

To provide property owners an opportunity to better understand and comply with these new requirements, staff propose that any applications received prior to September 30, 2018 will not be charged the initial inspection/registration fee. Further, by registering during the free period and completing the necessary paperwork/steps, the applicant, upon their anniversary date, will only need to pay the renewal fee, which is a lesser amount than the initial fees. This monetary incentive will help both the property owner and staff as the property owner will save money while ensuring their rental unit is safe and compliant with the applicable Ontario codes. Staff will benefit as they will have sufficient time to process applications and complete any necessary inspections.

Summary

The proposed Lodging House and Rental Dwelling Unit Business Licence By-law is intended to harmonize the approach of the requirements with the **Building Code, Fire Code** and Licensing to increase compliance with these requirements and improve the health and safety of rental units. As an incentive to receive applications, build a listing of rental properties and ensure compliance with health, safety, fire and building codes, a free registration and inspection are proposed until September 30, 2018.

Respectfully submitted,

John Kennedy
City Clerk

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Attachment:

Appendix A – Draft Business Licence Lodging House and Rental Dwelling Unit By-Law



City of
Peterborough

Appendix A

Appendix A – Draft Business Licence Lodging House and Rental Dwelling Unit By-law
The Corporation of the City of Peterborough

By-Law Number 17-XXX

Being a By-law to require owners of Lodging Houses and Rental Dwelling Units to obtain a business licence.

Recitals

- A. Section 8 of the **Municipal Act, 2001** (the “Act”), confers broad authority on a municipality to govern its own affairs as it considers appropriate to enhance the municipality’s ability to respond to local issues.
- B. Section 8 of the Act empowers a municipality to regulate or prohibit a matter that is a municipal issue.
- C. Section 10(2) of the Act provides that a single tier municipality may pass by-laws respecting business licensing.
- D. Section 151 of the Act provides that a municipality may provide for a system of licences with respect to obtaining, continuing to hold or renew a business licence.
- E. Owners who operate a Lodging House and/or a Rental Dwelling Unit and who receive Rent are operating a business.
- F. The municipal council for the City of Peterborough has determined that licensing and inspecting Large Lodging Houses and Small Lodging Houses will help ensure the safety of occupants thereof is a municipal interest.
- G. The municipal council for the City of Peterborough has determined that licensing and providing for the inspection of Large Rental Dwelling Units and Small Rental Dwelling Units is in the municipal interest.

Now therefore, The Corporation of the City of Peterborough by the Council thereof hereby enacts as follows:

1.0 Definitions

1.1 In this by-law,

Annual Self-Attestation Form – means a form prepared, from time to time, by the Peterborough Fire Service which requires an Owner of a Large Rental Dwelling Unit or a Small Rental Dwelling Unit to attest to the truthfulness of certain matters.

Authorized Official – means:

- a. a Building Inspector, By-law Enforcement Officer, and/or the Chief Building Official;
- b. Fire Prevention Officers employed by the City;
- c. Employees of the Peterborough County-City Health Unit;
- d. an inspector qualified to perform an inspection under the Electrical Safety Act; and
- e. any designate to the foregoing.

Bedroom – means a room, or area in a Licensed Rental Premises or a Dwelling Unit equipped, used or designed with the intended use for sleeping.

Building Inspector – means a person employed in the City's Building Services Division who is required to uphold:

- a. the requirements of the **Building Code Act** and/or its regulations; and/or
- b. the requirements of any City by-law relating to Zoning, Property Standards or Property Maintenance; and/or
- c. any person accompanied by a Building Inspector who has been retained by the City to offer professional advice to a Building Inspector.

Business Licence or Licence – means a licence, issued by the City Clerk, which permits an Owner to operate a Licensed Rental Premises.

By-law Enforcement Officer – means a person employed by the City whose responsibilities include enforcing the City's by-laws relating to zoning, property standards or property maintenance.

City – means The Corporation of the City of Peterborough.

City Clerk or Clerk – means the City Clerk and his/her designate(s).

Comprehensive Zoning By-law – means By-law 97-123 and any amendments thereto or any successor by-law thereto.

Dwelling Unit – means connected space for residential purposes, within a building which includes one or more Bedrooms, sanitary facilities, and cooking facilities, all of which are provided for the exclusive use of the occupants thereof and which has a private entrance from either the outside of the building or through a common area.

Follow-up Inspection – means each inspection performed by one or more Authorized Official after an Initial Inspection was completed and the Licensed Rental Premises did not meet the minimum requirements of one or more of the **Building Code**, the **Fire Code**, the **Electrical Code** or any Property Standards or Property Maintenance by-law.

Follow-up Inspection Fee – means the fee payable to the City for the performance of each inspection after the inspection contemplated by the Initial Inspection Fee or, as the case may be, the Renewal Fee.

Initial Inspection – means the first inspection performed by the Authorized Officials at a Small Lodging House or at a Large Lodging House.

Initial Inspection Fee – means either:

- a. the fee of zero dollars required to obtain a Business Licence on or before 30 September 2018; or
- b. after 30 September 2018, the fee paid by an Owner for the inspection of a Small Lodging House or Large Lodging House.

Lodging House, Large or Large Lodging House – means a type of Dwelling Unit containing between 11 and 30 Bedrooms which does not function as a single housekeeping unit.

Lodging House, Small or Small Lodging House – means a type of Dwelling Unit containing 5 but no more than 10 Bedrooms which does not function as a single housekeeping unit

Licensed Rental Premises – means a:

- a. Rental Dwelling Unit, Large;

- b. Rental Dwelling Unit, Small
- b. Lodging House, Large; or
- c. Lodging House, Small

for which a Business Licence has been issued by the Clerk.

Licensee – means a person, firm or corporation to whom the Clerk has issued a Business Licence under this by-law.

Owner – means any person, firm, corporation or Licensee having control of a Licensed Rental Premises or the property upon which the Licensed Rental Premises is located or over any portion of the foregoing.

Renewal Fee – means the annual business licence fee, set out in Schedule A of this by-law, required to operate each of a:

- a. Rental Dwelling Unit, Large;
- b. Rental Dwelling Unit, Small
- b. Lodging House, Large; or
- c. Lodging House, Small.

Renewal Inspection – means the annual inspection performed at a Small Lodging House or a Large Lodging House by Authorized Officials in conjunction with renewing a business licence.

Rent – means the consideration provided for occupying a Bedroom, whether the consideration is money or something else.

Rental Dwelling Unit, Large or Large Rental Dwelling Unit – means a type of Dwelling Unit offered for Rent containing 5 or more Bedrooms which functions as a single house-keeping unit.

Rental Dwelling Unit, Small or Small Rental Dwelling Unit – means a type of Dwelling Unit containing 4 Bedrooms, of which 1 to 4 Bedrooms are offered for Rent.

Tenant – means a person who provides Rent to an Owner or to a Licensee.

1.2 The following words have the meaning given to them in the City's Comprehensive Zoning By-law.

- a. **Bed and Breakfast Establishment;** and
- b. **Emergency Shelter;**
- c. **Group Home;**
- d. **Hospice;**
- e. **Hotel;**
- f. **Multi-suite Residence;**
- g. **Lot.**

2.0 Owner's Requirements

2.1 Every Owner when applying for a Business Licence to operate a Small Lodging House or a Large Lodging House shall submit along with his/her application, a letter from the City's Building Services Division confirming the zoning of the property upon which the Small Lodging House or a Large Lodging House will be operated.

2.2 Every Owner of a Licensed Rental Premises shall display, in an unobstructed manner, the current Business Licence obtained for each Licensed Rental Premises in:

- a. a ground-floor window at the front of the Licensed Rental Premises; and
- b. in a conspicuous place in the entrance hallway of the Licensed Rental Premises.

2.3 Every Owner of a Small Lodging House or a Large Lodging House shall, as a condition of obtaining a Licence, permit, as the case may be, the Initial Inspection, each Renewal Inspection and each Follow-up Inspection of the Licensed Rental Premises by any Authorized Official.

2.4 Application Fee – Requirements

An application for a Licence, or for the renewal of a Licence, shall be made on the forms provided by the Clerk, and each completed application shall be submitted to the Clerk, accompanied by the following Fee or Fees:

- a. The Renewal Fee, in the amount specified in Schedule 'A' or, by the sum of zero dollars in accordance with the exception contained in Article 9.1 below;
- b. The Inspection Fee, if applicable;
- c. The Follow-up Inspection Fee, if applicable;

2.5 Refusal – Licence Fee Non-refundable

Where an application for a Business Licence, or for renewal of a Business License, is refused, the Renewal Fee shall not be refunded and any person making a subsequent application for the same Licensed Rental Premises shall be required to pay the Renewal Fee again.

2.6 Renewal – Refusal Conditions

An applicant whose application meets all the requirements of this by-law is entitled to the issuance or renewal of a Business License except where:

- a. Past conduct of the applicant affords reasonable grounds for belief that the issuance of a licence would be adverse to the public interest; or
- b. The applicant is carrying on activities that are, or would be, if licensed, in contravention of this by-law, any other by-law, or federal or provincial statute or regulations.

2.7 License – Term

- a. With the exception of a Business Licence issued under Article 9.1, every Business License issued pursuant to this by-law shall be valid for one year.
- b. Notwithstanding Article 2.7(a), no Business Licence issued under this by-law is transferable to a new Owner of a Licensed Rental Premises.

2.8 Duplicate Licence

The Clerk may issue a duplicate Business License to a Licensee to replace any previously issued Business License which has been lost, stolen or destroyed, upon written application by the Licensee and upon payment of a twenty (\$20.00) dollar administrative fee.

2.9 Change of Address – Required

Where the name or address of a Licensee changes, the Licensee shall notify the Clerk in writing within fifteen (15) business days.

2.10 Compliance

Compliance with applicable statutes, regulations and by-laws shall be deemed to be a condition of each Business Licence issued pursuant to this by-law.

2.11 Revocation

Failure to comply with the terms and/or conditions of a Business License may constitute grounds for revocation of the Business License by the Clerk.

2.12 Inspection of Licensed Rental Premises by Authorized Official

Each Licensed Rental Premises may be inspected at all reasonable times by one or more Authorized Official.

2.13 Inspection – Owner to Permit

Every Owner of a Licensed Rental Premises shall permit a Licensed Rental Premises to be inspected by Authorized Officials at any reasonable time.

3.0 Administration – Clerk – Duties

3.1 Applications – Processing Renewals

The City Clerk shall have the authority to receive and process all applications for Business Licences and renewal Licences, and to issue such Licenses.

3.2 Investigation – Reports as Necessary

Upon the receipt of an application for a Licence, or the renewal Licence, the City Clerk shall make or cause to be made all investigations deemed necessary relative to the application.

3.3 Clerk to Maintain Records

The City Clerk shall maintain complete records showing all applications and Licenses issued.

3.4 Revocation of Licence

The City Clerk may revoke a Licence where the Owner or Licensee has been convicted of any offence under this by-law.

3.5 Revocation of Licence – Hearing

If the City Clerk refuses to grant or renew a Licence or revokes a Licence, the applicant or Licensee shall have the right to a hearing by Council which, after due consideration of the application and hearing such representations as the applicant may care to make, may direct the issuance or renewal of the Licence, refuse the application or revoke the licence.

3.6 Application of Statutory Powers Procedure Act

The hearing held under this by-law shall be held in accordance with the provisions of the **Statutory Powers Procedure Act**, R.S.O. 1990, c. S.22.

3.7 Decision of Council Final

Upon conclusion of a hearing, Council shall, as soon as practicable, dispose of the matter which was the subject of the hearing by doing any act or making any decision and such decision shall be final.

4.0 All Licensed Rental Premises

4.1 Requirements for Written Application

Every application for a Business Licence to operate a Licensed Rental Premises shall be in writing and submitted to the Clerk and shall set forth, as required by the type of Licensed Rental Premises, the following:

For every Licensed Rental Premises:

- a. The name, address, email address and telephone number of the Owner and applicant;
- b. If the applicant is a registered partnership or a sole proprietorship, a copy of a current Business Name Search and the names, addresses and telephone numbers of persons associated with the partnership;
- c. If the applicant is a corporation, a copy of the current Certificate of Status and a Corporate Profile report which indicate the location of the corporation's head office, the names, addresses and telephone numbers of all directors of the corporation and confirms that the corporation is active;
- d. The name, email address and telephone number of the resident manager, if applicable;
- e. The municipal address of the Licensed Rental Premises;
- f. The number of Tenants;
- g. The number of Bedrooms available for Tenants;
- h. The number of bath tubs or showers, washbasins, water closets, sinks and laundry tubs in the Licensed Rental Premises;
- i. A site plan, drawn to scale, completed to the satisfaction of the Clerk, showing the dimensions of all the buildings on the Lot;

- j. A floor plan, drawn to scale, of the entire Licensed Rental Premises showing the use and dimensions of all rooms. Each Bedroom shall meet the minimum area requirements of the **Building Code** per occupant;
- k. Written confirmation from the City's Building Services Division in the form of a letter or email confirming the property's zoning and that there are no outstanding work orders or building permits;
- l. Written confirmation from the City's Building Services Division in the form of a letter or email confirming that there are no outstanding orders under the City's Property Standards by-law;
- m. Such other information as from time to time may be required by the City Clerk or by an Authorized Official; and
- n. A signed and completed Annual Self-Attestation Form;

Additional Application Requirements for Large Lodging Houses and Small Lodging Houses

- o. A site plan, drawn to scale, completed to the satisfaction of the Clerk, showing the dimensions of all the motor vehicle parking spaces required in accordance with the Comprehensive Zoning By-law, or satisfactory evidence that the parking requirements for the Property enjoy legal non-complying status;
- p. Written confirmation from the Fire Prevention Officer in the form of a letter or email confirming that the Large Lodging House or Small Lodging House meets the minimum requirements of the Fire Code;
- q. Proof, satisfactory to the Fire Prevention Officer, that the furnace in, as the case may be, a Large Lodging House or a Small Lodging House, being a fuel burning appliance, has been inspected within the preceding 12-months;
- r. A zoning clearance letter from the City's Building Services Division stating that the property is zoned to permit, as the case may be, the Large Lodging House or Small Lodging House; and
- s. Proof, satisfactory to the Clerk, that Large Lodging House or the Small Lodging House has passed, as the case may be, its Initial Inspection, Renewal Inspection or Follow-up Inspection.

4.2 **Rooms – Permanently Numbered**

Each Bedroom within a Large Lodging House and a Small Lodging House shall have a number or letter permanently attached to or painted on the entrance door to the Bedroom which:

- a. is at least 50 mm in height;
- b. contrasts with the background upon which is attached or painted;
and
- c. is wholly located within the top 300 mm of the door.

5.0 **Specific Offence Provisions**

- 5.1 Every Owner who operates a Small Lodging House or a Large Lodging House without having first obtained a Business Licence from the City Clerk is, upon conviction, guilty of an offence.
- 5.2 Every Owner who operates a Large Rental Dwelling Unit or a Small Rental Dwelling Unit without having first obtained a Business Licence from the City Clerk is, upon conviction, guilty of an offence.
- 5.3 Every Owner who fails to post his/her Business Licence in accordance with the requirements of this by-law is, upon conviction, guilty of an offence.
- 5.4 Every Owner who posts a Business Licence which has expired or which has been revoked is, upon conviction, guilty of an offence.
- 5.5 Every Owner who produces for inspection a Business Licence which has expired or which has been revoked is, upon conviction, guilty of an offence.
- 5.6 Any Owner or Tenant who interferes with an Initial Inspection, a Follow-up Inspection, or a Renewal Inspection, being carried out under this by-law is, upon conviction, guilty of an offence.
- 5.7 Every Owner or Tenant who permits a room within a Licensed Rental Premises to be used as a Bedroom when such room was not depicted as a Bedroom on the floor plan submitted to the City Clerk is, upon conviction, guilty of an offence.
- 5.8 Every Owner or Tenant who permits a room within a Licensed Rental Premises to be used as a Bedroom when such room does not meet the minimum requirements contained within the **Building Code** is, upon conviction, guilty of an offence.
- 5.9 Every Owner who submits to the City Clerk an Annual Self-Attestation Form which contains false information is, upon conviction, guilty of an offence.

6.0 General Offence Provision

- 6.1 Unless otherwise specifically provided for in this by-law, any person who contravenes this by-law is guilty of an offence and, upon conviction, is liable to a penalty provided for in the **Provincial Offences Act** or, to payment of a Set Fine, if any.

7.0 Amendments to By-law 14-080 – Business Licensing By-law

- 7.1 By-law 14-080 is hereby amended by deleting:
- a. from Article 1 the following definitions: “Bedroom”; “Boarding, Lodging or Rooming House”; “Dwelling Unit”; “Lodger”; and “Rent”.
 - b. from Article 2.1 sub-section “f” and renumbering the remaining sub-articles therein;
 - c. Article 6, “Boarding, Lodging or Rooming House”, in its entirety;
 - d. in Schedule “A”, the reference to “Boarding, Lodging or Rooming House” and the fee applicable thereto.

8.0 Non-Application of this By-law

- 8.1 This by-law does not apply to any Dwelling Unit containing fewer than 4 Bedrooms.
- 8.2 This by-law does not apply to any of a: Bed and Breakfast Establishment, Emergency Shelter, Group Home, Hospice or Hotel, or a Multi-suite Residence.

9.0 Implementation Provisions

- 9.1 Notwithstanding Article 2.4(a) above and the second column of Schedule A, upon the passage of this By-law, an Owner may obtain an initial Business Licence at no cost that will expire on 30 September 2018 for each Licensed Rental Premises.
- 9.2 During the period of a licence issued under Article 9.1 above the Authorized Officials will perform an Initial inspection of each Licensed Rental Premises at no cost to the Owner.
- 9.3 Notwithstanding Article 9.2 above, if a Licensed Rental Premises requires a Follow-up Inspection, the Owner will be required to pay the Follow-up Inspection Fee.

- 9.4 As of 1 October 2018, every Owner of a Licensed Rental Premises will be required to pay the applicable Fee(s) under this By-law to obtain a Business Licence.

10.0 Interpretation

- 10.1 References to the Property Standards By-law is to Chapter 611 of the Peterborough Municipal Code.
- 10.2 References to the Property Maintenance By-law is to City By-law 96-41.
- 10.3 Any reference to any By-law, Act or regulation, including the **Building Code**, the **Fire Code** and the **Electrical Code**, includes any amendments thereto and any replacement legislation thereto.
- 10.4 Certain words have be capitalized for convenience and whether a defined term or phrase appears in the body of this by-law as a capitalized term or in lower case lettering, the term or phrase shall have the meaning given to it in Article 1.

11.0 Enforcement

- 11.1 This by-law may be enforced by any Authorized Official.
- 11.2 Under Sections 441 and 441.1 of the Act, the City's treasurer may add any part of an unpaid fine to the tax roll for any property in the City which the Owner or person is responsible for paying and collect it in the same manner as municipal taxes.

12.0 Short Title

- 12.1 This by-law may be referred to as the Licensed Rental Premises By-law.

13.0 Coming in Effect

- 13.1 This by-law comes into effect on the date it receives third reading.

By-law read a first, second and third time this 26th day of June 2017.

Daryl Bennett, Mayor

John Kennedy, City Clerk

Schedule A – Fees

Type of Licensed Rental Premises	Licence/Initial Inspection Fee	Renewal Fee	Follow-up Inspection Fee*
Small Rental Dwelling Unit	\$75**	\$50	Not applicable
Large Rental Dwelling Unit	\$75	\$50	Not applicable***
Small Lodging House	\$250	\$175	\$250*
Large Lodging House	\$400	\$200	\$400*

*payable if a Licensed Rental Premises fails to pass, as the case may be, the Initial Inspection or a prior Follow-up Inspection

**No inspection required to obtain Business Licence.

***Provided the Large Rental Dwelling Unit functions as a single house-keeping unit.

Schedule B – Set Fines

Violation	Offence Provision	Set Fine
Did fail to have a number or letter permanently attached to or painted on the entrance door to a Bedroom.	Article 4.2	\$75.00/Bedroom
Did operate a Lodging House without a Business License.	Article 5.1	\$750.00
Did operate a Rental Dwelling Unit without Business License.	Article 5.2	\$750.00
Did fail to post the Business Licence in accordance with the requirements of By-law 17-xxx.	Article 5.3	\$75.00
Did post a Business License which has expired or which has been revoked.	Article 5.4	\$250.00
Did produce for inspection a Business License which had expired or which had been revoked.	Article 5.5	\$250.00
Did interfere with an inspection of a Lodging House.	Article 5.6	\$500.00
Did permit a room not depicted as a Bedroom on the floor plan submitted to the City Clerk, to be used as a Bedroom.	Article 5.7	\$500.00

Did permit a room to be used as a Bedroom when such Bedroom did not meet the minimum requirements contained within the Building Code .	Article 5.8	\$500.00
Did submit an Annual Self-Attestation Form containing false information.	Article 5.9	\$500.00

**Business Licensing FAQs for the Public
Re Licensed Rental Premises By-law 17-xxx**

Appendix B

Licensed Rental Premises fall into two categories, being Lodging Houses or rental Dwelling Units. Each of those categories is then further divided between Small Lodging Houses and Large Lodging Houses and, for Rental Dwelling Units, between Small Rental Dwelling Units and Large Rental Dwelling Units.

In these FAQs, the term Rental Dwelling Unit applies to both a Small Rental Dwelling Unit and a Large Rental Dwelling Unit. The distinct terms Small Rental Dwelling Unit and Large Rental Dwelling Unit are used if the requirements to obtain a business licence and operate a Small Rental Dwelling Unit or a Large Rental Dwelling Unit differ.

In these FAQs, the term Lodging House applies to both a Small Lodging House and a Large Lodging House. The distinct terms Small Lodging House and Large Lodging House are used if the requirements to obtain a business licence and operate a Small Lodging House or a Large Lodging House differ.

1. What is each of a Small Rental Dwelling Unit, a Large Rental Dwelling Unit a Small Lodging House and a Large Small Lodging House?

A Small Rental Dwelling Unit is type of dwelling unit that has 4 bedrooms rented individually by room or as a single house-keeping unit.

A Large Rental Dwelling Unit is a type of dwelling unit that has 5 or more bedroom that is rented as a single house-keeping unit.

A Small or Large Rental Dwelling Unit may operate in any of an R1, R2, R3 or an R4 zone. An owner of a Small or Large Rental Dwelling Unit will not need to provide a zoning compliance letter to obtain a business licence, but will need to complete the City's Annual Self-Attestation Form.

A Small Lodging House ("SLH") is a type of dwelling unit that contains between 5 and 10 bedrooms and does not function as a single house-keeping unit. An owner of an SLH will need to prove zoning compliance in order to obtain a business licence and the SLH must pass an inspection in accordance with the City's Rental Dwelling Unit Licensing By-law.

A Large Lodging House ("LLH") is a type of dwelling unit that contains between 11 and 30 bedrooms and does not function as a single house-keeping unit. An owner of an LLH will need to prove zoning compliance in order to obtain a business licence and the LLH must pass an inspection in accordance with the City's Rental Dwelling Unit Licensing By-law.

2. What is a single house-keeping unit?

A single house-keeping unit is a dwelling unit that satisfies enough of the criteria set out in **Neighbourhoods of Windfields Limited Partnership v. Death**, 2008 CanLII 424228 (ONSC) & **Good v. Waterloo City** (2003), 67 OR 89 and **Good v. Waterloo (City)**, (2004), 72 OR (3d) 719 (C.A.), **2161907 Ontario Inc. v. St Catharines (City)** 2010 ONSC 4548, **Ottawa (City) v. Bentolila** 2006 ONCJ 542, and **Balmoral Developments Hilda Inc. v. Corporation of the City of Orillia**, 2012 ONSC 6040, that a reasonable person would conclude that the dwelling unit is not a Lodging House because the occupants live together for a common purpose which is broader than the purpose of sharing short-term accommodation for economic reasons.

3. What is the difference between a Rental Dwelling Unit and a Lodging House?

A Lodging House, whether it is an LLH or a SLH, is a type of dwelling unit in which the occupants are typically strangers to each other and they may or may not have individual leases or rental agreements. A Lodging House does not function as a single house-keeping unit.

A Large Rental Dwelling Unit typically has multiple persons who know each other, and who are signed to one lease and it functions as a single house-keeping unit.

A Small Rental Dwelling Unit has 4 bedrooms and houses people under an individual lease or not. It is not necessary that these people know each other.

4. What is the difference between “function” and “use”?

“Use” is a term used in the City’s zoning by-law and it refers to how a property may legally be used. For example, no person could operate a Lodging House on a property that is zoned R1 or R2.

The word “function”, when used in relation to Business Licensing for Lodging Houses and Rental Dwelling Units, refers to how the occupants of the dwelling unit relate to each other. For example, 6 un-related people living together may function as a single house-keeping unit (See FAQ “What is a single house-keeping unit?”).

5. How do I satisfy the City Clerk that the zoning permits a Large Lodging House or a Small Lodging House?

You will need to obtain a zoning clearance letter from the City’s Building Services Division.

6. What about zoning compliance for a Rental Dwelling Unit?

Prior to issuing a business licence for a Rental Dwelling Unit, the City Clerk will confirm with the Building Services Division that, as the case may be, the Small Rental Dwelling Unit or a Large Rental Dwelling Unit is a permitted use under the City's Comprehensive Zoning By-law.

7. What is and where do I get a Certificate of Status?

A Certificate of Status is a report issued by the provincial government that will state whether the corporation is active or in-active. Only active corporations may obtain a business licence. This requirement only applies if the Rental Dwelling Unit or Lodging House is owned by a corporation, in which case you can contact your own corporate lawyer for direction.

8. I own a Lodging House, do either of the site plan drawings required by Sections 4.1(i) and 4.1(o) or does the floor plan required by Section 4.1(j) of the City's Rental Dwelling Unit Licensing By-law need to be prepared by a professional?

No, each of those scale drawings, showing the required dimensions, can be prepared by the Owner using graph paper. Upon receipt of these drawings, the Clerk's Office will confer with the Building Services Division. If you think your property has legal non-complying status, the City's Planning Division can assist you in determining whether your property meets the parking requirements of the City's Comprehensive Zoning By-law.

9. I own a Rental Dwelling Unit, does the site plan drawing required by Section 4.1(i) or the floor plan required by Section 4.1(j) of the City's Rental Dwelling Unit Licensing By-law need to be prepared by a professional?

No, each of those scale drawings, showing the required dimensions, can be prepared by the Owner using graph paper. Upon receipt of these drawings, the Clerk's Office will confer with the Building Services Division.

10. How do I satisfy the City Clerk that the Licensed Rental Premises passed the applicable inspection?

Each Authorized Official will report to the City Clerk upon completion of his/her inspection report. These reports will reside in a file in the Clerk's Office.

11. Where can I obtain the Annual Self-Attestation Form?

The Annual Self-Attestation Form can be obtained from the Clerk's Office.

12. Can 5 or more people live together in a Rental Dwelling Unit on a property that is not zoned to permit a lodging house?

Yes, provided that the Rental Dwelling Unit functions as a single house-keeping unit and provided the owner has obtained a business license.

13. What if my house only contains 3 bedrooms and I rent out the whole house?

If your house only contains 3 bedrooms and you rent out the whole house, whether under one lease or under separate leases, then this by-law does not apply to you.

14. What is a multi-suite residence?

A multi-suite residence is a type of building containing 4 or more residential rooms in which, occupants typically receive support in the form of common dining amenities and other related services. E.g. a residence for senior citizens or a retirement home.

15. If I own a Lodging House or a Rental Dwelling Unit, is there a standard insurance requirement I need to meet to obtain a business licence?

No, because there is no standard property insurance policy in Ontario. Each owner of a Lodging House or a Rental Dwelling Unit is encouraged to discuss his/her insurance needs with his/her insurance provider to make sure that the Lodging House and/or Dwelling Unit is appropriately insured. Having the right insurance in place will help ensure that, in the event of a loss-event, you will have insurance coverage.