



City of  
**Peterborough**

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**To:** **Members of the Planning Committee**

**From:** **Ken Hetherington, Manager, Planning Division**

**Meeting Date:** **February 29, 2016**

**Subject:** **Report PLPD16-019**  
**Zoning By-law Update Regarding Definitions and Regulations**  
**affecting Rental Units including Lodging Houses**

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## **Purpose**

A report on a review of the results of the Community's response to the proposed regulatory framework for Lodging Houses and rental units within the City.

## **Recommendations**

That Council approve the recommendations outlined in Report PLPD16-019 dated February 29, 2016, of the Manager, Planning Division, as follows:

- a) That report PLPD16-019 be received.
- b) That Staff be directed to proceed with the formal public notice for the recommended amendments to the Zoning By-law to implement the regulatory measures presented in Report PLPD16-019 based on response to public consultation.

## **Budget and Financial Implications**

No immediate budget or financial implications will result from adopting the recommendations of this report. There will be financial implications that will result from the implementation of concepts advanced by this report that were generally described by a previous report PLPD15-017 to Planning Committee. A description of financial implications will be included in subsequent reports involving decisions regarding this initiative.

## Background

March 23, 2015 Staff Report PLPD15-017 presented a proposed approach to the regulation of Lodging Houses to Planning Committee. An overview of the regulatory framework included in Staff Report PLPD15-017 is attached as Exhibit A. Since then, Staff have conducted a series of presentations regarding the proposed approach to the regulation of 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. The presentations were conducted by a team of representatives from the Planning Division, Legal Services, the Building Division and Fire Department.

In addition to the formal presentations, numerous informal discussions and questions from the public and real estate professionals have been fielded over the course of the year enquiring about the regulations being developed and the potential for secondary suites also being developed by Staff as a separate initiative. A summary of the notes on comments received from the public is attached to Report PLPD16-019 as Exhibit B. The notes include a list of the most consistently recurring points that were raised.

Over the course of the year, Staff have solicited and reviewed the comments received, and in response, Staff have identified an opportunity to further improve the alignment of the proposed regulatory framework with safety interests of the Fire Department. This report describes minor changes to the approach initially presented to Planning Committee that will form the basis of the regulatory approach that involves amendments to the Zoning By-law and the Business Licensing By-law.

### A Review of the Regulatory Approach in Simple Terms

Initially Staff proposed the following conceptual approach that would regulate the size of a rented dwelling by the number of bedrooms, and its location by a combination of the Licensing By-law and Zoning By-law. The approach remains the same, the only difference is that a license will be required to rent a dwelling containing 4 bedrooms or more.

1. Single Unit Rental Dwelling (3 bedrooms or less)
  - May be rented with up to three bedrooms for rent.
2. Single Unit Rental Dwelling (4 bedrooms)
  - 1-4 bedrooms for rent
  - ***Business license would be required. \* New.***

3. Large, Single Unit Rental Dwelling (5 or more bedrooms)
  - 1-4 bedrooms for rent - limited to 4
  - Business licence would be required
4. Lodging House (large rental dwelling where 5 or more bedrooms are rented)
  - Small scale Lodging House - bedrooms for rent: 5-10 – requires “R3” zoning and a business licence would be required
  - Large scale Lodging House - bedrooms for rent: 11-30 – requires “R4” zoning and a business licence would be required.

### Highlights from the Public Meetings

The following are points that were most consistently raised by participants at the meetings and calls received from the public:

- 1) If five or more bedroom income properties are being regulated to ensure healthy and safe living conditions, what about 4 bedrooms or less? Why should they be unregulated businesses providing potentially unhealthy, unsafe living opportunities?

Staff decided initially to draw the line for regulating rented dwellings at 5 bedrooms. Considering the concern for an unsafe building containing less than five bedrooms that was raised at almost every meeting, and that the Fire Code regulates lodging houses based on number of people, the probability of a rented dwelling with four bedrooms occupied by 5 or more people is high. The responsibility for fire safety of a rented dwelling unit with that level of occupancy should be shared more diligently by the landlord as well as the regulatory system. Staff is therefore responding by recommending that a business license be required for a rented dwelling containing four or more bedrooms. The license will facilitate access, inspection and at the very least, responsibility of the landlord for ensuring functional smoke detectors.

- 2) Would like to have the City consider “how the dwelling is rented”, “how people live together”, “how the lease is signed” etc. to avoid hard and fast regulation based on a 5 or more bedroom dwelling for rent considered “a business”. May consider exempting “where service provider is operating under a license issued by the Province.”

This issue will involve careful development of a set of criteria for how a dwelling is leased or rented and will include how occupants of the dwelling interact with one another and contribute to a functional housekeeping unit. It is anticipated that this criteria will be set out and tested as a part of the licensing requirements in addition to other requirements. The Fire Department has a clear set of criteria and will be relied upon to assist with enforcement.

- 3) Concern about tenants subletting rooms without the owner's knowledge or permission resulting in a "rooming house" situation.

A person engaged in renting a dwelling with four or more bed rooms will be considered to be operating a business. Such an individual should be responsible for educating themselves and or seeking necessary legal advice on how to conduct their business and protect themselves.

- 4) Concern about the cost of the business license fee. First time and renewal.

Staff will be recommending that the licensing fee be minimal so the cost will not be a significant issue. Staff will attempt to develop licensing fees to minimize the annual, renewal fees and include graduated licensing fees based on the involvement of inspections on a cost recovery basis.

- 5) Concern with parking and enforcement.

Staff sees two sides to the need to address parking requirements. Staff would suggest that they will be exploring means to relax the requirements for parking associated with lodging houses closer or accessible to the inner city where auto dependency may be less of an issue. Staff will continue with the proposed approach regarding parking required to support lodging houses located in auto dependent circumstances in that the external impact of on street parking is a concern.

### **Proposed Modification**

Staff considered one of the primary reasons for the need for regulating rental units to be fire safety. While the proposed approach focussed on regulating rented dwellings containing 5 or more bedrooms, the recurring question raised at almost every public meeting was about unsafe rental units within a four bedroom rented dwelling.

Report PLPD15-017 described the proposed approach being modelled after Waterloo and London, being two municipalities that license everything rented. Instead of attempting to regulate everything rented, Staff initially proposed to regulate rented dwellings containing 5 or more bedrooms. Based on a recommendation from the Fire Department and the community input from the public meetings, and considering the opportunity to improve the safety of rented dwellings with four bedrooms that often contain five or more people, Staff is recommending that the approach be modified to require the licensing of rented dwellings containing four or more bedrooms.

## Summary

While not all of the feedback received during the consultation sessions was in favour of the proposed approach to regulating lodging houses, the majority of the responses were in support of the changes. An update of the Zoning By-law will provide clarity to those interested in investing in rental units within Peterborough and for the City to be in a position to enforce the Zoning By-law.

Staff is presenting this Report to identify the minor change to the approach described by the earlier report to Council and is seeking direction to proceed with the formal process to amend the Zoning By-law and Licensing By-law to implement the approach described herein.

Submitted by,

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### Attachments:

Exhibit A – Report PLPD15-017  
Exhibit B – Notes from public consultation on Lodging House