



<b>TO:</b>	<b>CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON DECEMBER 13, 2016</b>
<b>FROM:</b>	<b>G. KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT &amp; COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL</b>
<b>SUBJECT:</b>	<b>RESIDENTIAL RENTAL UNITS LICENSING BY-LAW SECONDARY DWELLING UNITS AND INSPECTION PROTOCOL PUBLIC PARTICIPATION MEETING</b>

**RECOMMENDATION**

That, on the recommendation of the Managing Director, Development and Compliance Services and Chief Building Official, the attached proposed by-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting to be held on December 19, 2016 to amend By-law No. A-49, as amended, entitled "A by-law to provide for Various Fees and Charges" in order to amend the fee related to applications for new Rental Residential Licences to increase the fee from \$55.00 to \$165.00, it being noted the amendment addresses fee increases for initial applications only to cover the costs of pro-active property standards inspections.

**BACKGROUND**

On May 31, 2016, Municipal Council directed that Civic Administration review licensing fees for the Residential Rental Unit Licensing (RRUL) By-law for the consideration of required property standards inspections. On August 30, 2016, Municipal Council directed that Civic Administration undertake a review and bring forward changes to the RRUL By-law to address the requirements associated with secondary dwelling units.

Property Standards Inspections

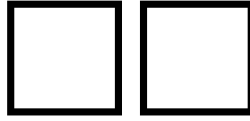
The RRUL By-law requires that rented single detached, duplex, triplex, fourplex and converted dwellings be licensed. Rental units in an apartment building, stacked townhouse or townhouse are exempt. It is estimated there are 7,500 – 8,000 rental properties within the applicable structure type category requiring licensing of rental properties. The following chart presents the status of applications year to date (November 30, 2016).

<b>Approval Category</b>	<b>#</b>
Applications under review	557
Active licences	4,103

The licence fees are based on rental properties and not the number of rental units per property. The licence fee per property is \$55 for both new applications and renewals.

The application process involves a self-certification checklist to confirm property standards compliance. The checklist is designed to assist property owners in determining whether their properties comply with the City of London Property Standards By-Law. Each item on the checklist must be verified as being "in compliance" or marked as "non-applicable". The checklist gives the owner an opportunity to explain proposed actions to address non-conforming items. Some of the items addressed on the checklist include: number of bedrooms, windows, ceiling heights, and exterior maintenance.

Recently, staff observed an increase of applications with inaccurate information on bedroom counts, basement ceiling heights and presence of windows. In order to rectify these inaccuracies, Civic Administration will continue to require self-certification checklists to be completed, however, two additional steps in the initial application process will be enhanced.



- All applicants will be required to submit a floor plan for each floor of the dwelling indicating use of individual rooms. The floor plan submission can be hand drawn and does not require the services of a building designer or architect.
- All initial applications will require a property standards inspection at the initial application stage to confirm the information submitted on the self-certification checklist in relation to the Property Standards By-law compliance is correct.

In order to implement a property standards inspection during the new application process and continue to have the program self-funded, the initial application fee is proposed to increase from \$55 to \$165.

For comparison purposes, several Ontario municipalities have implemented a range of rental licence fee costs: North Bay \$300; Waterloo \$374 - \$688 (depending on structure type); Oshawa \$500 (initial) \$360 (renewal).

The rationale for the initial fee increase is to cover the municipal costs of property standards inspections for initial applications. The increase is based on the property standards inspection fee of \$110 as listed in the Fees and Charges By-law. On average, Development and Compliance Services receives 1,000 new applications annually. Increasing the initial application fee only would raise approximately \$110,000 to cover the cost of one additional Property Standards officer for a two-year term including salary, vehicle and communications/office costs.

### Secondary Dwelling Units

The proposed Official Plan and Zoning By-law amendments permitting secondary dwelling units comply with Bill 140 *Strong Communities Through Affordable Housing Act*. The proposed Zoning By-law amendment introduces a definition for secondary dwelling units and regulations on matters such as permitted zones, number of units per lot, location, floor area requirements, bedrooms, exterior alterations, accessory structures and code requirements.

Staff have reviewed the definitions and regulations of the Zoning By-law amendment and RRUL By-law and no further amendments are required. The Zoning By-law amendment specifically references Street townhouses as a permitted use for secondary dwelling units and the RRUL By-law specifically references Stacked Townhouses and Townhouses as being exempt from licensing requirements. Therefore, no further amendments are required.

Municipal Law Enforcement Officers are often required to collect evidence on residential occupancy. A number of sources are utilized to collect this information including, but not limited to, vehicle registration, municipal tax records, and City directories. There is no concern on Officers ability to confirm owner occupancy in the case of secondary dwelling unit investigations. Owner occupancy is a Zoning By-law regulation and compliance with the Zoning By-law is a requirement of the RRUL By-law. Contravention of Zoning By-law regulations could lead to charges under the Zoning By-law and RRUL By-law.

In accordance with the Municipal Council resolution of August 30, 2016, the Zoning By-law amendment to provide the regulations and definitions to implement the Secondary Dwelling Unit policies of the Official Plan are to be introduced at this meeting. On November 22, 2016, the City received the Minister of Municipal Affairs' draft modifications to The London Plan. These modifications propose the removal of two of the policies associated with Secondary Dwelling Units listed below:

- A secondary dwelling unit will be limited to a maximum of one bedroom, and the total number of bedrooms in the primary dwelling unit and secondary dwelling unit combined will not be greater than five.
- A secondary dwelling unit shall be permitted only where the primary unit is owner occupied.

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These policies are, however, included in the City's current Official Plan, which is still in force and effect. The Zoning By-law amendment is in conformity with these policies. Depending on the outcome of discussions with the Ministry, a future amendment to the Zoning By-law may be required. Staff will report back as part of the London Plan process on the outcome of these meetings.

<b>CONCLUSION</b>
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Municipal Council directed Civic Administration to address property standards inspections for initial RRUL applications and review licensing and enforcement matters related to secondary dwelling units. The proposed amendment amends the fee for initial RRUL applications from \$55 to \$165 to cover the costs of property standards inspections. Planning staff will report back on the outcome of discussions with the Ministry of Municipal Affairs with respect to its modifications to the London Plan policies associated with secondary dwelling units.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
<b>OREST KATOLYK, MLEO (C ) CHIEF MUNICIPAL LAW ENFORCEMENT OFFICER</b>	<b>GEORGE KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT AND COMPLIANCE SERVICES &amp; CHIEF BUILDING OFFICIAL</b>

Attach – Appendix A

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