



## Proposed Regulatory and Licensing Strategy for Multi-Tenant Houses & Consultation Plan

Date: October 12, 2016

To: Executive Committee

From: Executive Director, Municipal Licensing and Standards  
Chief Planner and Executive Director, City Planning

Wards:All

### SUMMARY

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The Official Plan supports housing diversity in all neighbourhoods across Toronto for all types of households. Multi-tenant houses, often referred to as rooming houses, are an important part of the affordable rental housing stock and provide single-room accommodation to a diverse tenant demographic including students, seniors, new immigrants and low/moderate income individuals. The city's Affordable Housing Action Plan 2010-2020 encourages an increase in legal, well-run multi-tenant houses.

Current regulations for multi-tenant houses are a patchwork of by-laws that were not updated after amalgamation and do not adequately address the need for this type of housing. The demand for affordable housing has resulted in the conversion of properties to multi-tenant houses in areas of the city where they are not currently permitted and without the benefit of appropriate permits or inspections. These factors potentially impact the life and safety of both occupants and the surrounding community.

This report summarizes the extensive public consultation process that was undertaken in the spring of 2015 to assess how the current regulations and the multi-tenant housing stock are affecting tenants, operators and the surrounding communities. Over 1,500 participants across the city were engaged through neighbourhood consultations, focus groups and an online survey. The findings of the consultation were used to identify potential changes to existing regulations and enforcement strategies.

The report proposes a multi-pronged strategy for multi-tenant houses that will form the basis of the next phase of neighborhood-based consultations. The strategy aims to balance the need for affordable housing and the capacity of the city to protect tenants and neighbours from unsafe living conditions.

The proposed zoning strategy would enact temporary use by-laws, including new use definitions and local maximum thresholds (number of rooms) under the Planning Act in five areas across the City where there is evidence of a concentration of this type of housing for the purpose of piloting permissions.

It also proposes an enhanced licensing program for multi-tenant houses that introduces new requirements to improve living conditions as well as improvements to the licence review process to better engage neighboring properties.

The report proposes that staff consult the public on the proposed strategy for multi-tenant houses and report back on the outcomes of the consultations in 2017.

This report was prepared in consultation with the Interdivisional Multi-Tenant House Working Group, which includes the Affordable Housing Office, Toronto Fire Services, Legal Services, Toronto Building, Office of Emergency Management, Toronto Public Health, and Shelter, Support and Housing Administration.

## **RECOMMENDATIONS**

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The Executive Director, Municipal Licensing and Standards, and Chief Planner and Executive Director, City Planning recommend that:

1. Executive Committee direct the Executive Director, Municipal Licensing and Standards and Chief Planner and Executive Director, City Planning to conduct public consultation on the proposed regulatory and licensing strategy and its potential impact on tenants, owners and the surrounding community and report back to Executive Committee in 2017.

## **FINANCIAL IMPACT**

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This report will have no financial impact beyond what has already been approved in the current year's budget.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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At its meeting of August 20, 2014, Executive Committee directed the Executive Director, Municipal Licensing and Standards and the Chief Planner and Executive Director, City Planning to bring to Executive Committee a discussion paper on rooming houses that includes issues and preliminary findings based on research and extensive community based consultations. Committee also directed the formation of an Interdivisional Rooming House Working Group with a mandate to undertake a review of and make recommendations related to rooming houses.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX44.21>

At its meeting of September 2nd, 2015 the Affordable Housing Committee adopted a motion with respect to large single-room occupancy buildings. The motion requests that the rooming house review include a special focus on commercially-operated single-room occupancy buildings with 15 or more dwelling rooms to examine, among other things, policy options for the City to provide protection for or replacement of this kind of affordable rental housing. The motion can be accessed at the following link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.AH3.6>

## COMMENTS

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City of Toronto's Official Plan requires that a full range of housing, in terms of form, tenure and affordability be provided across the city and within neighbourhoods. It also requires that a diverse range of housing be maintained to meet the current and future needs of residents. The full housing spectrum includes ownership, rental, shared and/or congregate living housing arrangements, supportive housing, and emergency and transitional housing for homeless people and at risk groups.

### *What is a Multi-Tenant House?*

Multi-tenant houses in the existing regulations are called "rooming houses" but the report will be using the term "multi-tenant house" because it more accurately describes the living arrangement of this housing type.

A multi-tenant house is a form of shared housing that provides separate and private living accommodation in rooms and includes shared areas such as a kitchen or bathroom. Rooms in multi-tenant homes may include food preparation facilities or sanitary facilities, but not both.

Rooms for rent within houses and buildings are an important component of the housing spectrum and serve a variety of housing needs across the City including short-term accommodation for students near the City's many post-secondary institutions, affordable accommodation for seasonal workers such as the horse groomers and walkers at Woodbine Race Track, and affordable accommodation for low income residents and individuals choosing as a result of cost or simply as a preference, a congregate living environment.

The importance of multi-tenant houses as an affordable rental housing option has been recognized in the City's existing policies, programs and services, including,

- The *Affordable Housing Action Plan, Housing Opportunities Toronto 2010-2020* is the guiding framework used by the Affordable Housing Office (AHO) to set priorities with respect to creating and maintaining affordable housing in the City. This report speaks to preserving and expanding the supply of affordable housing for single persons and recognizes rooming houses as affordable housing for single persons. Specifically, the Action Plan encourages an increase in legal, well run rooming houses or similar housing where permitted by zoning.

- The City's Poverty Reduction Strategy recognizes the importance of developing an effective policy framework and enforcement strategy with respect to multi-tenant houses and continuing to support programs that help create and maintain affordable housing.
- In 2015, the AHO implemented the Rooming House Capital Repair program, which utilizes federal/provincial funding through the Investment in Affordable Housing Program, to fund the repair and renovation of multi-tenant houses and similar accommodations with single room occupancy. As of September 2015, 26 buildings comprising a total of 484 bed units had received conditional approval for funding to undertake repairs and improvements.
- Shelter Support and Housing Administration (SSHA) Division funds and oversees the administration of the operation of 169 non-profit rooming houses. These not-for-profit rooming houses comprise a critical component of Toronto's affordable housing stock, offering vulnerable residents units that often come with resources to help support their tenancies. SSHA conducts periodic reviews of operational procedures including governance, financial management, administrative processes, occupancy administration, and maintenance management.
- SSHA also provides approximately \$39 million dollars in annual funding to the non-profit sector to deliver services that help vulnerable residents find and maintain affordable rental accommodations. These funded projects include housing help and drop-in services, street outreach and follow up services, employability supports and specialized services to respond to emergency and other time-sensitive multi-tenant situations in which vulnerable tenants have to move and are at risk of homelessness.

#### *Current Zoning and Licensing Regulations*

Given that multi-tenant houses are associated with higher levels of occupancy and intensity of use, municipalities have adopted specific approaches to regulate where they are permitted, how they operate and what kind of oversight they require.

The current licensing and zoning regime for multi-tenant houses in Toronto is a patchwork of by-laws that were not updated and consolidated after amalgamation. As a result, multi-tenant houses are only permitted in the former City of Toronto, as well as certain areas in the former Cities of Etobicoke and York (see Attachment 1 for a map of permitted areas). Licensing is a requirement in the former cities of Toronto and Etobicoke, but not for the former City of York.

The administration of the multi-tenant house licences has also not been consolidated since amalgamation. Toronto Public Health is responsible for administering licences in the former City of Etobicoke; while Municipal Licensing and Standards administers licences in the former City of Toronto.

#### *Licensing Requirements*

Multi-tenant houses that are licensed in the former City of Toronto and Etobicoke are subject to annual or bi-annual inspections to ensure compliance with applicable legislation including the Ontario Fire Code, Building Code, Health Protection and

Promotion Act, and Property Standards By-laws. If the operator is non-compliant, the City will serve an order that requires them to undertake the identified improvements. If non-compliance continues, the City may bring the licensee to the Rooming House Licensing Commissioner who can deny, revoke or place conditions on the licence.

Multi-tenant houses that provide support services to tenants require a personal care licence. Support services can include light housekeeping, laundry, meal preparation, and medication reminders. The licence includes additional requirements related to the services provided such as frequency of meals, the responsibility of on-site staff and quality of medical attention. Toronto Public Health is responsible for ensuring compliance with these requirements. Regulations for personal care multi-tenant houses are not addressed in this report, but it is the focus of further study by ML&S.

**Table 2: Number of licensed multi-tenant houses in Toronto as of January 1, 2016**

|                               |            |
|-------------------------------|------------|
| Regular                       | 378        |
| Personal Care                 | 67         |
| “Lodging Houses” in Etobicoke | 10         |
| <b>Total</b>                  | <b>455</b> |

The number of licensed multi-tenant houses in the downtown core has been in decline since 1979 when there were over 1000. Some of the contributing factors to the decline include buildings being 'de-converted' from multiple-occupancy to single family dwellings or properties being redeveloped through the intensification of the property.

#### *Multi-Tenant Houses in Non-Permitted Areas of Toronto*

At the same time, multi-tenant houses have surfaced in Scarborough, East York and North York where the use is not currently permitted. The City has received complaints from these areas regarding suspected multi-tenant houses and issues commonly related to property standards, parking, noise, and waste. Although ML&S investigations do not always confirm that the properties are being used as multi-tenant houses, there is evidence that these housing types are present in areas of the city where the use is not currently permitted, particularly in communities near colleges and universities.

#### **Multi-Tenant House Review**

In 2014, ML&S and City Planning began a two-phased review of multi-tenant houses to identify the issues and opportunities related to this housing stock in Toronto. The first phase of the review has been completed. It included research and extensive public consultations, which informed the regulatory and licensing strategy being proposed in this report.

The second phase of the review will include public consultation on the licensing and zoning components of the strategy with final by-law amendments being brought forward to the appropriate Committee(s) in 2017.

## Phase 1

|  |   |   |
|--|---|---|
| Establish interdivisional work group*        | o Group provides strategic direction to the Review and facilitates the gathering of information/data on multi-tenant houses | ✓ |
| Research & planning                          | o Issue identification<br>o Jurisdictional scan<br>o Internal review  | ✓ |
| Public consultation & stakeholder engagement | o Collect information on the conditions in multi-tenant houses and impact on surrounding communities                        | ✓ |
| Executive Committee                          | o Staff propose regulatory and licensing strategy for multi-tenant houses   | ✓ |

## Phase 2

|  |  |  |
|--|--|--|
| Public consultation & stakeholder engagement | o Collect public feedback on the proposed temporary use by-laws in the identified pilot areas and licensing strategy for multi-tenant houses |  |
| Executive Committee                          | o Report on consultation findings and draft licensing and zoning by-laws   |  |

\* The IRHWG is co-chaired by the Executive Director, ML&S and the Chief Planner and Executive Director, City Planning. Participating Divisions include the Affordable Housing Office, Office of Emergency Management, Legal Services, Toronto Building, Shelter Support and Housing Administration, Toronto Fires Services, Toronto Public Health.

### Phase 1: Stakeholder Engagement and Public Consultation Process

The City retained an external consultant to design, implement and facilitate a public consultation process that was both broad and engaged residents at the local level. Between April and June, 2015, Public Interest Inc. completed an extensive consultation program, which included:

- 14 neighbourhood based public meetings
- 3 focus groups with stakeholder groups including housing help agencies, post-secondary institutions and immigrant and settlement services
- 7 focus groups with rooming house tenants
- 1 focus group with rooming house operators (licensed and unlicensed)
- 2 key informant interviews with rooming house operators (licensed and unlicensed)
- Online survey (available from April 17 – May 10, 2015)
- Email feedback

The consultation drew approximately 1,500 participants from across the City. 559 people attended the neighbourhood meetings, and 127 tenants and stakeholders participated in the focus groups and key informant interviews. 742 respondents answered the online survey. By providing both confidentiality and neutrality, the consultant engaged individuals who may not have participated in the consultation process.

The locations for the neighbourhood-based consultations were selected based on the concentration of licensed multi-tenant houses; concentration of complaints related to suspected multi-tenant houses; proximity to post-secondary institutions; and input from local Councillors. The focus groups with tenants and operators were held in areas of the city where both licensed and unlicensed multi-tenant houses are present in order to reach a diversity of tenants and operators. The meetings were held in downtown Toronto, North York and Scarborough.

### **Summary of Public Consultation Findings**

The feedback collected throughout the consultation provided a robust set of data from which the consultant identified recurring themes and notable findings. The consultation process and results were made public on the Rooming House Review website in June 2015. The report is also available in Attachment 2 of this staff report.

The following is a high level summary of the **consultant's findings**:

#### **1. Rooming houses are a significant part of Toronto's affordable housing stock**

Input from all stakeholder groups recognized that rooming houses are an important source of affordable housing for low-income people. Some participants also noted that rooming houses provide accommodation closer to services, stores and institutions than other rental housing types.

#### **2. There are serious issues regarding rooming house management and maintenance**

There was consensus across that city that there are significant issues with the maintenance of certain rooming houses such as problems with garbage, vermin, locks, basic repairs and deficiencies in building standards. Some of these problems are attributed to poor management, including absentee landlords, and impact both the lives of tenants and the surrounding community.

#### **3. Better enforcement of rooming houses is needed**

Majority of the stakeholders underscored that the current licensing and enforcement system needs to change to better enforce safety and maintenance standards. Some of the suggested changes include consistent regulations, tougher penalties, improved complaints process, pro-active inspections and more collaboration between the different enforcement staff.

However, tenants and housing workers did note that licensed rooming houses are in better condition than illegal rooming houses. The consultants also highlighted that although some participants disagreed, the majority of input believed that a city-wide licensing requirement would improve the safety, health and property standards of rooming houses.

#### **4. Education and more information can help mitigate problems**

Most respondents agreed that rooming house tenants, operators and neighbours need access to better information about the rules and regulations that apply to

the operation of rooming houses and what recourse processes are available to each of the stakeholders to address their respective concerns.

#### **5. More affordable housing is needed**

The majority of the consultation participants believe that the lack of affordable housing in Toronto has either caused or exacerbated the issues with rooming houses because tenants with limited housing options are more likely to accept substandard living conditions.

#### **6. The system needs more than just enforcement to improve affordable housing**

Connecting tenants to their communities, connecting both to advocates and connecting all of them to the responsible landlord was something participants from all areas felt would go a long way to enable problems to be solved before they got out of hand.

Rooming house operators need incentives and support for upkeep and maintenance in order to improve and maintain stock that is intensively used. This should be coupled with an easy-to-navigate system to obtain licensing and achieve compliance with safety, health and property standards.

### **Divergent Views**

In addition to the major themes of the consultation, there were sets of consultation participants that held views distinct from the city as a whole. These perspectives are summarized below:

- Scarborough neighbourhood based consultations

Neighbourhood consultations in Scarborough had the highest turnout. While the feedback from these meetings showed support for more or better regulations, Scarborough also had the largest number of participants calling for an outright ban on rooming houses.

- Neighbourhood based consultations in licensed areas

The neighbourhood consultations in licensed areas (Central Toronto and Etobicoke) had the lowest turn-out of participants and showed far less concern about rooming houses. Online survey participants from these areas favoured licensing by 60% to 80%.

- Immigrants

According to the settlement workers that participated in the consultation, immigrants or newcomers to Toronto face additional barriers related to language and legal status that might prevent them from reporting rooming house issues. Furthermore, this demographic tends to seek houses for families rather than singles, which can include children and/or seniors. The shared space and facilities in rooming houses pose unique challenges to very old or very young residents related to security, privacy, and health impacts.



- Students

Student tenants and post-secondary institution stakeholders highlighted a few distinct characteristics of student tenancy in rooming houses. Students appreciate the freedom and flexibility that rooming houses provide, especially for short-term rental arrangements that match their school terms. Proximity to schools is also an important attribute in areas where other housing options are cost prohibitive.

Students had safety concerns about being housed with non-students. Post-secondary administrators raised issues regarding the isolation some student tenants in rooming houses feel from the rest of the student community.

Many noted that there needs to be a clear and defined role for post-secondary institutions in finding better housing solutions and reducing the impacts of rooming houses on student tenants and surrounding communities.

- Owners/Operators

Owners/operators feel burdened by the financial cost of maintaining rooming house properties, which experience significant damage due to intensive use. They also feel challenged by some of the needs of their tenants, especially those with mental health issues, disabilities, and substance abuse problems. There is a general feeling that the City does not offer enough supports to owners/operators including tax breaks, grants, as well as educational opportunities.

In 2014, the City also commissioned Ipsos Reid to survey the public on a variety of City related issues, including multi-tenant houses. The survey was facilitated through an online questionnaire and designed to gather feedback from a representative sample of Toronto residents. The results of the questionnaire are available in Attachment 3 of this report.

### **Staff Research: Jurisdictional Scan**

Staff have examined practices in other jurisdictions to identify the most promising approaches to multi-tenant house regulation and enforcement. 16 cities in Canada and the United States were reviewed, including municipalities with significant student populations.

A summary of the jurisdictional scan can be found in Attachment 4. The following are some of the key lessons and promising practices learned from their experiences:

- Majority of the municipalities surveyed have adopted licensing as the main tool for the regulation of multi-tenant houses because it regularizes pro-active inspections,
- Some municipalities have undertaken a coordinated multidisciplinary approach to the enforcement of multi-tenant houses,
- Maximum/minimum number of dwelling rooms permitted in multi-tenant houses varies across all jurisdictions. Some allow 5 or more dwelling rooms, others range between 3 and 10, while a few have no minimum/maximum requirements,

- Zoning permissions are also varied. Some municipalities only allow multi-tenant houses in certain zones, while others permit the use broadly but with different maximum units per zone.
- In some cities, multi-tenant houses are regulated under a broader licensing regime that includes all low-density rental units to ensure that more rentals meet safety standards and to reduce the impact of large residential rental units on the surrounding community.
- Most licensing fees for multi-tenant houses in other municipalities are cost-recovery
- Building and maintaining strong relationship with community partners such as universities can help support tenants and address localized challenges.

### **Multi-Tenant House Enforcement**

The nature of multi-tenant house enforcement varies depending on its objective, which can include:

- 1) Life and safety (Fire and Building Code)
- 2) Property standards, noise, & waste (Municipal Code)
- 3) Licensing requirements (Licensing by-law)
- 4) Non-permitted property use (Zoning By-law)

The following section outlines the available enforcement tools related to each objective. It also highlights why more permissive zoning coupled with a strong licensing regime is the most appropriate regulatory environment not only for effective enforcement, but also to ensure that multi-tenant houses are a safe, decent and secure place to live.

#### ***1. Life and Safety***

The Ontario Fire Code and Building Code set the life and safety standards that are required in multi-tenant houses to protect the lives of tenants and the surrounding community. The enforcement of these regulations does not pose the same challenges as experienced in the enforcement of the zoning by-law because the focus of these statutes is the physical attributes found in the building that can be more easily observed and verified.

The provincial legislation that governs these regulations have maximum fine amounts that are significantly higher than those stipulated for zoning violations. The maximum fines for an offence under the Fire Protection and Prevention Act (FPPA) for an individual is \$50,000 and/or 1 year in jail where they have contravened the Fire Code, and for a corporation is \$100,000 for any offence.

The FPPA includes additional legal instruments that provide Assistants to the Fire Marshal (fire prevention inspectors) the ability to immediately address life safety hazards. For example, they can close a building or order a fire watch.

Sudden closures can place significant pressures on city resources, including direct assistance from various City Divisions to relocate residents. City staff coordinate access to temporary accommodation as well as assistance with purchases of food and transportation. They are also engaged in addressing the needs of vulnerable tenants and supporting them in finding housing.

In 2015, there were 11 emergency social services responses to assist tenants in multi-tenant housing. City staff coordinate access to temporary accommodation as well as assistance with purchases of food and transportation. The cost of the assistance was \$61,000.

## **2. Enforcement objective – Property Standards, Noise and Waste**

The City regulates property maintenance issues through a series of by-laws including Property Standards, Residential Waste, Grass and Weeds, Fences, and Noise. These by-laws are applied to multi-tenant houses in the same way as they are to other residential and/or commercial properties. Investigations are primarily complaint-based and may result in the issuance of an advisory notice or compliance order. In cases where non-compliance continues, the City retains the authority to remedy the violations and recover the costs through the owner's property taxes.

A review of complaints to ML&S regarding multi-tenant houses indicate that a majority of the complaints relate to property standards and nuisance issues, that have an impact on the surrounding properties such as improper waste storage and disposal, etc. These issues were also highlighted during the neighborhood-based consultations and survey results.

The by-laws related to property maintenance, as they exist are sufficient to address majority of complaints related to multi-tenant houses.

## **3. Licensing Requirements**

The licensing by-law enables the City to set standards for how multi-tenant houses should operate, along with a mechanism to have licence review hearings when operators are not following the prescribed standards.

Under the *Provincial Offences Act*, the maximum fine amount for licensing by-law contraventions is up to \$5,000. The licensing by-law also provides the City with additional tools to ensure multi-tenant houses are meeting established safety and maintenance standards. Of particular importance is the explicit authority to enter the premises, in accordance with the City's powers under the *City of Toronto Act, 2006*, impose conditions on the license, and require annual inspections.

The current licensing regime in the former City of Toronto authorizes pro-active enforcement by requiring annual inspections from Toronto Fire Services and ML&S as a condition of the licence. These mandatory inspections ensure that multi-tenant houses comply with important life and safety regulations such as the Ontario Fire Code and property standards by-laws. The latter addresses issues of living standards, property maintenance and waste that can help mitigate the impact of the property on the surrounding community.

Licensing enables the city to respond to issues specific to particular properties through the ability to routinely review and impose conditions on a licence. In former City of Toronto, multi-tenant house licences are renewed annually and assessed based on factors such as compliance with applicable regulations, outstanding complaints and the conduct of the operator.

#### **4. Zoning / Non-Permitted Use**

Zoning by-laws enable the City to regulate where multi-tenant houses are permitted. The enforcement options for zoning by-law contraventions provide few disincentives to operators while requiring significant investigative effort.

The financial penalties related to zoning offences are limited to those found in Sec. 67 of the *Planning Act*, which sets the maximum financial penalty at \$25,000 on a first conviction. The presiding Justice is the one that ultimately determines the fine and often first-time offenders do not receive the maximum amount. From 2005-2015, the fines imposed on persons guilty of operating a multi-tenant house ranged from \$150 to \$2,500. The time it takes to proceed from charges to conviction can take from 6 months to more than a 1 year, if the accused person challenges the matter in court.

In situations where a person has a previous conviction for a similar zoning by-law contravention or, when they continue to operate a multi-tenant house in a non-permitted area, subsequent convictions may result in higher fines. Eventually, the City may seek a prohibition order, which is a court ordered closure of the premises. The time required to get such subsequent convictions can take between 1 to 2 years, or longer, for each offence.

The City does not have the ability to immediately close a multi-tenant house and/or to de-house residents in matters that strictly relate to a non-permitted use.

The challenges related to the enforcement of zoning by-laws are further amplified when considering the present volume of non-permitted multi-tenant houses in Toronto. To escalate the enforcement of zoning by-laws within the present regulatory environment would demand an effort that surpasses the current staff complement and could set unreasonable expectations regarding the swift resolution of zoning by-law infractions.

The current challenges related to the enforcement of these types of properties, lies in the patchwork of permissions and the inherent instability that the current zoning regime. The priority of enforcement ought to be focused on ensuring life safety and quality of life standards are met and maintained for tenants and neighbours alike. A more permissive zoning environment with an appropriate regulatory/licensing regime will bring the City closer to achieving this priority.

#### **Proposed Zoning and Licensing Strategy for Multi-tenant Houses**

One of the objectives of this Review is to establish an appropriate zoning framework to permit and regulate multi-tenant houses across the City.

The research and consultation findings highlighted above demonstrate that the City's current regulations have not responded to market demand for this type of accommodation. Existing by-laws make it difficult to protect tenants from potential unsafe and substandard living conditions that may result when single household properties are converted to multi-tenant houses without the proper permissions or inspections. A zoning regime will enable a licensing program to ensure that these properties can be inspected ensuring the life safety of occupants.

Multi-tenant houses are currently located in neighbourhoods and along major streets across the City, in a range of building types and with variability in the number of rooms in each building. The Review has identified areas across the City where there is a concentration of multi-tenant houses. These concentrations are in areas near post-secondary institutions where large student populations require temporary accommodation for the academic year and where no or limited on-campus residence accommodation is available. There are also areas that appear to have demand for this type of housing because of worker or 'newcomer' need, where affordable short term accommodation is desired.

This report proposes a multi-pronged strategy to balance the need for affordable housing options, such as multi-tenant houses and the ability of the city to protect tenants and neighbours from unregulated sub-standard living conditions that may result from this housing type. The components of the strategy are summarized below and will be the subject of the next phase of public consultations.

|  |   |
|--|---|
| <p><b>Proposing Zoning Approach</b></p>                        | <ul style="list-style-type: none"> <li>• Pilot permissions in 5 areas across the City</li> <li>• Enact temporary use by-laws to:             <ul style="list-style-type: none"> <li>○ Identify area of permission (overlay mapping)</li> <li>○ Define use</li> <li>○ Establish maximum number of dwelling rooms</li> </ul> </li> </ul>  |
| <p><b>Uniform Licensing Regime</b></p>                         | <ul style="list-style-type: none"> <li>• Single licensing by-law</li> <li>• Alignment with zoning by-law definitions</li> <li>• Licensing program administered by ML&amp;S</li> </ul>   |
| <p><b>Additional Licensing Requirements</b></p>                | <ul style="list-style-type: none"> <li>• Zoning review</li> <li>• Property maintenance plan</li> <li>• Site or floor plans</li> <li>• Waste management plan</li> <li>• Parking plan</li> <li>• Applicable building permits to be cleared</li> <li>• Written confirmation on the maximum number of lodgers to be accommodated</li> </ul> |
| <p><b>Improving Transparency of Licence Review Process</b></p> | <ul style="list-style-type: none"> <li>• Improved public access to information about license review process</li> <li>• Hearings held at local venues</li> <li>• Increased administrative support undertaken by independent Division</li> </ul>  |

## Incentives and Public Awareness

- Licensing incentives
- External partnerships
- Educational resources for operators

### Proposed Zoning Approach

*The Planning Act* permits the use of temporary-use bylaws to permit the use of land, buildings or structures for up to a period of three years, with the potential for Council to approve an extension for a further period of not more than three years.

The proposed zoning approach would result in the enactment of temporary use by-laws under the *Planning Act* in the five (5) areas of the City where there is evidence of a concentration of this type of housing for the purpose of piloting a zoning approach and evaluating its impacts. This approach would enable the city to also enact a licensing program at the same time and enable staff to evaluate and report back to council on the impact of the temporary use zoning by-law and licensing by-law to address this form of accommodation. As a temporary use, property owners that establish a multi-tenant house under the temporary use permission would not be afforded legal non-conforming status unless permanent permissions were enacted.

This report recommends that City Planning undertake consultation on a draft temporary use by-law for each of the five areas. Consultation would enable staff to seek input on the proposed area boundaries, use definitions, and maximum threshold (number of rooms in each multi-tenant house) and report back to Council with recommended temporary use by-laws for each of the five areas in 2017. The proposed boundaries, use definitions and maximum thresholds to be consulted on are as follows:

#### **a) Temporary Use By-law Area Boundaries**

The specific boundaries of the five (5) areas are identified in the maps included as Attachment 5 to this report. The general boundaries are as follows:

- Highway 401, Morrish Road, Military Trail (Ward 44 and 43)
- Finch Avenue West, Martin Grove Road, Humber College Boulevard (Ward 1)
- Finch Avenue West, Assiniboine Road, Black Creek, Keele Street (Ward 8)
- Finch Avenue East, Leslie Street, Highway 404, Fairview Mall Drive (Ward 33)
- Steeles Avenue, Highway 404, Highway 401, Markham Road (Wards 39, 40, 41)

#### **b) Use Definitions**

The feedback from the public consultations undertaken previously highlighted the need for clearer 'rules' around the 'rooms for rent' use to improve public understanding and facilitate enforcement. The definitions in the former zoning by-laws are confusing as they either use a building type to define the use (i.e. rooming house) or they only describe the user rather than the use (i.e. lodger, roomer, boarder). The Temporary Use By-law proposes the following two definitions to provide clarity to the use, including the

making available of rooms for rent (dwelling room), and the definition of the type of building wherein the primary use is rooms that are for rent (multi-tenant house):

- **"Dwelling Room** – means a room provided, for a fee or other consideration, for living accommodation and which may contain private sanitary facilities but not cooking facilities. A Bed-Sitting Room or a room in a Crisis Care Shelter, Group Home, Hospital, Hotel, Municipal Shelter, Nursing Home, Religious Residence, Residential Care Home, Retirement Home, Seniors Community House, Student Residence or Tourist Home is not a dwelling room."

The definition for dwelling room clarifies that cooking facilities are not permitted. This is a change from the existing zoning by-laws, which generally all permit private cooking facilities in dwelling rooms. This change responds to fire safety concerns raised through the rooming house review. The definition for dwelling room also clearly states what a dwelling room is not and lists a number of other defined terms for uses in the Zoning By-law that could mistakenly be considered as a building containing rooming house rooms.

- **"Multi-Tenant House** - means a building containing more than three (3) dwelling rooms that may have private sanitary facilities or shared common facilities for sanitary and cooking. An Apartment Building, Hotel, Crisis Care Shelter, Municipal Shelter, Nursing Home, Residential Care Home, Retirement Home, Seniors Community House, Student Residence, or Tourist Home is not a Multi-Tenant House."

The definition for a multi-tenant house provides an easily understood definition based on a minimum threshold of four (4) dwelling rooms in any residential building type other than those listed. So, whether the built form is a single detached residence, a townhouse, a walk-up apartment or a purpose-built building, all would be defined as 'multi-tenant house' if they contained more than three (3) dwelling rooms. The basis for 'more than three' is that the existing zoning by-laws permit some form of 'room for rent' within low density residential building types across the City.

### **c) Maximum Thresholds (Number of Dwelling Rooms)**

The temporary use by-laws are proposed to permit a maximum of seven (7) dwelling rooms per multi-tenant house. This maximum would be implemented through the use of Overlay Maps for each of the five pilot areas. The basis for establishing a maximum is to evaluate the impact of a modest expansion of multi-tenant house permissions in the City.

### **Uniform Licensing Regime**

To bring consistency and clarity to the regulation of multi-tenant tenant houses, the strategy proposes a single licensing by-law that would apply to the entire city. The by-law will incorporate the appropriate provisions related to the proposed zoning changes as well as other relevant legislation, including the Ontario Building Code, Fire Code and Fire Protection & Prevention Act. Uniform regulations for multi-tenant housing will foster

better understanding about the applicable standards among the City's different Divisions and agencies as well as operators, tenants and the general public.

The licensing by-law would be administered and enforced by ML&S to ensure the consistent application of rules and improve record-keeping. A citywide licensing by-law will also allow ML&S to charge individuals operating multi-tenant houses in non-permitted areas with violations under the licensing by-law in addition to other prosecutions.

### **Additional Licensing Requirements**

A licensing by-law provides the City with additional tools to protect the health and safety of tenants in multi-tenant houses, as well as mitigate the impact on the surrounding community. This includes a number of requirements that an operator must complete in order to obtain a licence. The current licensing by-law for the former City of Toronto includes the following requirements:

- Owner consent to allow for annual/bi-annual inspection to determine if rooming house complies with applicable law, including Fire Code, Chapter 629-Property Standards, Building Code Act, and Building Code, the Health Promotion and Protection Act, and any applicable zoning by-law. Failure to provide consent for entry would result in revocation of the licence.
- Post a fire safety plan, approved by the Fire Chief, in the premises in a conspicuous place. The plan identifies the fire-safety features in the building, the maintenance program for that equipment, and the fire escape procedures to be undertaken by the occupants.
- Name, address and telephone number of the emergency contact
- Licensing fee

A number of additional requirements have been identified based on practices in other cities and input from public consultations. These requirements aim to improve the living conditions in multi-tenant houses as well as streamline all applicable regulations to help operators better understand and comply with expected standards.

| <b>Proposed requirements for multi-tenant house licence</b> | <b>Purpose</b>  |
|---|---|
| Zoning review   | Clarify and ensure compliance with permitted land-use.  |
| Property maintenance plan                                   | Assist operators in understanding minimum property standard requirements and ensure compliance. |
| Site or floor plans   | Ensure minimum living standards and quality of living space.                                    |
| Waste management plan                                       | Mitigate impact on tenants and surrounding community.   |



|  |   |
|--|---|
| Parking Plan   | Confirm compliance with zoning by-law requirements.   |
| Applicable building permits are cleared                                  | Ensure minimum building standards are met and property is safe for tenants and surrounding community. |
| Written confirmation of the maximum number of tenants to be accommodated | Achieve compliance with occupancy standards and to capture demographic trends.                        |

Some of these requirements might not be applicable to non-profit housing providers of multi-tenant houses that are subject to a level of oversight from Shelter Support and Housing Administration (SSHA). SSHA conducts periodic reviews of operational procedures including governance, financial management, administrative processes, occupancy administration, and maintenance management.

### **Transparency of Licence Review Process**

Under the current licensing by-laws, multi-tenant house operators are required to renew their licence every year or, every two years for operator occupied multi-tenant houses. A Council assigned Licensing Commissioner can approve, refuse, or issue a temporary licence with conditions.

When there are grounds for refusal, the Commissioner holds a public hearing to examine the validity of the reasons for refusing the licence and to determine if any effective corrective actions can be undertaken. During the hearings, the Commissioner hears evidence from City staff as well as members of the community.

The hearings offer an opportunity for the public to highlight concerns with the property and engage operators on possible solutions. The hearings also provide a way to fashion a response that goes beyond simply revoking the licence. This is done through the imposition of conditions tied to a temporary licence, which is typically reviewed in 3 to 6 months.

The following procedural enhancements have been identified to increase community engagement in the licence review process and the capacity of the City to regulate an increased number of multi-tenant houses.

- **Hearing agendas and decisions will be posted online to enhance transparency of the licence approval process.** Currently, these items are only available upon request.
- **Hearings held by a panel of decision-makers** rather than one Commissioner to facilitate decision-making.
- **Hearings will be conducted at local venues to improve accessibility,** if permitted areas for multi-tenant houses are expanded. Currently, the Commissioner or Deputy Commissioner holds hearings at City Hall.
- **Administration of the hearing process undertaken by City Clerks or Court Services to increase fairness and transparency.** Under the current system, ML&S investigates and enforces compliance with the licensing by-law and is also required to provide administrative support for the entire hearing process.

## **Licensing Incentives and Improving Public Awareness**

A survey of practices in other municipalities reveals that there are other non-regulatory approaches to addressing concerns with multi-residential properties such as multi-tenant houses. These approaches are focused on removing some of the barriers to compliance such as poor information and onerous fees through licensing incentives, educational efforts, and external partnerships.

- **Licensing Incentives**

Stakeholders have identified that landlords face financial challenges to operating multi-tenant houses and need support to maintain and upkeep their properties. Various municipalities offer operators financial incentives to improve the quality of the multi-tenant house stock. The Toronto Renovates Program, administered by the Affordable Housing Office, provides operators of multi-tenant houses forgivable loans to undertake essential health and safety repairs, renovations, and accessibility modifications. The multi-tenant houses must be licenced and located in areas where they are permanently permitted to qualify for the loans. The program also requires the owner to maintain the rental unit affordable for 15 years.

It is also important to note that educational development charges and/or park levies are applicable to multi-tenant houses. These levies can be prohibitive enough to lead multi-tenant house operators to evade licensing or unnecessarily reduce the number of occupancies available in a stressed housing market. City staff are reviewing these levies and whether any additional incentives should be available to encourage compliance and secure long-term affordable housing for tenants.

- **Educational Initiatives**

Feedback from tenants, operators and neighbours during the consultation highlighted the need for clearer and more accessible information on the rules governing the operation of multi-tenant houses. Cities like Vancouver and Edmonton have created comprehensive guides for operators to clarify all relevant regulations as well as the application process for licensing. The strategy proposes that staff develop a similar resource guide and organize accompanying workshops to educate operators on the new zoning and licensing regulations. A website dedicated to multi-tenant houses should also be developed to inform the tenants, operators, and the general public on the applicable regulations, licensing approval process and other valuable resources. There is currently no online platform to access this information.

- **External Partnerships**

The strategy also proposes the development of external partnerships with relevant institutions such as university administrators or local service agencies in order to engage tenants and operators, manage community relations, and facilitate compliance with regulations.

Town and Gown Committees have been formed in jurisdictions with significant student populations to bring together post-secondary school administrators, municipal enforcement bodies, student associations, and neighbourhood residents to address topics of common concern. In Toronto, City staff currently participates in the Town & Gown Committee at York University. These bodies provide avenues for mitigating nuisance concerns and building positive relationships between long-term residents and temporary student populations.

Service agencies can also play an important role in providing specialized supports to multi-tenant house tenants. For example, the West Broadway Community Organization in Winnipeg engages occupants of multi-tenant houses in small scale fix ups of their rooms and common areas, connects them to social services and facilitates relationship building between the landlord, tenants and the wider community.

**Phase 2: Public Consultation Plan**

Extensive public consultation was completed in Phase One of the Review. For Phase Two, City Planning will undertake public consultation within each of the 5 pilot areas to collect feedback on the proposed temporary use by-laws, with a focus on the proposed geographic boundaries of the pilot areas, the definitions of dwelling room and multi-tenant house and the maximum thresholds (number of dwelling rooms). These consultations will be scheduled and undertaken in consultation with the local Councillors.

In addition, Municipal Licensing and Standards will lead public consultations on the proposed licensing changes, which will include focus groups with multi-tenant house operators and tenants. Staff will also collect feedback from key stakeholders groups including housing help agencies, post-secondary institutions and immigrant and settlement services.

Both City Planning and Municipal Licensing and Standards will undertake public consultation and online survey to provide the opportunity for citywide input and feedback on the proposed zoning and licensing regulations.

Information on the consultation will be readily available on the project website and regular updates will be shared through the project email list and City social media accounts.

The results of the public consultations will be presented to Executive Committee and will inform the preparation of the recommended city-wide licensing by-law and zoning by-laws for each of the pilot areas.

**Phase 2 Timeline:**

| <b>Tasks</b> | <b>Objectives</b>                        | <b>Timeline</b>                 |
|--------------|--|---------------------------------|
| Planning     | o Consultation planning and coordination | First and Second Quarters, 2017 |

|  |  |                      |
|--|--|----------------------|
|  | <ul style="list-style-type: none"> <li>o Preparation of consultation material</li> <li>o Communication</li> </ul>                  |                      |
| Public consultation & stakeholder engagement | <ul style="list-style-type: none"> <li>o Collect public feedback and analyze</li> </ul>  | Third quarter, 2017  |
| Executive Committee                          | <ul style="list-style-type: none"> <li>o Report on consultation findings and present draft licensing and zoning by-laws</li> </ul> | Fourth quarter, 2017 |

### **Ongoing Research & Analysis**

Further research is required around “personal care rooming houses” and other supportive housing such as group homes and the populations they serve. It remains unclear the state and scope of this type of housing in Toronto as well as the role local government should play in its regulation.

### **Commercially Operated Single-Room Occupancy Buildings**

The proposed piloting of a zoning approach for multi-tenant houses would expand the permission for this housing type more broadly across the City in *Neighbourhoods* and *Apartment Neighbourhoods* designated areas of the City. A September 2015 motion of the Affordable Housing Committee requested that this Review also evaluate commercially operated single-room occupancy buildings of 15 or more dwelling rooms in order to estimate the number of such buildings that may have been lost through redevelopment in recent years, review the impact on the affected tenant population and examine policy options for providing for protection or replacement of this type of housing. These type of buildings are primarily located in *Mixed Use Areas* designations in the City. City Planning, in collaboration with SSHA, has initiated work on this request. To date, work has been focussed on identifying buildings considered to be 'at risk' of redevelopment so that relevant City staff can be alerted to the potential need for a tenant relocation strategy and responding to active applications. This has resulted in the successful re-housing of tenants in a redevelopment project in the downtown. Staff will continue to work on this request and report back as requested in 2017.

## CONTACT

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## SIGNATURE

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## ATTACHMENTS

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Attachment 1: Current permitted zones for multi-tenant houses in Toronto  
Attachment 2: Rooming House Review: Public Consultations (Author: Public Interest),  
June 2016  
Attachment 3: Ipsos Reid Online Omnibus Final Report, February 2015  
Attachment 4: Jurisdictional scan of multi-tenant house regulations, 2015  
Attachment 5: Multi-tenant house consultation areas