

CITY OF HAMILTON

**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Planning Division**

Report to: Chair and Members Economic Development and Planning Committee	Submitted by: Tim McCabe General Manager Planning and Economic Development Department
Date: August 27, 2008	Prepared by: Kirsten McCauley 905-546-2424 Ext. 1292

**SUBJECT: Review of Tools for Regulating Residential Rental Housing
(PED07296(a)) (Wards 1, 8 and 10)**

RECOMMENDATION:

- (a) That Municipal Law Enforcement staff be directed to continue to monitor the initiatives being implemented by other Ontario municipalities for regulating residential rental housing, and provide an update to the Economic Development and Planning Committee in February, 2009.
- (b) That the matter of a Zoning By-law Amendment to limit the number of bedrooms and/or habitable rooms in a dwelling be referred to Zoning By-law Reform staff for further review and consideration in the development of regulations for the Residential Zones in the City of Hamilton Comprehensive Zoning By-law 05-200.
- (c) That staff be directed to monitor the Main Street Housing Program along Main Street West in proximity to McMaster University, and along Upper James Street between Queensdale Avenue and Fennell Avenue in proximity to Mohawk College, to determine the effectiveness in encouraging higher density student housing within the program area, as outlined in Report PED07296(a), and report back to the Economic Development and Planning Committee through the annual report of the Downtown and Community Renewal Division.
- (d) That Municipal Law Enforcement staff be directed to undertake a consultation process through the establishment of a Community Liaison Committee (CLC) in order to obtain input from the community to determine the appropriateness, potential effectiveness and the prospective extent of a strategy for regulating residential rental housing, including a Licensing By-law pursuant to the provisions of the Municipal Act, 2001, within the areas identified in Appendix "A" (Ainslie Wood - Westdale Secondary Plan area in Ward 1) to Report PED07296(a), Appendix "B" (Mohawk-Buchanan-Bonnington-Southam Neighbourhoods in

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Ward 8) to Report PED07296(a), and Appendix "C" (Guernsey Neighbourhood in Ward 10) to Report PED0796(a).

- (e) That pursuant to Recommendation (d) to Report PED07296(a), the Community Liaison Committee (CLC) be constituted in a balanced manner to represent a variety of interests and stakeholders, including but not limited to, representatives from both McMaster University and Mohawk College, representatives from each educational students union, representatives from established community groups, local residents, not-for-profit housing groups, landlords and other interested parties from the identified areas.
- (f) That staff be directed to report back to the Economic Development and Planning Committee in the second quarter of 2009 with the results of the consultation process, including input from the Community Liaison Committee (CLC) as contained in Recommendation (d) to Report PED07296(a), together with recommendations respecting the implementation of a Licensing By-law and/or other applicable measures in the City of Hamilton.
- (g) That the item respecting Student Housing in Ainsliewood – Westdale Area (potential of a Community Improvement Plan to assist with re-conversion of dwellings) on the Economic Development and Planning Committee Outstanding Business List be identified as completed and removed from the List.

Tim McCabe
General Manager
Planning and Economic Development Department

EXECUTIVE SUMMARY:

Staff was directed by Council to investigate the issue of student rental housing around McMaster University and Mohawk College. More specifically, staff was requested to investigate a licensing program for regulating student rental housing, a Zoning By-law to limit the number of bedrooms in various housing forms, and a Community Improvement Plan to provide incentives to encourage the de-conversion of rental housing to owner-occupied dwellings.

Based on consultation with other municipalities and input from a City staff study team, staff is of the opinion that it would be prudent to undertake a consultation process through the establishment of a Community Liaison Committee (CLC). This CLC will provide input on the appropriateness, potential effectiveness and the prospective extent of regulating rental housing. Staff has identified three specific areas for consideration: the Ainslie Wood-Westdale Secondary Plan area around McMaster University in Ward 1, the Mohawk-Buchanan-Bonnington-Southam Neighbourhoods around Mohawk College in Ward 8, and the Guernsey Neighbourhood in proximity to the Mohawk East Campus in Ward 10. Staff also suggests continued monitoring of the initiatives currently being undertaken by other municipalities to determine the effectiveness of

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these initiatives in their respective municipalities. In addition to the recommended approach, staff has also presented various alternatives for the Committee's consideration, namely:

- Maintain the status quo – no further action;
- Proactive enforcement of existing By-laws;
- Implement a City-wide licensing program;
- Implement a pilot project for a licensing program; and,
- Implement a Zoning By-law Amendment without further investigation.

The report provides further information on preliminary resource requirements and the challenges relating to the impact on affordable housing. The formation and implementation of the Community Liaison Committee (CLC), and subsequent monitoring, would be more appropriately managed by the Municipal Law Enforcement Section. This Section has the background knowledge of the existing City By-laws, licensing requirements and legislation to undertake the review.

The regulation of the provision of the number of bedrooms in a dwelling unit has also been subject to a preliminary review by staff. A recent Ontario Municipal Board ruling and the provisions under the Planning Act, specifically Section 34 which allows the regulation of "character", establishes the authority for the City to regulate such matters. With respect to the direction to investigate a Zoning By-law provision to limit the number of bedrooms (and/or habitable rooms) in a dwelling, it is recommended that this item be referred to the Zoning By-law Reform staff for further detailed review through the creation of the Residential Zones in the City of Hamilton Comprehensive Zoning By-law 05-200. This approach would be more appropriate as Zoning By-law Reform staff would be able to perform an evaluation based on housing form, make comprehensive recommendations, and make suggestions for other zoning controls to regulate the issue to ensure compliance.

In regards to the Community Improvement Plan initiative, staff proposes to monitor the effectiveness of the Main Street Housing Program in encouraging higher density purpose built student housing along Main Street West in proximity to McMaster University, and along Upper James Street between Queensdale Avenue and Fennell Avenue in proximity to Mohawk College. Based on concerns noted in the report, it is the opinion of staff that a Community Improvement Plan to encourage the de-conversion of rental housing is inappropriate.

Staff has drawn on information from a wide variety of resources and has synthesized this information to present a detailed, informative report to the Committee.

BACKGROUND:

1. **Council Direction**

On May 16, 2007, City Council directed:

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WHEREAS the Province of Ontario has enacted Bill 130 (revisions to the Municipal Act), allowing municipalities to licence rental dwelling units;

AND WHEREAS the Ainslie Wood-Westdale area (adjacent to McMaster University) and the Southam-Bonnington-Buchanan area (adjacent to Mohawk College) and the area adjacent to the Mohawk East Campus have a preponderance of uncontrolled rental student housing, which has caused a decline in quality of life for those neighbourhoods;

AND WHEREAS, through Bill 130, the Province has provided little detail on how rental housing can be regulated;

NOW THEREFORE the General Manager of Planning and Economic Development Department be requested to investigate and report back on enactment of a By-law that would regulate student rental housing in the neighbourhoods around McMaster University and Mohawk College (as provided for in Bill 130), including but not limited to issues such as how to identify subject properties, enforcement, and experiences from other “town and gown” communities.

On December 4, 2007, Planning staff provided an update through Information Report PED07296 to the Economic Development and Planning Committee (refer to Appendix “D”). The report provided additional information on the opportunity to license rental housing and outlined the need for a detailed analysis and review prior to making a recommendation on this item. On December 12, 2007, City Council received the information report and Planning staff began the detailed review of three initiatives outlined in the Information Report:

1. A licensing program for residential rental housing under the Municipal Act;
2. A Zoning By-law Amendment under the Planning Act limiting the number of bedrooms in new housing and through renovations to existing houses; and,
3. A Community Improvement Plan for encouraging the de-conversion of rental housing back to owner occupied single detached dwellings.

Information on the above initiatives, as well as other programs that are currently in place or available to City residents, are described in the Analysis/Rationale section of this report.

2. Changes to The Municipal Act: Licensing Rental Housing

On January 1, 2007, the Municipal Statute Law Amendment Act, 2006 (Bill 130) made significant changes to the Municipal Act, 2001, including changing Part IV (Licences) respecting business licensing and the regulations under this Part. These changes included eliminating the portion of O. Reg. 243/02 (re-enacted as

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O. Reg. 583/06), which had prohibited municipalities from licensing the business of renting residential units.

Now municipalities have the authority to adopt a licensing program regulating rental properties, including, for example requiring building, fire and electrical inspections to ensure the safety of the occupants. A municipality can narrow the application of a Licensing By-law from all residential rental accommodation in a number of ways including by dwelling type, geographic area and/or owner occupation. However, the application of the Licensing By-law cannot be based on the type of person renting the unit (i.e. students). The Municipal Act, 2001 further requires that there be a valid basis for imposing one or more of these limits, for example, evidence that in a particular geographic area or areas rental housing has given rise to a relatively higher number of By-law violations relating to yard maintenance, property standards, illegal uses, etc., than rental housing in other areas.

Section 151 of the Municipal Act, 2001 provides the City with the authority to pass a Licensing By-law, and Subsection 10(2) sets out purposes for which any By-law may be passed, including: 5. the economic, social and environmental well-being of the municipality; 6. the health, safety and well-being of persons; and 8. the protection of persons and property, including consumer protection.

As a result of the new legislation, staff was directed to investigate the licensing of student rental housing in the neighbourhoods surrounding McMaster University (Ward 1) and Mohawk College (Wards 8 and 10).

3. Defining the Problem

Student rental housing is an important and challenging issue for many “Town and Gown” communities. The term “Town and Gown” generally refers to the community surrounding a post-secondary educational institution and the University and/or College itself. The municipality must address accommodation issues unique to “Town and Gown” communities which often include competing interests. For example, the negative impact to existing residential neighbourhoods that result from the increasing number of houses being converted for student rental must be considered, as well as the need to provide safe, affordable and accessible accommodations near the educational institution for students.

Typically, students rent houses for short, finite periods of time. Therefore, they tend not to have the attachment that most permanent residents have to their dwelling or community. Also, because of their limited financial resources and the temporary nature of the accommodations, students may accept substandard dwellings. Common issues associated with student rental housing include overcrowding, illegal or improper renovations/conversions, lack of building and property maintenance, concern for the health and safety of the occupants, noise, and inadequate areas available for parking. It is recognized that a University or College does provide positive economic benefits to its surrounding community.

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In attempting to identify student rental housing properties, as directed by Council, Planning staff advises that further analysis will be required to specifically identify rental properties within the defined study areas. The Housing Division has provided preliminary numbers for structure type based on tenure from Statistics Canada. According to these statistics, there are a total of 122,790 single detached, semi-detached and row houses in the City of Hamilton. Approximately 14,485 of these dwelling units are being rented. Staff notes that information has not been provided to specify person renting (i.e. student vs. family).

4. **How does the City currently address Student Rental Housing?**

Municipal Law Enforcement staff spends considerable time and effort addressing student rental housing complaints surrounding McMaster University (Ward 1) and Mohawk College (Ward 8). The enforcement tools used to deal with these complaints include the Noise By-law (By-law No. 03-020), Yard Waste and Property Maintenance By-law (By-law No. 03-118), Property Standards By-law (By-law No. 03-117), and the (former) Hamilton Zoning By-law.

In the past, these By-laws were generally enforced on a complaint basis. For many years, the City has been assigning extra staff to these areas during the months of September and April when students are moving into and out of rental housing. This enforcement was largely implemented through ad hoc proactive efforts with limited success.

However, in September 2007, the Municipal Law Enforcement Section initiated a formal proactive, progressive enforcement strategy for Ward 1 and Ward 8. This initiative was better planned and took a zero tolerance approach to enforcement for repeat offences of the Noise and the Yard Waste and Property Maintenance By-laws.

Prior to the commencement of the September 2007 program, a courtesy letter was mailed to both the homeowner and occupants of properties within Wards 1 and 8 that had been warned or charged in September 2006 and April 2007, advising of the City's proactive enforcement strategy that included a "fee for service" billed to property owners in addition to By-law charges against occupants. The following provides a brief description of how the three specific By-laws were enforced.

(a) **Noise By-law Enforcement**

During the proactive campaign, four officers were scheduled from 10:00 p.m. to 3:00 a.m., working with Special Duty Police Officers. In addition, two Officers worked the regular evening shift from 8:00 p.m. to 4:00 a.m. responding to all other areas of the City. The new initiative involved the use of mobile computing which allowed Officers to readily identify "past" problems and to determine when/if Police assistance was required. This created time efficiencies and assisted Officers in notifying the support staff

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to proceed promptly with contacting and notifying the homeowner of any problems.

Enforcement consisted of the following steps:

- Municipal Law Enforcement Officers/Police patrolled the area and, if there was a violation, the tenants were issued a warning.
- The property owner was contacted by registered letter advising them of the warning to tenants and notifying them that a second violation of the Noise By-law would result in a fee for service of \$225.00 that would be added to the property taxes for that address and the tenant(s) would be charged.
- All subsequent inspections, when a violation was found, would result in a \$112.50 “fee for service” added to the property taxes and tenants would be charged.

(b) Yard Waste and Property Maintenance By-law (garbage/debris and long grass/weeds)

During the proactive campaign, Officers patrolled Mohawk College and McMaster University neighbourhoods daily. If a violation was identified, a seven day Order to Comply was posted immediately. Waste Management was contacted and assisted with the initial issues and clearing garbage on the streets.

(c) Property Standards By-law

The Property Standards By-law is not formally included in the proactive campaign; however, if a Municipal Law Enforcement Officer (MLEO) did observe By-law infractions while investigating Yard Waste and Property Maintenance or Noise violations, the Property Standards By-law was also enforced. Exterior inspections were observed from City property or from another sight line by an MLEO attending the site. However, with interior issues the inspection can be difficult if the MLEO cannot gain entry into the home. The cooperation of the tenant or the property owner is needed to support an interior property standards violation.

The proactive program was successful in dealing with student housing issues associated with the Noise and the Yard Waste and Property Maintenance By-laws, as well as visible infractions of Property Standards.

Staff notes that the Zoning By-law (permitted use restrictions) is currently enforced on a complaint basis and is not included in the proactive campaign. When a complaint is received, a Municipal Law Enforcement Officer (MLEO) attends the site to determine compliance with the Zoning By-law. Often it is difficult to gather enough evidence to support a charge when the MLEO is unable

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to gain access to the residential housing unit to investigate. Generally, the Officer requires the cooperation of a tenant or the property owner to gain access to the property to investigate zoning violations. In this respect, the enforcement of the Zoning By-law has similar limitations as the enforcement of the Property Standards By-law.

5. What do other Municipalities do?

The issue of student rental housing and its consideration in the broader context of rental housing matters is neither new nor unique to Hamilton. Several other Ontario municipalities are experiencing similar challenges. In the preparation of this report information was collected from eight other municipalities namely: the Cities of Oshawa, London, Waterloo, Barrie, Peterborough, Kingston, Ottawa, and St. Catharines. Each of these municipalities has a large concentration of rental housing geared towards students. Several of these municipalities already have controls in place, while other municipalities are just starting to review the issue (Appendix "E" to this report contains a detailed review of the various approaches taken by each municipality). The following provides a brief overview of the tools employed by each of these municipalities:

(a) City of Oshawa

Oshawa has taken the opportunity provided under the Municipal Act, 2001 to implement a licensing program for the area surrounding its university; however, the City has been criticized for targeting students. Opposition to Oshawa's Licensing By-law by both the renters and the landlords has been widely publicized. Since the By-law only applies to the area immediately surrounding the university, students have objected that it violates their right to accommodation. The general matter of discrimination has come to the attention of the Ontario Human Rights Commission, which has indicated in a report entitled "Right at Home - Report on the consultation on human rights and rental housing in Ontario" (released July 9, 2008) that it will be scrutinizing municipal By-laws that discriminate and "will consider the strategic use of its powers to have these addressed. This may include public inquiries, education, and supporting or initiating a human rights application or Charter case to challenge those By-laws or practices."

(b) City of London

The City of London is considering a licensing program to take a proactive approach to address sub-standard housing conditions and to protect the residential amenities, character and stability of the residential areas. London has prepared some draft provisions for its proposed licensing By-law. In addition to the proposed licensing program, as part of a larger strategy involving an extensive planning study followed by several amendments to their Zoning By-law and Official Plan, the City of London

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passed a Zoning By-law Amendment limiting the maximum number of bedrooms in a dwelling unit to five.

The City of London also uses the existing municipal By-laws to enforce noise, yard maintenance and property standards. Partnerships with the institutions and programs currently run by the university and college also complement the City's efforts to integrate student housing in established neighbourhoods.

(c) **City of Waterloo**

The City of Waterloo has had a lodging house licensing program since 1986. This program has also been used to regulate student housing. As a result of the changes to the Municipal Act, 2001 in 2007, the City of Waterloo Council recently adopted a Terms of Reference for the review of the lodging house licensing program. According to the Terms of Reference, City staff will be determining if the existing lodging house program should be replaced or could be enhanced to provide a better service.

(d) **City of Barrie**

The City of Barrie is also facing issues arising from the expansion of student housing in existing neighbourhoods. Barrie City staff completed its "Rooming, Lodging, Boarding House Review" in 2007. The 2007 staff report highlighted a number of changes needed to both their Zoning By-law and Licensing By-law to better regulate residential rental housing, including student housing.

In addition, Barrie has also recently approved the Georgian College Neighbourhood Community Improvement Plan (CIP). The purpose of the CIP is to encourage investment in multi-unit residential development geared towards students and to encourage quality housing suitable for the growing student population. The goal is to attract and concentrate students to certain areas as opposed to having them dispersed throughout the single detached housing area. The CIP affects an area approximately 1 kilometre wide surrounding the college. Financial incentives are provided through the CIP in the form of a tax increment based grant and the waiver of application fees to encourage rehabilitation and improvement within the designated area.

(e) **City of Ottawa**

Ottawa's By-law and Regulatory Services staff is now in the process of preparing a new Rooming House By-law. This process was initiated as a result of amalgamation and is intended to harmonize the standards for rooming houses throughout the new City. Ottawa staff indicated that the Rooming House By-law is not focussed on any specific type of housing,

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and student housing would have to meet the definition in the By-law to be regulated as a rooming house. In addition, the City currently uses its Property Standards By-law to enforce infractions related to rental housing.

(f) **City of Peterborough**

Peterborough currently has no licensing program that directly addresses student housing. The City does licence accessory apartments which have been in existence since prior to 1996, provided the owner can verify that the apartment has been used continuously and complies with the Ontario Fire Code and Ontario Building Code. The City is also undergoing a Downtown Economic Review and is in the process of creating a Downtown Master Plan. As part of this Master Plan, the City may address the issue of student housing and conditions.

(g) **City of Kingston**

Kingston has been monitoring student housing and the issues related to student housing since the 1970s. The City is currently focusing resources on implementing a By-law that would limit the number of bedrooms in residential units. The City does not have a residential rental housing licensing program. A licensing program may be considered by the City in the future; however, the municipal staff will be monitoring the progress and outcome of the Oshawa Licensing By-law prior to moving forward with their own review.

(h) **City of St. Catharines**

St. Catharines does not licence residential rental housing. The City recently passed a Nuisance By-law which is intended to regulate the behavioural issues associated with students. The By-law implements a \$300.00 fine for rowdy behaviour such as throwing/smashing beer bottles, damaging public and/or private property, and other inappropriate behaviour in public.

On the basis of the foregoing, there appears to be no single mechanism or approach to addressing student housing and its relationship to the rental market. It is a challenge for municipalities to balance the positive aspects of having a university and/or college within the community and the associated impacts to the community. Each of the municipalities is handling the challenge in a different way through formulating a strategy that meets their particular needs. Staff is of the opinion that there is no panacea to this complex issue, and it appears to be difficult to guarantee success with any specific approach or strategy.

ANALYSIS/RATIONALE:

Council directed staff to investigate and report on three initiatives: a licensing program for residential rental housing under the Municipal Act, 2001; a Zoning By-law

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amendment under the Planning Act limiting the number of bedrooms in new housing and through renovations to existing houses; and a Community Improvement Plan under the Planning Act for encouraging the de-conversion of rental housing back to owner-occupied dwellings. Information on these initiatives, as well as other programs that are currently in place or available to City residents, is described in the following analysis.

1. **Licensing Residential Rental Housing**

As previously noted, the recent changes to the Municipal Act, 2001 and its regulations allow for the licensing of the business of renting residential units.

(a) ***Why license?***

Currently, property standards complaints are made by tenants, neighbours or through referrals from other agencies. Quite often tenants are reluctant to make complaints about living conditions due to fears of retribution or eviction. Tenants may accept living conditions which may be substandard because of the affordability, proximity to facilities and transit or various other reasons. This is especially true with temporary student housing.

The purpose of a residential rental licensing program is to protect the health, safety and general welfare of the residents in rental dwellings through a proactive approach to address sub-standard or unsuitable housing conditions. It is based on the premise that the rental of dwelling units is a business and regulating this business is necessary and desirable for the public. When a unit is improperly maintained it can negatively impact the health, safety and general welfare of tenants, as well as the aesthetic value and residential character and amenity of the community at large.

A rental residential licensing program is a tool which would allow for a “level playing field” within the rental housing market whereby rental units will be subject to uniform regulation with conditions applied for the purpose of providing and maintaining safe rental housing stock. Under its licensing powers, a municipality may impose conditions as a requirement of obtaining and continuing to hold the licence. Conditions may include the payment of a fee, compliance with other applicable Federal or Provincial legislation or regulations and By-laws of a municipality, and inspection of the property.

In this regard, staff has reviewed data from Statistics Canada addressing the condition of dwellings based on housing tenure. From this information, it is evident that the majority of owner-occupied dwellings regularly maintain their units and, therefore, these dwelling units are less likely to require minor and major repairs. When considering the condition of rental properties, staff advises that almost half of the rental units surveyed required minor or major repairs. Specifically, 12.46% of rental properties are in need of major repair, while 30.8% of rental properties are in need of

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minor repair. It should be noted that Statistics Canada defines the term “repair” as whether, in the judgement of the respondent, the dwelling requires any repairs (excludes desired remodelling or additions).

(b) *How to implement a Licensing By-Law*

In implementing a business licensing program for rental residential units, consideration must be given to the type of rental residential units to be regulated; whether the licensing system would apply to all residential dwellings across the City or be location specific; or alternatively, whether there would be exemptions for certain types of dwellings, areas, or not-for-profit housing organizations.

The Municipal Act, 2001 allows for different classes of businesses to be licensed by the City provided there is a valid basis for imposing the limitations. For example, where there is evidence that a particular geographic area of rental housing has given rise to a relatively higher number of By-law violations relating to yard maintenance, property standards, illegal uses, etc., then a licensing program may be applied only to this area. However, licensing cannot be initiated on the basis of the person renting; therefore, licensing cannot be applied only to units rented by students.

Licensing by geographic area may pose some difficulties based on the experience of the City of Oshawa where licensing only the area of the City where rental housing is predominantly student housing has given rise to accusations of discrimination under the Human Rights Code.

Council could also consider implementing a licensing program based on housing form; for example, limiting the program to the rental of single detached, semi-detached, townhouse dwellings, duplexes and/or triplexes, either within designated areas or throughout the entire City.

(c) *Who benefits from a Rental Residential Business Licensing Program?*

Landlords:

- Provided with a documented record of the condition of the rental unit;
- Receives guidance from City inspection staff on remedies to resolve property standards issues; and,
- Creates a level playing field amongst all landlords (i.e., those landlords who are providing safe and suitable housing are not competing with landlords who are benefiting financially by not complying with various property standards).

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Tenants:

- Provided with a certain standard of housing and living accommodation as regulated through the issuance of a licence;
- Educated on local By-laws which may impact their liveability within their rental unit; and,
- Made aware of rental units that are unlicensed and potentially do not meet standards.

City and Neighbourhoods:

- Provided with proper management, care and maintenance of residential rental properties;
- Provided with the opportunity to protect residential amenities and neighbourhood stability;
- Provided with a mechanism to address absentee landlords; and,
- Provided with an accurate registry of all rental units.

A licensing By-law may improve access to residential units by City staff making inspections a condition of obtaining and renewing a licence. However, entry into residential units without the cooperation of landlords and/or tenants remains problematic.

(d) *What conditions for obtaining a licence may be imposed?*

Under a Licensing By-law, a municipality may impose conditions as a requirement of obtaining and continuing to hold the licence. Conditions may include the payment of a fee, compliance with other applicable Federal or Provincial legislation or regulations and By-laws of a municipality, and the inspection of the property. Information on potential requirements for obtaining a licence is included in Appendix "F" to this report.

(e) *Recommendation: Comprehensive consultation process for a potential enforcement measures*

Staff recommends that a comprehensive consultation process be undertaken to determine the desirability, appropriateness and potential extent of a licensing program, as well as exploration of other enforcement measures. As part of this consultation process, staff would establish a formal process of stakeholder identification including a Community Liaison Committee (CLC). It is anticipated that there may be widespread interest in the Community Liaison Committee. It is intended that the CLC would

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be constituted in a balanced manner to represent a variety of interests and stakeholders, including but not limited to, representatives from both McMaster University and Mohawk College, representatives from each educational student union, representatives from established community groups, local residents, not-for-profit housing groups, landlords and other interested parties from the identified areas. Consideration for involvement in the CLC may also be given to individuals with a vested interest in rental housing.

Staff has identified three specific areas for consideration: the Ainslie Wood-Westdale Secondary Plan area around McMaster University in Ward 1, the Mohawk-Buchanan-Bonnington-Southam Neighbourhoods around Mohawk College in Ward 8, and the Guernsey Neighbourhood in proximity to the Mohawk East Campus in Ward 10.

Staff advises that an internal Consolidated Technical Advisory Committee (TAC) would also be formed to provide focussed input on legislative, policy and enforcement issues, potential options, and the establishment of measurable criteria to monitor and evaluate the practicality of a licensing program.

Through the consultation process, staff will further investigate past complaints to determine the type and frequency of complaints as well as the condition of the rental housing stock. Input from the various stakeholders would also allow staff to gain a better understanding of the condition of rental housing and the extent to which a regulating program would benefit the rental accommodation market.

Planning staff consider that public consultation is desirable and imperative as part of any prospective implementation strategy on regulating rental housing. A common trend, identified in the experience of other municipalities, was resistance and opposition from both landlords and students. Listening to the various stakeholders and educating the community on this controversial initiative will help to eliminate misconceptions and make the process transparent.

Following assessment and evaluation of this consultation process, staff would report back to Council with recommendations on the desirability or appropriateness of licensing for either specific areas as warranted or a broader City-wide application. Staff could also provide information on a detailed and informed implementation strategy, if warranted. A benefit of this approach is that it maintains some flexibility by not committing full resources to the implementation of a strategy without detailed input from all parties.

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Based on consultation with other municipalities, input from City Departments, and analysis by an internal study team, staff is of the opinion that it would also be prudent to continue to monitor the initiatives undertaken by the other Ontario municipalities. Monitoring and any subsequent implementation can be more appropriately managed by the Municipal Law Enforcement Section as this Section has the background knowledge of the existing Municipal By-laws, licensing requirements and legislation to undertake the review.

2. **Zoning By-Law Provisions: Limiting the Number of Bedrooms**

The second tool that Council requested staff to investigate was the use of Zoning By-law provisions to limit the number of bedrooms in certain housing types.

(a) ***Why limit the number of bedrooms in a dwelling unit***

One of the residential rental housing issues identified with respect to student housing is that there are too many bedrooms in dwelling units being used and developed for rental purposes. Accordingly, consideration should be given to limiting the number of bedrooms in dwelling units in order to address the problem of too many students living in one house. This “over-intensification” of a single detached dwelling has the potential to create parking problems and safety issues.

The Ontario Building Code does not define a bedroom or regulate the number of bedrooms in a dwelling unit, but does specify minimum requirements for bedrooms such as the location of a window, floor area, and ceiling height. This tool does not address the problem of over-intensification.

Section 34 of the Planning Act permits a municipality to regulate the character and use of buildings and, therefore, provides the City with the authority to regulate the number of bedrooms in dwelling units. A Zoning By-law provision applied to residential dwellings could potentially assist in alleviating the issue of overcrowding and improper or unsafe conversions for additional bedrooms that result in adverse effects to the character of neighbourhoods.

Staff advises that this tool would not stop individuals from renting a house. The rationale for this approach is that dwellings with more than a specific number of bedrooms typically do not function as a single housekeeping unit, and would not be permitted by the Zoning By-law.

(b) ***How to apply the By-law***

Currently the City of London is the only municipality that has passed a Zoning By-law limiting the maximum number of bedrooms in a dwelling unit to five. New dwellings with more than five bedrooms can proceed via

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a minor variance application based on individual merits. In determining what number of bedrooms was appropriate in the City of London, a bedroom count was carried out of the City's single detached dwellings. Accordingly, Hamilton City staff will need to research and carefully ascertain the average number of bedrooms for dwelling units within the City to ensure that any proposed By-law limit is appropriate.

In addition, there are a number of issues to be addressed in order to appropriately apply a By-law limiting the number of bedrooms.

- The term "bedroom" may be too focussed in that simply because a dwelling unit has more than five bedrooms, does not necessarily mean that the dwelling unit has too many people living in it or that the dwelling unit is unsafe. Accordingly, the review should be expanded to also consider the use of the term "habitable room." Staff will also examine the requirement of a certain area within the dwelling unit for common or amenity use.
- Staff will need to determine if different housing types should have different limits. For example, a single detached dwelling could have up to five bedrooms; however, it may be appropriate to limit an apartment unit to no more than three bedrooms.
- The Housing Division has advised that the approach of limiting bedrooms per rental unit may be problematic for larger families seeking rental accommodation. For example, approximately 15% of applications on the Access To Housing waiting list for social housing are seeking 4+ bedrooms. A Zoning By-law that puts restrictions on number of bedrooms will further constrict the supply of this already hard to find accommodation.

(c) *Recommendation: Refer to Zoning By-law Reform staff for full investigation*

Planning staff, in consultation with other members of the cross-departmental study team, recommends that a Zoning By-law Amendment to limit the number of bedrooms (or habitable rooms) in a dwelling be referred to Zoning By-law Reform staff for detailed review and consideration through the creation of the Residential Zones in the Comprehensive Zoning By-law 05-200. Zoning By-law Reform staff would be able to comprehensively review and assess this matter and make recommendations based on housing form and suggest other regulatory controls to ensure compliance.

3. Community Improvement Plan

The third tool that staff reviewed is the use of a Community Improvement Plan for encouraging the “de-conversion” of rental housing to owner occupied in the areas surrounding the higher education institutions. For the purposes of this report, “de-conversion” refers to the removal of the interior structural renovations undertaken to provide for student accommodation (e.g., room divisions to provide additional bedrooms, additional kitchen facilities, and other redundant facilities, etc.) for the purpose of attracting permanent/owner-occupied residents to the community. On this basis, staff considered applying this tool in areas with high concentrations of student housing only.

(a) *Authority for Community Improvement Plans*

A Community Improvement Plan (CIP) is a planning tool designed to assist communities in addressing unsatisfactory conditions in a certain defined area. A municipality may pass a By-law defining a Community Improvement Project Area and develop a plan to address and remediate the issues in that area. A CIP allows municipalities to develop financial incentives programs within the Community Improvement Project Area to help address those unsatisfactory conditions.

Community Improvement is defined in Section 28(1) of the Planning Act as “*the planning or re-planning, design or redesign, re-subdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefore, as may be appropriate or necessary.*” In addition, under Section 28(1), a municipality can designate a community improvement project area as a result of “*age, dilapidation, and overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.*” As with any CIP, the incentives in the CIP would have to be combined with regulatory measures.

(b) *Can a CIP be used to encourage de-conversion?*

The intent of Section 28 of the Planning Act is to address general areas of substandard building conditions. On this basis, it is staff’s opinion that a Community Improvement Plan is not an appropriate tool for the rehabilitation of dwelling interiors used for student rental housing. Interior renovations previously undertaken to provide for student accommodation (i.e., additional bedrooms or room divisions, washrooms, kitchens and other facilities) in otherwise sound buildings would not meet the definition and purpose of “community improvement.”

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Given the potential volatility of this form of de-conversion, the administration of such a program, the subsequent monitoring and regulatory measures required to ensure the protection of financial investments, and the maintenance or policing of the de-conversion intent (i.e., ensuring that such dwellings are not converted back to study-bedroom type accommodation in the future), there appears to be limited, measurable benefit. In addition, the intent of the Community Improvement Plan is to rehabilitate communities not to attract a certain demographic group (i.e., families) to an area by providing incentives for renovation. For the foregoing reasons, staff does not recommend a Community Improvement Plan for undertaking interior renovations.

(c) *How can a CIP be implemented?*

A Community Improvement Plan could be considered for encouraging rehabilitation of properties but not necessarily requiring it to be “de-converted” or removed from the rental market. The City could also encourage renovation of older properties to current energy efficiency standards through a CIP. The CIP would have to work in concert with regulatory measure such as a licensing program, a Zoning By-law or an agreement under Section 28(11) of the Planning Act, to ensure that a CIP based incentive loan/grant is used appropriately. For example, any CIP related incentives could be provided to the landlord for exterior maintenance provided the owner has entered into an agreement with the City. The agreement would be registered on title of the property and would require any subsequent alterations to be City approved.

In addition to the above, staff advises that a Community Improvement Plan could also be used as a tool to encourage higher density student housing similar to the approach taken by the City of Barrie. The Community Improvement Plan would designate an area appropriate for encouraging student housing and provide incentives and partnering opportunities for stakeholders looking to invest in this type of project. Staff advises that the Main Street Housing Program already provides a similar function for encouraging high density housing opportunities along Main Street West in proximity to McMaster University and along Upper James Street in proximity to Mohawk College.

(d) *Recommendation: Main Street Housing Program*

As directed, staff has investigated the merits of implementing a CIP program. On the basis of this research, staff is of the opinion that Council’s recent decision to expand the Community Improvement Project Area for the Main Street Housing Program to main streets around McMaster University (Main Street), as well as the program in place around Mohawk College (Upper James from Fennell Avenue to Queensdale Ave), is a more powerful incentive. This loan and grant program to create new housing units has the effect of directing the investment out of the

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neighbourhoods to arterial streets in keeping with the Places to Grow Growth Plan and the City's GRIDS strategy. Moreover, the financing and staffing resources are already in place to implement this program.

Accordingly, staff is of the opinion that the current incentive program, through an expanded Main Street Housing Program, could be used as a means to encourage the market to look outside the interior residential neighbourhoods. By providing more housing options for students, as some students move out of the interior of neighbourhoods to the purpose-built student housing, there is potential for more properties to become available for new residents to move into the neighbourhood. Staff can monitor the Main Street Housing Program to determine if it is meeting the intended goal of encouraging higher density housing in the McMaster University and Mohawk College areas.

As part of the monitoring function, staff will also investigate the application of development charges within the Main Street Housing Program. If development charges are waived for the areas of the Main Street Housing Program, there may be a powerful incentive to create new dwelling units along the approved main streets outside of the stable residential neighbourhoods. Staff findings on the effectiveness of the Main Street Housing Program, as well as the consideration to waive development charges, will be included in the annual report from Downtown and Community Renewal.

4. **Other City Programs and By-laws relevant to Rental Housing Accommodation**

The following describes some of the other programs or initiatives that are currently being utilized to provide for or address rental housing issues in the City.

(a) ***Rental Residential Rehabilitation Assistance Program (Rental RRAP)***

The City of Hamilton has adopted Canada Mortgage and Housing Corporation's Rental Residential Rehabilitation Assistance Program (Rental RRAP) as a way to provide financial assistance to landlords who rent affordable housing. The Rental RRAP offers financial assistance to pay for mandatory repairs to self-contained units occupied by low-income tenants. Mandatory repairs are those required to bring properties up to minimum levels of health and safety. The RRAP Program requires a 15-year commitment from the owner, which is often a barrier to owners in considering this option. Currently, there is no guarantee of continued funding beyond March 2009.

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(b) *Monster Home By-law*

The City of Hamilton has a “Monster Home By-law”, which was approved by the former City of Hamilton Council in 1995. The By-law is in effect for the Ainslie Wood, Ainslie Wood North, Ainslie Wood West and Ainslie Wood East Neighbourhoods. The effect of this By-law is to regulate the height, bulk and size of single detached dwellings to ensure compatibility of the existing housing stock.

In 2006, a staff report was prepared, at the request of Council, to provide information on expanding the “Monster Home By-law” to Ward 13 (the former Town of Dundas) and the area surrounding Mohawk College. The report recommended the review of monster homes be referred to the residential work program currently being completed for the City’s new Comprehensive Zoning By-law.

(c) *Roomers and Boarders (Lodging House Licence Program)*

A “lodging house” means a house or other building or portion thereof in which four or more persons are harboured, received or lodged for hire, and where lodging rooms are without kitchen facilities for the exclusive use of the occupants, but does not include a hotel, hospital, nursing home, home for the young or the aged or institution if the hotel, hospital, home or institution, is licensed, approved or supervised under a general or special Act other than the Municipal Act, 2001. Often lodging houses are used by disadvantaged individuals requiring shelter or transitional housing.

The Parking and By-law Services Division is currently preparing a similar report on Roomers and Boarders, which is to be presented to the Emergency and Community Services Committee. The report is intended to deal with lodging houses which are currently licensed under Licensing Code By-law 07-170, Schedule 9. One of the key issues with Lodging Houses that will be outlined in the upcoming report is the lack of proactive inspections since 1978, leading to a gradual decline in the living conditions in these facilities. Lodging Houses are currently inspected by Municipal Law Enforcement on a complaint basis, and every three years for a Certificate of Compliance under the Property Standards By-law. Staff has not been able to conduct more frequent proactive inspections to enforce other aspects of the By-law due to staffing issues and other priorities such as responding to Yard Maintenance, Noise, Vital Services and Adequate Heat By-laws among others. In addition, Fire and Public Health staff each conduct annual inspections in Lodging Houses.

A licensing program for Residential Rental Housing would be very similar to that of a Lodging House License Program. Rental Residential Housing inspection frequency would need to be consistent with the frequency of inspections for Lodging Houses where tenants are often a vulnerable population.

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ALTERNATIVES FOR CONSIDERATION:

Staff recommends continued monitoring on this complex and sensitive initiative. In examining alternatives to this recommendation, staff identified five potential approaches to addressing the matter of residential rental housing as follows:

- Maintain the status quo;
- Proactive enforcement of existing By-laws;
- Implement a City-wide licensing program;
- Implement a pilot project for a licensing program; and,
- Implement a Zoning By-law Amendment.

These alternatives are examined in further detail below.

Option 1: Maintain the status quo

This alternative assumes that no further initiatives would be pursued and that staff would continue to address student housing issues through the enforcement of the Ontario Building Code and the City's existing Noise, Yard Waste and Property Maintenance, and Property Standards By-laws, and Zoning By-laws. This continues to be a reactive approach that may require more staff resources in the long term to follow up on individual complaints from residents in the community.

Option 2: Proactive enforcement of existing By-Laws

Experience has shown that it is often the undesirable behavioural issues associated with a large concentration of students in one area that causes the most distress in communities surrounding post-secondary institutions such as McMaster University and Mohawk College. Staff notes that a licensing program cannot control unruly human behaviour or control domestic management practices. Typically, these issues are dealt with through the City's existing Noise By-law, Yard Waste and Property Maintenance By-law, Property Standards By-law or in some cases traditional policing. Currently these By-laws are enforced on a complaint basis. Therefore, By-law infractions could be occurring throughout a neighbourhood and these infractions would not be rectified unless a resident lodged a formal complaint with the City. Often neighbours are hesitant to lodge complaints because of the negative consequences of this form of action.

The City currently has a proactive enforcement campaign for Ward 1 and Ward 8 around post-secondary institutions for the student "move-in" (September) and "move-out" (April/May) months.

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This second alternative, unlike the first which is strictly reactive, moves towards routine and regular proactive enforcement of existing By-laws either in specific areas, e.g., around McMaster and Mohawk, or City-wide on a permanent basis. Proactive enforcement has the potential to alleviate some of the problems associated with high concentrations of student populations. This approach would utilize existing regulations already in place in the municipality and would not require widespread public consultation.

Additional staff time or resources would be required for a proactive program of enforcement. Exact information on the extent of resources required has not been explored at this time.

Option 3: Implement a City-Wide Rental Housing Licensing Program

This third alternative assumes there is an inherent “public good” in regulating a business which is perceived to be providing either potentially unsafe housing conditions or harming the general amenity and ambience of residential areas. Council could consider implementing a licensing program for all rental properties City-wide to ensure that the municipality provides equal treatment for all renters. Alternatively, the program could focus on specific housing forms; for example: single-detached, semi-detached, townhouse, duplex and/or triplex rental units on a City-wide basis.

Planning staff has attempted to fully evaluate this alternative of a licensing program to determine if it would provide a service to the City that is not already covered by existing City By-laws. It is staff’s opinion that a licensing program has the potential to provide greater protection to renters by ensuring long-term and monitored compliance with Fire Code, Building Code, Electrical Safety Standards, as well as all applicable municipal By-laws.

The licensing program potentially provides a comprehensive and co-ordinated strategy through the establishment of a single application process. The issuance of a licence could be for a fixed term requiring regular monitoring through license renewal. The program could also aid in better communication between City departments/sections for the issuance of the licence, and could result in improved service through a co-ordinated, streamlined process. This process would make both the landlords and the occupants more accountable for property care and management through the requirement of a licence rather than complaint based enforcement.

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As a result of staff analysis respecting the many issues inherent in student rental housing specifically, and rental housing generally, a number of critical matters were identified and are discussed further. A full-scale licensing program may further erode the City's affordable and rental housing supply, as well as the supply of a full range of housing types, due to:

- The possibility that existing landlords may decide that the costs of providing rental housing are now too high to make it worthwhile thus reducing the number of available rental units;
- The likelihood that a licensing program will increase the costs of providing rental housing, making rental units unaffordable; and,
- The exacerbation of the current regulatory tax climate that makes the development of new purpose built rental housing unappealing to developers.

A substantial increase in the financial costs of providing rental housing could reduce the likelihood of new rental housing coming on the market. This is particularly important given that there has been little purpose-built multi-residential rental housing in Hamilton in the last dozen years or so. Therefore, there is a certain dependence on the secondary rental market (non-purpose-built units) to meet changing demands, demands that are expected to increase in future.

It is anticipated that there may be additional costs related to bringing some of the City's affordable rental housing up to a standard necessary for licensing. Thus, licensing may force some landlords to operate illegally, to significantly increase rents to pay for the renovations, or to abandon their properties, placing the stock of affordable rental housing further at risk, and reducing the range of housing types available in Hamilton. There are also cases where landlords overstate the cost of meeting standards as justification for the poor and unsafe condition of their properties. Again, a challenging balance is required. Some of the City's most affordable housing for those at greatest risk of homelessness is rental units in the worst condition. An education program for tenants on standards, the purpose of licensing and their existing rights could help in this regard.

The Housing Division has noted similar concerns to those mentioned above. The Housing Division also advises that if a licensing program was initiated on the basis of dwelling type, the associated licensing costs will significantly impact CityHousing Hamilton. CityHousing Hamilton is the landlord of approximately 500 semi-detached and single detached dwellings throughout Hamilton. If, for example, the fee for a rental housing license was conservatively estimated at \$500.00 each, the overall cost to CityHousing Hamilton would be \$250,000.00. In deriving a

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detailed implementation strategy, Council could consider exempting CityHousing Hamilton from a prospective program and the waiving of fees. The City has many pressing housing issues competing for limited municipal funds, and there is a strong need for funds for affordable housing programs at this time. In implementing or advancing this alternative, Council would need to determine if funds should be diverted from affordable housing programs in order to address rental housing issues.

The above concerns are significant issues and need to be critically evaluated as part of an implementation strategy. Staff has attempted to further analyze some of the ramifications of implementing a licensing program as follows:

Staffing/Financial Implications of a Licensing Program

Municipal Law Enforcement staff has provided input regarding resources available to implement this type of program. Municipal Law Enforcement (MLE) resources would include Licensing Clerks/Officers to receive process and coordinate applications and renewals, and MLE Officers to conduct regular inspections for Certificate of Compliance and follow up on complaints, evidence collation, orders, and court time depending on the severity of the violation.

Creation of a Residential Rental Licensing Program would be in addition to the By-laws already in place. The staff requirement to manage and enforce the City of Hamilton Licensing Code 07-170 would be significant as the estimated number of residential rental units in areas surrounding McMaster University in Ward 1, alone, is approximately 3,000. Staff has determined that there are approximately 727 apartment units in the Beverly Hills apartment building, Camelot Towers, and two apartment buildings on Glen Road. Therefore, the number of units that could be considered as potential candidates for regulation through licensing would be approximately 2,273.

Regulating the Residential Housing Units through the City of Hamilton Licensing Code would have potential cost implications. This would initially require an MLEO to undertake 2-3 inspections per day, over 270 working days per year, totalling between 540 and 810 inspections per year. The 2,273 units, or 810 inspections, would require approximately 2.8 full time employees (FTE) MLEO and 1.5 FTE clerical support staff to accept and process the applications. The staff requirement may drop after the first year of implementation. Staff notes that these figures have been calculated for one area of Ward 1 only, and do not reflect the cost of implementing a licensing program City-wide.

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The estimated cost is \$90,300.00 for each new FTE MLEO. The required clerical support for this program would be at \$56,000/FTE Clerk. Therefore, the estimated total cost to the Parking and By-law Services Division for a licensing program around McMaster University for the first year of operation is as follows:

Staff	Number	Salary (Benefits and associated costs)	Vehicle cost	Total
Municipal Law Enforcement Officer	3	\$90,300*		\$270,900
Clerk	1.5	56,000		84,000
New MLEO vehicles	3		\$35,500	106,500
One time startup cost \$3,000.00 furniture, fixtures and computer program/licence fee of \$500.00	5			17,500
Total cost				\$ 478,900

*includes cell phone, equipment, training, uniform, gas and vehicle costs

The Standards and Licensing Operational Review consultant made recommendations that Council provide a priority-based response system to determine a hierarchy to direct staff on which By-laws should take higher priority. If a Licensing By-law for rental housing is developed without further staff or a full cost recovery approach, Council will need to decide where enforcement of this By-law falls in the priority of enforcement for all the By-laws. Council will also need to determine if the Licensing By-law should be enforced proactively or reactively. In addition, there are resource implications for Fire Prevention and Public Health to conduct their annual inspections if a full cost recovery model is not included.

The Fire Prevention Division has provided comments indicating that current staffing resources are fully committed to existing programs and workloads. If a licensing program is initiated as the result of this report, additional staff would be required by Fire Prevention Services to inspect the properties involved in the license program. Frequency of inspections, as well as re-inspections to determine compliance, on licensed premises would be a consideration in determining the additional staff requirements.

Public Health Services, Health Protection Division, noted that it would be difficult to determine staff resources at this time given the unknown volume of rental units which may be licensed. Therefore, the Division would be unable to provide comments on the impact to staff resources; however, the Division noted that additional resources for maintaining

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regular inspections on a proactive basis, as well as any subsequent follow-up, may be required.

Staff advises that funding of the program could be offset by fees collected through the licence application process; however, it may be difficult to determine full cost recovery initially. The Municipal Act, 2001 allows for a municipality to set fees based on the best estimate of costs. Therefore, it is likely that the municipality would incur start-up and operative costs at the onset of the program. The program could be reviewed for full cost recovery and fees adjusted accordingly once the program is in place.

Substantial financial resources may be required to implement a licensing program. It is uncertain, at this time, what the total financial impact would be on staff resources and Divisional budgets. Staff attempted to obtain this information from the City of Oshawa and the City of Waterloo for the purposes of comparison, but was unsuccessful. Monitoring and any subsequent implementation should be managed by the Municipal Law Enforcement Section.

Public consultation and building community partnerships is a very important aspect to developing a successful licensing program, and some of the elements identified in staff's recommendation to this report will be needed for proper implementation. Staff would also require input from a Community Liaison Committee and an internal Technical Advisory Committee. Resources would need to be dedicated to administer a proactive education campaign as a key component to help inform the public, landlords and tenants of the intent to implement a licensing program.

Although, as stated at the outset, there may an inherent "public good" in regulating a business which is perceived to be providing either potentially unsafe housing conditions or harming the general amenity and ambience of residential areas, staff cannot recommend advancing such a program without further consultation and input from the community.

Option 4: Establish a Pilot Project for a Licensing Program

In this alternative, rather than Council embarking on a permanent comprehensive City Wide licensing program as in Option 3, Council could consider implementing a short-term pilot program for the licensing of rental housing for the purposes of evaluating the potential costs and benefits of such a program. Through this alternative, a detailed implementation strategy for regulating residential housing through a licensing program would be initiated and could potentially be limited to certain housing forms; for example, single-detached, semi-detached, townhouse, duplex and/or triplex rental units.

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The detailed implementation strategy could include provisions, monitoring mechanisms and recommendations for a pilot program, not to exceed two years, and to be undertaken in two Wards to be identified as part of the detailed implementation strategy. Implementing a pilot licensing program, for McMaster University and Mohawk College, or alternatively other areas in the City where there are identified issues related to rental housing and a potential need to ensure the safety of renters, would appear to be appropriate and have some merit.

Preliminary background information would need to be gathered and an inventory prepared in order to determine the potential number of residential rental housing units that would require a licence and the ramifications for program delivery. The pilot program would have to be monitored and evaluated for its success in meeting the desired program objectives, ideally over a minimum of two years. Staff could further advise Council on the desirability or practicality of continuing or expanding the licensing program on a City-wide basis.

Staff notes that licensing only those areas of the City where the rental housing is predominantly student housing is likely to give rise to a Human Rights challenge, as has occurred in the City of Oshawa. If a legal proceeding, through Human Rights or a challenge to the By-law itself, is brought to challenge a licensing By-law, a possibility in regard to any By-law but more likely when the City is exercising a relatively new power to license, there would be costs associated with defending against that challenge.

Staff notes that this option would have similar costs and benefits as described in the previous Alternative 3.

The staffing and financial implications of a pilot project are clearly defined in the previous alternative for a City-wide licensing program. At a very preliminary stage, the estimated total staffing costs to the Municipal Law Enforcement Section for implementation and enforcement of the area surrounding McMaster University in Ward 1 would be approximately \$478,900 for the first year and \$354,900 for the second year.

Once again, of particular concern to both Planning and Legal staff, is the current objections to the City of Oshawa's Licensing By-law as discriminatory. Until this has been resolved, it appears to be premature to attempt to implement a similar By-law for the City of Hamilton that only deals with lands surrounding McMaster University and Mohawk College. Therefore, consistent with the previous comments on Alternative 3, staff is not recommending a pilot project at this time.

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Option 5: Initiate a Zoning By-Law Amendment limiting the Number of Bedrooms

The final alternative is the immediate implementation of a Zoning By-law Amendment limiting the number of bedrooms in certain housing types. This tool may be helpful in alleviating the issues associated with rental housing such as overcrowding, the need for additional parking area and improper or unsafe conversions for additional bedrooms.

There is limited information from London, the one municipality to have implemented this tool, documenting its success. In addition, the Housing Division has advised that the approach of limiting bedrooms per rental unit may be a critical issue for larger families seeking rental accommodation. Approximately 15% of applications on the Access To Housing waiting list for social housing are seeking 4+ bedrooms. A program that puts restrictions on number of bedrooms will further constrict the supply of this already hard to find accommodation.

Staff is not supportive of this alternative as an immediate course of action and is recommending that the matter of a Zoning By-law Amendment to limit the number of bedrooms in a dwelling be referred to staff for further review and consideration in the development of regulations for the Residential Zones in the City of Hamilton Comprehensive Zoning By-law 05-200.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial - There are no direct financial impacts to accepting the recommendations of this staff report.

Staffing - There are no additional staff requirements at this time. Current staff resources would absorb the additional work set out in the recommendations of this report.

Legal - There are no legal ramifications associated with the recommendations of this report.

POLICIES AFFECTING PROPOSAL:

The following applicable legislation guides both licensing and land use planning in the regulation of rental housing:

1. **Municipal Act, 2001**

On January 1, 2007, the Municipal Statute Law Amendment Act, 2006 (Bill 130) made significant changes to the Municipal Act, 2001, including changing Part IV (Licences) respecting business licensing and the regulations under this Part. These changes included eliminating the portion of O. Reg. 243/03 (re-enacted as

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O. Reg. 583/06) which prohibited municipalities from licensing rental residential units. The implementation of a Licensing By-law would allow the municipality to enforce health and safety issues, among other things, under appropriate legislation (i.e., Ontario Building Code and Fire Code), in order to obtain and continue to hold a licence.

Section 151 of the Municipal Act, 2001 provides the City with the authority to pass a Licensing By-law, and Subsection 10(2) sets out purposes for which any By-law may be passed, including: 5. the economic, social and environmental well-being of the municipality; 6. the health, safety and well-being of persons; and 8. the protection of persons and property, including consumer protection.

It should be noted that implementing a licensing program cannot regulate or discriminate against who can occupy a dwelling unit.

2. **Planning Act**

The Planning Act is the enabling legislation for municipalities to adopt Zoning By-law Amendments and community improvement plans.

Section 34 of the Planning Act permits a municipality to regulate the character or use of buildings and, therefore, provides the authority to limit the number of bedrooms within a dwelling unit.

Section 28 of the Planning Act provides regulations for Community Improvement Plans. For the purposes of carrying out a Community Improvement Plan, a municipality may engage in the following activities within the community improvement project area:

- (a) Acquire and hold land;
- (b) Clear, grade or otherwise prepare land for community improvement;
- (c) Construct, repair, rehabilitate or improve buildings on land acquired or held by it in the community improvement project area in conformity with the community improvement plan;
- (d) Sell, lease, or otherwise dispose of any land and buildings acquired or held by it in the community improvement project area in conformity with the community improvement plan; and,
- (e) Make grants or loans to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the cost of rehabilitating such lands and buildings in conformity with the community improvement plan.”

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It should be noted that Section 35 of the Planning Act prohibits a municipality from regulating the occupants of a unit, as well as distinguishing between related or unrelated persons in regards to occupancy. Specifically, the Act does not allow a By-law to be passed that applies to one type of occupant (e.g., students).

3. Ontario Heritage Act

The Ontario Heritage Act is the enabling legislation under which municipalities may designate buildings/areas to be of cultural heritage value. Recent amendments to the Ontario Heritage Act (through Bill 60), as well as the Provincial Policy Statement, have provided greater consideration and protection for cultural heritage resources. This legislation is applicable when considering historical building renovation for the purpose of rental housing where designated heritage properties are adaptively re-used for residential rental housing. There may be potential for changes that are out-of-keeping with the heritage character, for example: fire escapes, new balconies, new entranceways and adequate parking areas.

4. Provincial Policy Statement

The current Provincial Policy Statement (PPS), issued under Section 3 of the Planning Act, came into effect March 1, 2005. The PPS provides direction on matters of Provincial interest related to land use planning and development. Ontario's long-term prosperity, environmental health and social well-being depend on wisely managing change and promoting efficient land use and development patterns. Efficient land use and development patterns support strong, liveable and healthy communities, protect the environment and public health and safety, and facilitate economic growth. All municipal planning decisions must be consistent with the Provincial Policy Statement.

Housing Policy 1.4 of the PPS requires municipalities to plan for and provide “*all forms of housing to meet the social, health and well-being requirements of current and future residents*”. This includes both owner occupied and rental dwelling units within the City of Hamilton. Therefore, the City must ensure that this policy is satisfied as it relates to the provision of student housing.

5. Places To Grow: Growth Plan For The Greater Golden Horseshoe

The *Growth Plan for the Greater Golden Horseshoe* was prepared and approved under the Places to Grow Act, 2005, and took effect on June 16, 2006. The *Growth Plan for the Greater Golden Horseshoe* provides policy to direct growth to built up areas where the capacity exists to best accommodate the expected population, household and employment growth while providing strict criteria for settlement area boundary expansions. The objective of the Growth Plan is to reduce or eliminate negative impacts of growth and to direct growth in a controlled manner to create and maintain vibrant, diversified, healthy communities.

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The *Growth Plan for the Greater Golden Horseshoe* contains policies for managing growth and development to the year 2031. The policies direct upper tier and single tier municipalities to meet certain prescribed targets. The implementation of the Community Improvement Plan for the purpose of de-converting rental housing may be contrary to the intent of Places to Grow.

6. Health Protection And Promotion Act

The Health Protection and Promotion Act sets out the powers and responsibilities of Medical Officers of Health and boards of health. Its purpose as stated in the Act is “to provide for the organization and delivery of public health programs and services, the prevention of the spread of disease and the promotion and protection of the health of the people of Ontario.” Among other responsibilities, boards of health are to identify and prevent, reduce or eliminate health hazards. Boards of health are also obligated to investigate in response to public complaints with regard to occupational or environmental health hazards. If a Medical Officer of Health or a Public Health Inspector believes that a health hazard exists, he or she can order specific actions to reduce or eliminate the health hazard.

Under the Health Protection and Promotion Act (Section 10 (2) 2), the Medical Officer of Health must inspect premises used or intended for use as a boarding house or lodging house with respect to health hazards.

7. Ontario Fire Code and Ontario Building Code

The Ontario Fire Code and the Ontario Building Code should also be considered when discussing regulating rental housing.

The Ontario Building Code is a set of minimum provisions respecting the safety of buildings with reference to public health, fire protection and structural sufficiency. The Code applies to all new construction, as well as substantial renovation and change of use. The Code is administered by the Ministry of Municipal Affairs and Housing and is enforced by municipalities.

The Ontario Fire Code (Ontario Reg. 213/07) is a regulation made under the Fire Protection and Prevention Act as a companion document to the Ontario Building Code. This document provides for the safety of occupants in existing buildings through the elimination or control of fire hazards in and around buildings, the maintenance of life safety systems in buildings, the establishing of a fire safety plan in those buildings where necessary and the retrofitting of certain occupancies. The Fire Code is enforced by the local Fire Department, being the authority having jurisdiction.

Both the Ontario Building Code and the Ontario Fire Code would continue to apply as a part of any licensing program proposed by the City.

SUBJECT: Review of Tools for Regulating Residential Rental Housing (PED07296(a)) (Wards 1, 8 and 10) - Page 32 of 32

RELEVANT CONSULTATION:

Since the matter of rental housing crosses many Departments, Divisions and jurisdictions and has implications for many different municipal interests, a staff study team of representatives from the following sections/departments was established to provide a comprehensive overview of critical issues:

Planning and Economic Development Department

- Community Planning and Design Section
- Municipal Law Enforcement Section
- Downtown and Community Renewal Division
- Strategic Services and Special Projects Division
- Building Services Division

Legal Services Division

Community Services Department

- Housing Division

Others Consulted

- Fire Prevention Services
- Public Health Services
- Eight (8) Ontario municipalities

CITY STRATEGIC COMMITMENT:

By evaluating the “**Triple Bottom Line**”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. **Yes** **No**

Initiatives from other Ontario Municipalities will continue to be monitored to ensure that the best strategy for rental housing is implemented for the City of Hamilton.

Environmental Well-Being is enhanced. **Yes** **No**

Appearance and character of communities is an important aspect driving the recommendation to monitor this initiative.

Economic Well-Being is enhanced. **Yes** **No**

Investment in Hamilton is supported and enhanced through monitoring this initiative.

Does the option you are recommending create value across all three bottom lines?

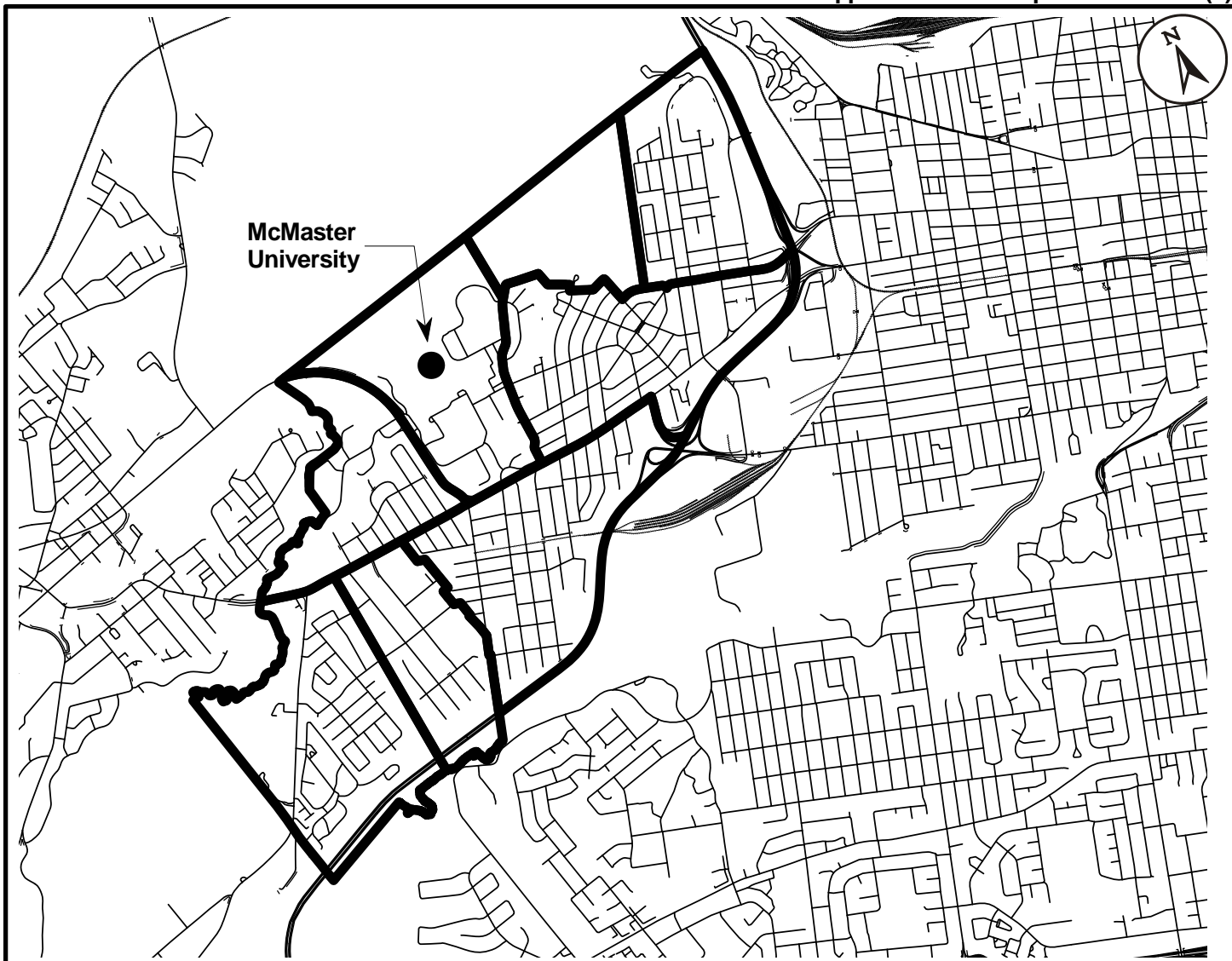
Yes **No**

Do the options you are recommending make Hamilton a City of choice for high performance public servants?

Yes **No**

:KM


Attachs. (6)



● McMaster University



Ward 1 Key Map

N.T.S. 

Location Map



Hamilton

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
Housing Report

Date:
August 22, 2008

Appendix "A"

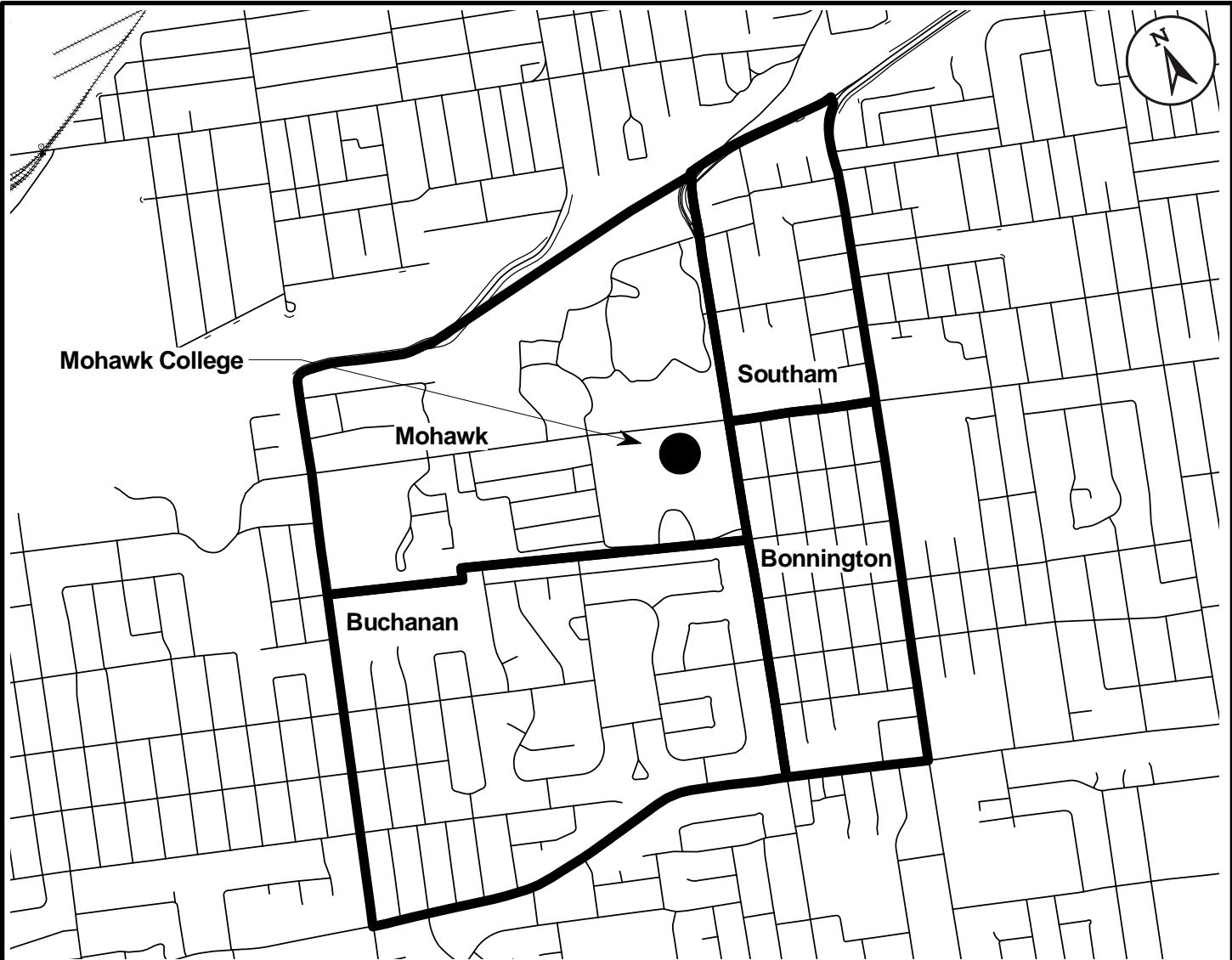
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Planner/Technician:
KM/NH

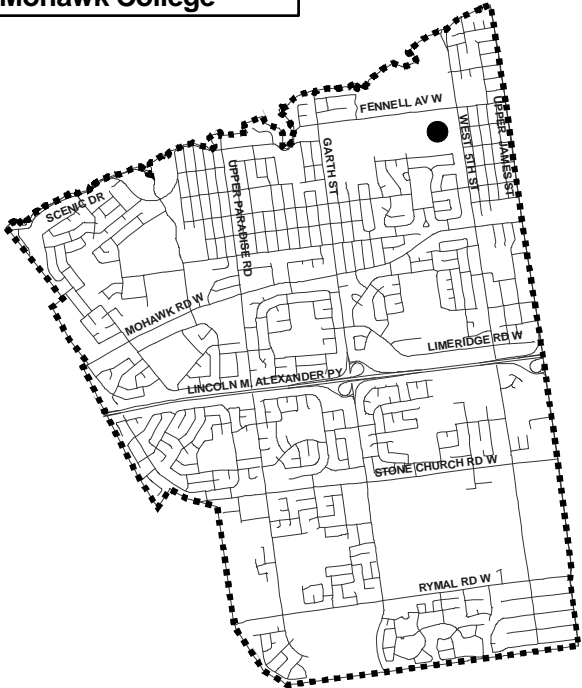
Subject Area



Ainsie Wood - Westdale
Secondary Plan Area



● Mohawk College



Location Map



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
Housing Report

Date:
August 22, 2008

Appendix "B"

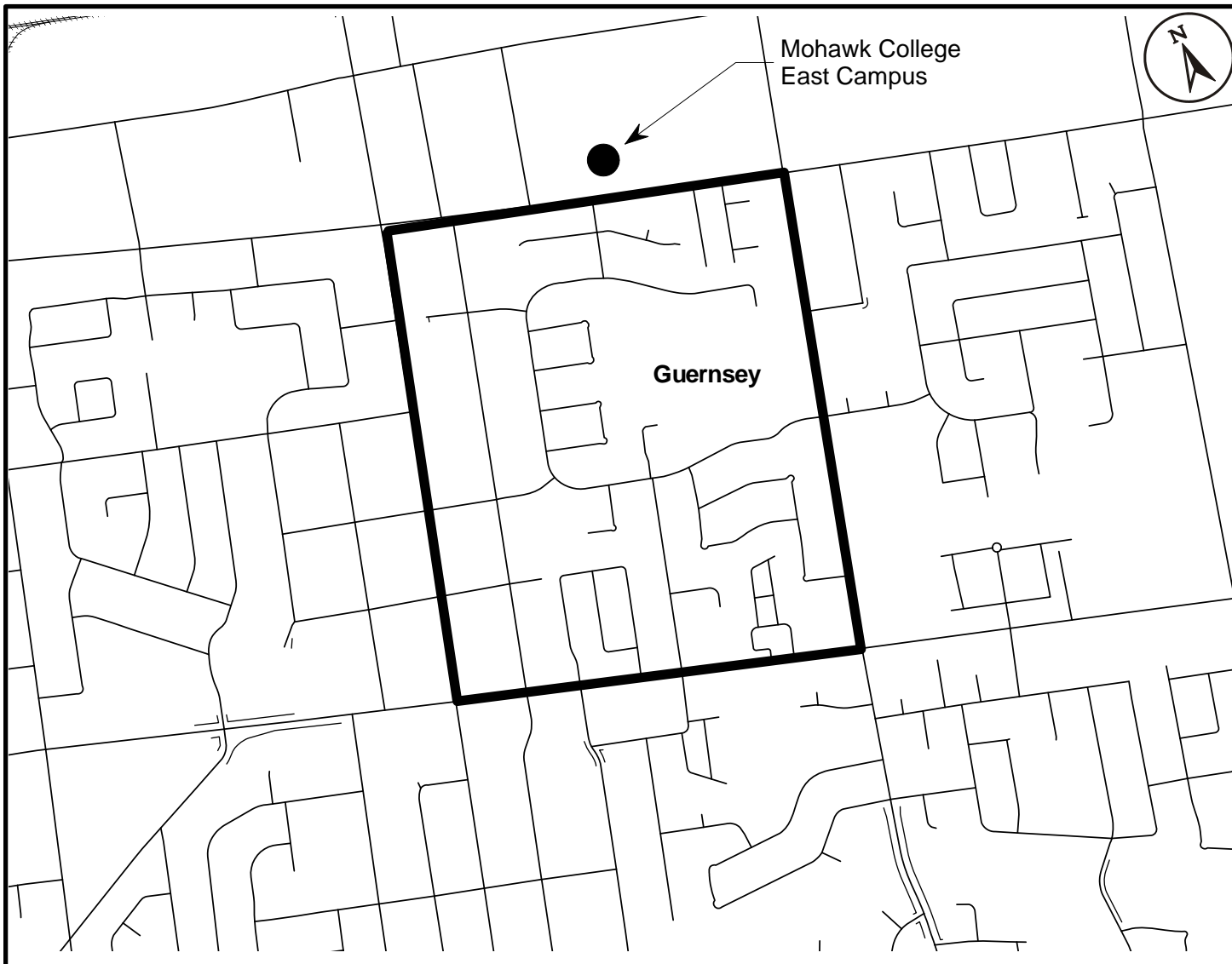
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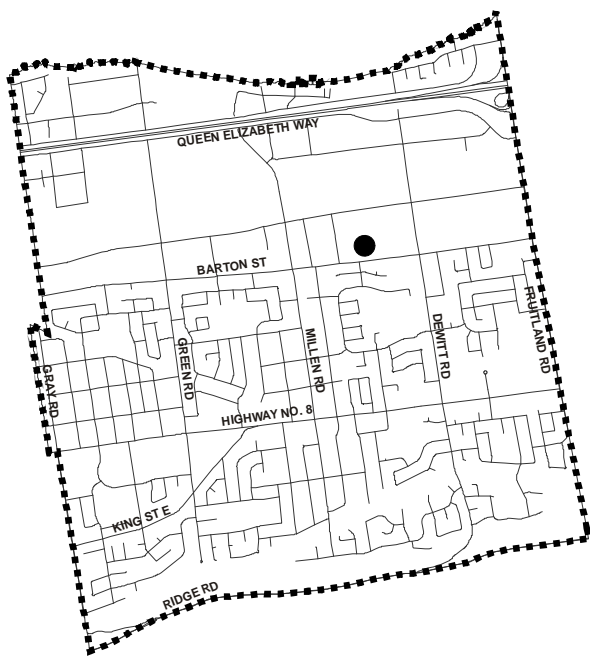
Subject Area




Mohawk - Buchanan - Bonnington - Southam Neighbourhoods in Ward 8



● Mohawk College East Campus



Ward 10 Key Map

N.T.S. 

Location Map



PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
Housing Report

Date:
August 22, 2008

Appendix "C"

Scale:
N.T.S.

Planner/Technician:
KM/NH

Subject Area



Guernsey Neighbourhood in Ward 10



INFORMATION REPORT

**AFFECTS
WARDS 1, 8
& 10**

To:	Chair and Members Economic Development and Planning Committee Outstanding Business Item No. O and Issue: Student Housing Licensing		
From:	Tim McCabe General Manager Planning and Economic Development Department	Telephone: Facsimile: E-mail:	905-546-4339 905-546-4364 tjmccabe@hamilton.ca
Date:	November 14, 2007		
Re:	Tools for Dealing with Student Housing Licensing (PED07296) (Ward 1, 8 & 10)		

Council Direction:

WHEREAS the Province of Ontario has enacted Bill 130 (revisions to the Municipal Act), allowing municipalities to license rental dwelling units;

AND WHEREAS the Ainslie Wood-Westdale area (adjacent to McMaster University) and the Southam-Bonnington-Buchanan area (adjacent to Mohawk College) and the area adjacent to the Mohawk East Campus have a preponderance of uncontrolled rental student housing, which has caused a decline in quality of life for those neighbourhoods;

AND WHEREAS, through Bill 130, the Province has provided little detail on how rental housing can be regulated;

NOW THEREFORE the General Manager of Planning and Economic Development Department be requested to investigate and report back on enactment of a By-law that would regulate student rental housing in the neighbourhoods around McMaster University and Mohawk College (as provided for in Bill 130), including but not limited to issues such as how to identify subject properties, enforcement, and experiences from other "town and gown" communities.

Information:

At its meeting of May 16, 2007, Council passed a resolution requesting information on the issue of student housing licensing and student house de-conversion in certain areas of the City following changes to the Municipal Act through Bill 130.

New Powers

On January 1, 2007, the Municipal Statute Law Amendment Act, 2006 (Bill 130) made significant changes to the Municipal Act, 2001, including changing Part IV (Licences) respecting business licensing and the regulations under this Part. Through these amendments O. Reg 243/02 was also eliminated. This regulation contained the prohibition which prevented a municipality from licensing the business of renting residential units. Accordingly, the City may now license rental residential units. The opportunity to exercise this new power raises a number of issues, including the effect of the Residential Tenancies Act, 2006, which could effectively prevent the refusal, revocation or suspension of a license, the impact on the licensing of lodging houses and the need for any additional enforcement resources.

Community Planning and Design, Downtown Renewal, and Building and Licensing staff, with support from Legal staff, will be researching information on the following items to address the issue stated in Council's resolution.

1. The implementation of a Zoning By-law to limit the number of bedrooms to five for new dwellings or for interior renovations of existing dwellings;
2. A formal licensing system for student rental housing; and,
3. The use of a Community Improvement Plan pursuant to the Planning Act as a tool to encourage the de-conversion of existing student rental housing in defined areas.

Experience of Other Municipalities

A number of initiatives have been undertaken by other municipalities under the Planning Act in regard to the occupancy of dwelling units. In particular, as part of a larger strategy involving an extensive planning study followed by several amendments to their Zoning By-law and Official Plan, the City of London passed a Zoning Amendment By-law limiting the maximum number of bedrooms in a dwelling unit to five. All of the City of London's amendments, including the five bedroom limit amendment, were upheld by the Ontario Municipal Board. As per Council's direction, City staff will continue to research other municipalities to determine best practices for dealing with the implementation of a Zoning By-law limiting bedrooms in single detached dwellings and success with licensing student rental housing. Staff will also provide information on how to identify subject areas in the By-law and how to deal with enforcement if and when implemented.

Community Improvement Plan

In regard to Item #3 above, a Community Improvement Plan is often used as a policy tool for providing a focus for rehabilitating and revitalizing targeted areas. Incentive based programs such as grant, loan and property tax assistance, are used to encourage desired activity within designated Community Improvement areas. Staff is currently reviewing the applicability of a Community Improvement Plan for encouraging de-conversion of student housing. Without further information, it is unclear if this planning tool would be beneficial for this purpose.

Staff also notes that separate from the student housing issue, additional research is being completed by Building and Licensing on lodging homes. Further information on this will be provided in a separate report to the Emergency and Community Services Committee.

Evaluating the applicability of these initiatives to the City involves detailed research. All three items noted previously are complex and merit a comprehensive review to determine the most appropriate way to manage this issue. Staff will prepare a detailed report to the Committee in early 2008.

Tim McCabe
General Manager
Planning and Economic Development Department

:KM

Appendix "E": Review of tools for regulating residential rental housing and the experience of other Municipalities

1. City of Oshawa

The issue of student housing is relatively new for the City of Oshawa. The University of Ontario Institute of Technology (UOIT) was established in 2003 and has already grown to 5,000 students. With this growth has come the need to accommodate these students in close proximity to the university. The expansion of this population into the neighbourhood and the increase of single detached dwellings being used as rental properties have caused a number of complaints from other community members.

Oshawa has responded to this relatively new situation by initiating a licensing program intended to maintain existing neighbourhoods and avoid over-saturation of rental housing. The City approved a licensing By-law in February, 2008. The licensing By-law applies to an area approximately 2 kilometres wide, surrounding the university. Prior to a licence being issued, a landlord must provide a parking plan, a property maintenance plan, a floor plan showing the dimensions and proposed use of each room, proof of insurance, a certificate of compliance with the building code, fire code and electrical safety code, and payment of a fee (\$250). The licensing By-law also restricts the number of bedrooms to four for rental purposes.

Opposition to Oshawa's licensing By-law by both the renters and the landlords has been widely publicized. Since the By-law only applies to the area immediately surrounding the university, students have objected to that it violates their right to accommodation. The general matter of discrimination has come to the attention of the Ontario Human Rights Commission, which has indicated in a report entitled "Right at Home - Report on the consultation on human rights and rental housing in Ontario" (released July 9, 2008), that it will be scrutinizing municipal By-laws that discriminate and "will consider the strategic use of its powers to have these addressed. This may include public inquiries, education, and supporting or initiating a human rights application or Charter case to challenge those By-laws or practices." The Oshawa licensing By-law is still being reviewed and a formal opinion from the Human Rights Commissioner is expected to be provided in the coming months.

Oshawa staff is not certain of what the total budgetary and staffing impacts of enforcing the licensing By-law are. A special enforcement unit of By-law officers was created in the fall of 2007 to deal with rental housing issues; however, this was prior to the licensing program being in place. Staff expects that a better assessment will be available for next

year's budget. In addition, Oshawa's staff has been directed to report back on expanding rental housing licensing to the entire City.

Oshawa has taken the opportunity provided under the Municipal Act to implement a licensing program for an area surrounding UOIT. The licensing program is intended to maintain the diversity of the existing community and avoid over saturation of rental housing; however, the City has been criticized for targeting students.

2. City of London

The City of London has an abundance of student rental housing in proximity to both the University of Western Ontario and Fanshawe College. London Planning staff initiated a strategy entitled "*Closing the Gap: New Partnerships for Great Neighbourhoods Surrounding Our University and Colleges*" for assessing the student housing situation. This strategy focuses on 10 initiatives including welcoming students, providing safe housing, protecting residential amenities, and creating great spaces and places in the community. City staff is engaging the students and partnering with the university and college to maintain positive relations in implementing the strategy.

London By-law Enforcement staff is working on a rental residential business licensing program. A report released at the end of February, 2008 outlines the current procedure for addressing rental housing conditions and provides rationale for implementing a rental housing licensing program. London's key objective for considering a licensing program is to take a proactive approach to address sub-standard housing conditions and to protect the residential amenities, character and stability of the residential areas.

London has prepared some draft provisions for its proposed licensing By-law. The proposed requirements for an application for a residential rental unit are contact information for the landlord or property manager, a site plan showing the location of parking spaces, a floor plan of the unit with the location of each bedroom, property maintenance and waste plan, proof of insurance and proof of lease agreement. Each landlord would also be required to provide a statement certifying the accuracy, truthfulness and completeness of the application. Options regarding where and how to apply the licensing program are still under consideration and, currently, the proposed licensing program is going through a public consultation process.

In addition to the proposed licensing program and as part of a larger strategy involving an extensive planning study followed by several amendments to their Zoning By-law and Official Plan, the City of London passed a Zoning By-law Amendment limiting the maximum number of bedrooms in a dwelling unit to five. An extensive review was undertaken by City staff and it was determined that the majority of dwellings in London had five or less bedrooms. New dwellings with more than five bedrooms could proceed with a minor variance. All of the City of London's amendments, including the five bedroom limit amendment, were upheld by the Ontario Municipal Board.

The City of London also uses the existing municipal By-laws to enforce noise, yard maintenance and property standards. Partnerships with the institutions and programs currently run by the university and college also complement the City's efforts to integrate student housing in established neighbourhoods.

3. City of Waterloo

The City of Waterloo is home to two large universities - University of Waterloo and Wilfred Laurier University. For this reason, the City of Waterloo has had a lodging house licensing program since 1986. This program has also been used to regulate student housing. The goal of the licensing program is to promote safe and comfortable lodging houses, provide for a level playing field when it comes to rental options, and to ensure communication among the owners, municipality and the university.

In 2003, Waterloo's lodging house By-law was challenged by a landlord. The landlord was able to satisfy the Superior Court of Justice that the house, which was rented to a number of students, was a single housekeeping unit and, therefore, not subject to the By-law. This decision was made despite the City's evidence that the individuals in the group were constantly changing, the occupants did not take their meals together or assign household chores, there were locks on the bedroom doors, the rent was paid individually and not all the occupants signed the lease. As the relevant regulation under the Municipal Act at the time did not permit licensing single housekeeping units, the court found that the lodging house By-law did not apply. This decision was upheld on appeal and has made it much more difficult in Waterloo, and throughout Ontario, to enforce lodging house licensing By-laws.

As a result of the changes to the Municipal Act in 2007, the City of Waterloo Council recently adopted a Terms of Reference for the review of the lodging house licensing program. According to the Terms of Reference, City staff will be determining if the existing lodging house program should be replaced or could be enhanced to provide a better

service. The licensing program will continue to target low density residential housing types such as single detached dwellings, semi-detached dwellings, duplexes, triplexes and townhouses. Other housing forms have been excluded because of the already strict *Building Code* and *Fire Code* requirements imposed on such forms. The goal is to identify changes that are needed to strengthen the program in order to avoid challenges in the future. The targeted deadline to complete the review is November of this year.

In regards to Waterloo's existing program, the Fire Department is responsible for enforcement and has two fire prevention officers assigned to manage the program. The budget for the program is split 60% to fund the fire prevention officers and 40% for the review by Development Services. According to the program coordinator, the money received through the fees (\$1,533.00 for a new licence and \$236.00 for a renewal) submitted for a licence does not cover 100% of the costs incurred by the City.

The City of Waterloo has been involved in licensing student housing for many years; however, the By-law has been challenged a number of times. The municipality is currently working towards reviewing and strengthening the lodging house licensing program to ensure that appropriate rental housing can be provided and future challenges to the By-law will be denied.

4. City of Barrie

The City of Barrie is also facing issues arising from the expansion of student housing in existing neighbourhoods. Barrie City staff completed its "Rooming, Lodging, Boarding House Review" in 2007 and released a staff report in November. The report highlighted the need to change both their Zoning By-law and Licensing By-law to better regulate residential rental housing, including student housing. This program is intended to alleviate issues in the neighbourhoods surrounding Georgian College. Barrie City Council adopted the recommendation in November 2007 to amend the Zoning By-law to incorporate new definitions and development standards related to rental housing.

The report resulting from the "Rooming, Lodging, Boarding House Review" made several recommendations regarding amendments to the Zoning By-law; including that dwelling units be distinguished from boarding, rooming and lodging houses. Definitions of "Small Boarding, Lodging, Rooming House" and "Large Boarding, Lodging and Rooming House" were incorporated, as well as development standards for each type. The report also recommended a minimum distance separation of 75 metres be

applied for Small Boarding, Lodging, Rooming Houses located within low density residential areas as defined by the Official Plan.

The Review took approximately two years to complete. It should be noted that the process commenced prior to the changes to the Municipal Act. An extensive public consultation process was undertaken as part of the Review. City staff indicated that there was significant opposition to the changes; however, Barrie's Council unanimously accepted the recommended changes.

A further report regarding appropriate fees and resources was recently presented to the City of Barrie's General Committee. The licensing By-law had a fee of \$210 based on the average costs of staff resources associated with issuing a licence. The report, which has now been adopted by Council, recommended the following fee requirement of \$160.00 for Zoning Review, \$175.00 for Property Standards Review, and \$75.00 per hour (average of 2 hours) for Fire and Emergency Service inspection, which would be required to be paid at the time of inspection. The licensing fee related to administrative costs has been reduced to \$135.00. The total fee will be approximately \$620.00. It is believed that the new fee will offset the operating costs of the boarding, rooming, lodging house licensing program.

In addition to the above noted work on licensing, the City of Barrie has also recently approved the Georgian College Neighbourhood Community Improvement Plan (CIP). The purpose of the CIP is to encourage investment in multi-unit residential development geared towards students and to encourage quality housing suitable for the growing student population. The goal is to attract and concentrate students to certain areas as opposed to having them dispersed throughout the single detached housing area. The CIP affects an area approximately 1 kilometre wide surrounding the college. Financial incentives are provided through the CIP in the form of a tax increment based grant and the waiver of application fees to encourage rehabilitation and improvement within the designated area. Certain rules and criteria are set out in order to be eligible for the funding.

The City of Barrie is moving forward with implementing controls for dealing with rental housing. Barrie City staff has completed extensive review of the issues and implemented a licensing program, which involves student housing, as well as a Community Improvement Plan which encourages investment in higher density, purpose-built student housing in designated areas of the City.

5. City of Ottawa

The City of Ottawa also has two major universities - University of Ottawa and Carlton University. The City's By-law and Regulatory Services staff is now in the process of preparing a new Rooming House By-law. This process was initiated as a result of amalgamation and is intended to harmonize the standards for rooming houses throughout the new City. Ottawa staff indicated that the Rooming House By-law is not focussed on any specific type of housing, and student housing would have to meet the definition in the By-law to be regulated as a rooming house. In addition, the City currently uses its Property Standards By-law to enforce infractions related to residential rental housing.

6. City of Peterborough

The City of Peterborough is home to Trent University and Sir Sanford Fleming College. The City's Planning Department has indicated that student housing is a challenge for the municipality. There is currently no licensing program that directly addresses student housing. The City does licence accessory apartments which have been in existence since prior to 1996 provided the owner can verify that the apartment has been used continuously and complies with the *Ontario Fire Code* and *Ontario Building Code*. The municipality's lodging house By-law has not been updated and does not apply to many lodging house accommodations in the municipality.

The City of Peterborough is undergoing a Downtown Economic Review and is in the process of creating a Downtown Master Plan. As part of this Master Plan, the City will address the issue of housing. Recommendations coming out of this plan may address student housing and conditions.

Trent University has a proactive campaign during move in/move out months but the City does not have the resources to complement this campaign. The property standards By-law and noise By-law are often used to enforce behavioural issues associated with student housing. Although the City of Peterborough recognizes that there are issues related to student housing, staff resources are not available to devote to these issues at this time.

7. City of Kingston

The City of Kingston has been monitoring student housing and the issues related to student housing since the 1970's. The most recent report was presented to the Kingston Planning Committee in October, 2007. This report was prepared as an update to the work that has been ongoing since

2002. It outlined housing challenges related to Queen's University, the Royal Military College and St. Lawrence College.

In 2002, the City of Kingston's Planning Committee requested that a Downtown Residential Review (DRR) Working Committee be established to provide guidance on planning and development/intensification issues in the downtown neighbourhoods. The DRR Committee identified study areas around each of the institutions and developed a list of short term and mid-term recommendations, including a review of the current policies, to deal with issues in these areas. The short term recommendations, including amendments to the Zoning By-law, were passed in 2005. The report prepared last Fall identifies the mid-term recommendations and the response from the DRR Committee through its Technical Review.

The City is now revisiting some of the mid-term recommendations made by the DRR Committee. These recommendations include urban design guidelines, streetscape guidelines and infill guidelines for residential neighbourhoods; a designation program through the Municipal Heritage Committee to protect dwellings from unsympathetic alteration; licensing program for lodging houses; minimum distance separations for residential rental accommodation; relaxing controls on habitation in basements and cellars; permitting and encouraging 'back lot' and 'centre block' development; creation of a concept plan for a select area; and establishment of a City Design Review Panel.

The City is currently focusing resources on implementing a By-law that would limit the number of bedrooms in residential units. This recommendation was made by the DRR Committee in 2002; however, it was not included in the amendments made in 2005. Since that time, the City of London approved a Zoning By-law limiting the number of bedrooms within residential units. As previously noted, this By-law was challenged and upheld by the Ontario Municipal Board. The City of Kingston is now considering a similar By-law. The issue that Kingston needs to address through this approach is the inappropriate intensification with the development of five or six bedroom units in apartment buildings.

The City of Kingston currently does not have a residential rental housing licensing program. A licensing program may be considered by the City in the future; however, the municipal staff will be monitoring the progress and outcome of the Oshawa licensing By-law prior to moving forward with their own review. The City of Kingston also enforces property standards through its By-law.

Kingston has had a long history as a town and gown community. The municipality is now moving forward with the input of the multi-disciplinary Downtown Residential Review committee to address issues and enhance the community.

8. City of St. Catharines

The City of St. Catharines does not licence residential rental housing. In 2004, the City undertook the Glenridge Avenue Land Use Review to review the existing land use context of the area, assess the overall potential for additional residential units and the impact of intensification in the residential area. Specifically, the concern was with the increasing the number of occupants (usually university students) in an existing or renovated residence. An interim control By-law was passed to restrict any further intensification in the area until the land use review was complete. In 2006, when the City completed the land use review, it passed a zoning By-law to create a new Residential Multiple Zone for the Glenridge area which implemented new, specific requirements for parking, landscaping and maximum dwelling unit sizes. This By-law affects single detached dwellings, semi-detached dwellings, duplexes, triplexes and double duplexes (4 unit) dwellings. The By-law was challenged unsuccessfully and is now in force.

The City recently passed a Nuisance By-law, which is intended to regulate the behavioural issues associated with students. The By-law implements a \$300.00 fine for rowdy behaviour such as throwing/smashing beer bottles, damaging public and/or private property, and other inappropriate behaviour in public.

Appendix "F": Review of Tools for Regulating Residential Rental Housing

Potential licensing requirements

Based on the information collected from other municipalities staff has identified a list of potential requirements as part of a successful licensing program. The following could be considered in establishing the licensing program:

- A Certificate of Compliance with Fire/Building/Property Standards to be provided as part of the licensing process. Staff notes that a fee may be required to obtain these certificates as well as to cover the cost of staff time for inspections.
- Under the Health Protection and Promotion Act (Section 10 (2) 2), the Medical Officer of Health (PHS) must inspect premises used or intended for use as a boarding house or lodging house with respect to health hazards. If a licensing program was established, a comparable level of service and protection afforded boarding or lodging houses could also be required.
- A site plan of the property would be required. The site plan would be reviewed by City staff to ensure compliance with the all relevant zoning and policy requirements (parking, garbage storage, fencing and landscaping). This process would also ensure that a record of the site is on file with the City, and that any discrepancies would be easily identifiable. A new fee may need to be established based on staff time required to review the plan. This fee could be a separate fee specifically geared towards the licensing program, or the fee could be incorporated into the overall licence fee.
- In all rental housing advertising, a licence number would be required to be provided to indicate an active licence. This will ensure that the property is safe, maintained and up to appropriate standards.
- Proof of insurance for the licensed property for the duration of the licence is to be provided at the time of application.
- An appropriate fee will need to be determined through review of the services required. The Municipal Act allows for cost recovery based on the best assessment of the cost of the process. Staff notes that it is difficult to assess the total costs incurred for the set-up of the program; however, the program could be reviewed after a certain period of time and the fees adjusted accordingly.

- Staff notes that there are many issues related to absentee landlords. A potential solution would require the owner to appoint a Property Manager, if the landlord does not live in the City, or within 30km of the City limits, to ensure that the property meets standards and requirements of licence. This approach would also ensure that issues could be dealt with in a timely manner. As corollary, staff would consider exempting owner-occupied rental properties from the licensing program. However, it may be difficult to determine if the owner actually lives in the dwelling without gaining entry to the property and doing a thorough investigation.
- Information should be provided which details the number of persons to be accommodated in the rental unit and what facilities are available, including common facilities provided on the premises.

Staff notes that proof of compliance of the above requirements would be needed for any future license renewals.

Appendix “G”: Review of Tools for Regulating Residential Rental Housing

Potential membership for the Community Liaison Committee (CLC)

Agency	Member	Total Representation
McMaster University – Off Campus Resource Centre	One (1) representative	1
Mohawk College	One (1) representative	1
Students Union – MSU /SCSN	Two (2) representative from each (McMaster/ Mohawk)	4
Ainslie Wood Westdale Community Association	Three (3) representatives	3
Neighbourhood association in proximity to Mohawk College	Two (2) representatives	2
Neighbourhood association in proximity to the Mohawk East Campus	One (1) representative	1
Local resident Ward 1 (not affiliated with the community association)	One (1) representative	1
Local resident from Ward 8 (not affiliated with the community association)	One (1) representative	1
Landlords	One (1) representative from each of the identified study areas	3
Tenant/Student Renter	One (1) representative from each of the identified study areas	3
	Total	20