

# Development Services Committee Meeting

**Second Suites, Rooming Houses and  
Short Term Accommodations  
Meeting March 27, 2018**

Agenda:

1. Purpose of the Meeting - Introduction and Background
2. Second Suites (Criteria and Financials)
3. Rooming Houses (Criteria)
4. Short Term Accommodations (Options)
5. Discussion and Next Steps

# Objectives for Permitting Second Suites

## Public Policy Objectives:

1. Safety is the primary motivator
2. Affordable housing should not be unsafe housing
3. Permitting through zoning and registration ensures that new and existing Second Suites meet Building and Fire Code requirements
4. Providing alternative housing options that reflect today's society
5. Removes barriers to compliance
6. Achieves the above objectives in a fiscally responsible manner

# Second Suites

OFFICIAL PLAN		ZONING	
Current	Proposed	Current	Proposed
Provided for in residential designations	No change	Only permitted in Markham Centre and coach houses	Only permit in singles, semis, and towns except in Special Policy Areas

<b>Second Suites</b>		
<b>Criteria Considered</b>	<b>Staff Comments</b>	<b>City of Toronto</b>
<b>Parking Considerations</b>	<ol style="list-style-type: none"> <li>1. Single detached, Semi Detached and Townhouse dwellings require two (2) parking spaces for each dwelling.</li> <li>2. Requiring an additional space may be excessive and have a negative impact on the streetscape (reduction in soft surfaces).</li> <li>3. Requiring additional parking would prohibit a Second Suite in many newer homes that only have two (2) parking spaces.</li> <li>4. Demand for parking spaces will be constrained by availability, particularly as on-street parking is typically restricted or not permitted in Markham.</li> <li>5. Dwellings containing a second suite will need to comply with the driveway width standards of Markham's Extended Driveway By-law.</li> </ol> <p>Conclusion: Staff recommend not requiring additional parking for second suites.</p>	<p><u>Secondary Suite - Parking Space Requirement in an R Zone</u></p> <ol style="list-style-type: none"> <li>1. No parking space is required for one secondary suite.</li> <li>2. In all other zones 1 parking space per unit.</li> </ol>
<b>Minimum/Maximum Size of Second Suite</b>	<ol style="list-style-type: none"> <li>1. Based on research done in other municipalities, having a minimum floor area of 35m<sup>2</sup> (377ft<sup>2</sup>) is appropriate.</li> </ol> <p>Conclusion: Staff recommend this criteria</p>	<ol style="list-style-type: none"> <li>1. Only required to have a floor area that is less than the primary unit.</li> </ol>

## Second Suites

Criteria Considered	Staff Comments	City of Toronto
<b>Entrances</b>	<ol style="list-style-type: none"> <li>1. Permitting only one entrance to the dwelling that faces the street will ensure that the physical character of the neighbourhood will not be affected by the introduction of a second suite.</li> <li>2. Second entrance may be considered through site specific development proposal (By-law Amendment or Minor Variance)</li> </ol> <p>Conclusion: Staff recommend this criteria.</p>	<p><u>Secondary Suite - Addition or Exterior Alteration</u></p> <ol style="list-style-type: none"> <li>1. Minor alterations are permitted provided that it does not significantly alter or add to the front of the dwelling.</li> </ol>
<b>Registration</b>	<ol style="list-style-type: none"> <li>1. Second suites that legally existed prior to November 16, 1995, must be registered as a two unit dwelling with the Fire and Emergency Services Department under the City's Registration By-law.</li> <li>2. The Registration By-law would need to be amended in order to apply to secondary suites that would become legal once the zoning by-law amendment is approved.</li> <li>3. Permitting and Registering second suites is the most effective way to ensure that the units are safe.</li> </ol> <p>Conclusion: Staff recommend requiring all second suites to be registered and therefore, recommend amending the Registration By-law.</p>	<ol style="list-style-type: none"> <li>1. No registration required.</li> </ol>



# Financials

## New Second Suite Process



OCCUPANCY  
GRANTED



REGISTRATION

	<u>Staff Hours</u>	<u>Cost</u>	<u>Current Charge</u>	<u>Shortfall</u>
BUILDING PERMIT PROCESS	15	\$ 1,276	\$ 916	\$ (360)
BY-LAW EXTERIOR PROPERTY INSPECTION	6	\$ 470	-	\$ (470)
	<u>21</u>	<u>\$ 1,746</u>	<u>\$ 916</u>	<u>\$ (830)</u>

After initial re-inspection, additional charges/fines will be added to recover operating costs for further inspections, deficiencies, court costs, etc.



# Financials

## Existing Second Suite Process

FIRE INSPECTION  
PROCESS

<u>Staff Hours</u>	<u>Cost</u>	<u>Current Charge</u>	<u>Shortfall</u>
20	\$ 1,969	\$ 480	\$ (1,489)



BUILDING PERMIT  
PROCESS

15	\$ 1,276	\$ 916	\$ (360)
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OCCUPANCY GRANTED



BY-LAW EXTERIOR  
PROPERTY INSPECTION

6	\$ 470	\$ -	\$ (470)
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REGISTRATION

<u>41</u>	<u>\$ 3,715</u>	<u>\$ 1,396</u>	<u>\$ (2,319)</u>
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After initial re-inspection, additional charges/fines will be added to recover operating costs for further inspections, deficiencies, court costs, etc.

# Financial Impacts

## New Second Suites

- For owners who wish to convert their basement into a second suite, only Building and By-laws need to be involved. Both departments can staff up for peak periods through the use of contract staff.
- The financial impact would approximately be the number of applications multiplied by the net cost per application (Total cost is \$1,746 per unit based on an estimated 21 hours of staff time; net cost will be determined based on whether Council opts for full cost recovery or not).
- It is not expected that the volumes will be high for **new** second suites



# Financial Impacts

## Existing Second Suites

- Existing second suites will have the biggest financial impact to the City
- The impact is unknown at this time, but the following decision points will impact the net costs to the City:
  - Full Application and Administration Cost Recovery or Partial?
  - Pro-active or Reactive enforcement?
  - Amnesty period for the first year?

# Financial Impacts

## Existing Second Suites

- Unlike new second suites, the inspection of each existing second suites requires 20 hours of Fire inspection staff time (on top of the 21 hours for Building and By-laws) for a total cost of approximately \$3,715 per unit.
- Unlike Building and By-laws, contract staff cannot be used to undertake the fire inspection activities. Any decisions that increase volumes in the initial years (i.e. proactive enforcement, amnesty for the first year, reduced fees) will have a long-term financial impact even if Council opts for full cost recovery.
- Fire is only currently staffed to handle 15 existing second suites per year. For every additional 60 existing second suites per year, Fire requires an additional FTE.

# Financial Impacts

## Existing Second Suites

- The following is **an illustrative example** of the long term costs associated with the Fire department even if Council opts for full application and administration cost recovery:

	Year 1 -3	Year 4+
<b>Volume</b>	300/year	60/year
<b>FF Staff Hired</b>	5	5
<b>Annual Fire Cost</b>	(\$750,000)	(\$750,000)
<b>Annual Fire Revenue</b>	\$750,000	\$150,000
<b>Net Cost</b>	\$0	(\$500,000)

- Note that the costs continue out into the future regardless of the volumes in subsequent years

# Financial Impacts

## Existing Second Suites

- To avoid a significant long term financial burden, it is important to try to minimize the year to year fluctuations in volume. Starting with a full application and administration cost recovery, reactive enforcement and no amnesty period are ways to help reduce the risk of peak volumes that would result in long term expenses.
- Staff would be recommending a full application and administration cost recovery model and to start with only one additional Fire Staff being requested, which would allow for up to 75 inspections of existing second suites a year taking into account existing capacity. Volumes would be monitored and staffing levels may need to be adjusted as we obtain more data.

# Application and Administration Cost Recovery

## Pros:

1. Does not put a financial burden on existing residents who don't own a second suite
2. Places full financial burden on the people receiving the benefits (second suite owners)

## Cons:

1. Continues to promote the underground economy
2. Creates barriers for people who want to bring the unit up to code to ensure the safety of the unit.

## Recommendation:

Staff recommend updates to the Fee By-laws to incorporate full application and administration cost recovery for administrating and registering second suites

# Second Suites Synopsis

## Zoning By-Law

- Only permitted in Singles, Semis, and Towns
- Only allowed in a coach house where specifically permitted
- No more than two units on a lot
- Minimum area of 35 m<sup>2</sup>
- Only one entrance is permitted to face a street
- Main entrance not permitted through the garage door
- No additional parking required

## Registration By-law

- Registration by-law administered by Fire to be amended to apply to all second suites

# New Rooming Houses Zoning By-law Definitions

“**Rooming House Small Scale** means a building where lodging is provided in return for remuneration or services (or both) in 3 to 5 lodging rooms and where lodging rooms do not have both bathroom and cooking facilities for the exclusive use of individual occupants and may include one *dwelling unit* in addition to the lodging rooms, but does not include a residential use with support services.”

“**Rooming House Large Scale** means a building where lodging is provided in return for remuneration or services (or both) in more than 5 lodging rooms and where lodging rooms do not have both bathroom and cooking facilities for the exclusive use of individual occupants and may include a *dwelling unit* in addition to the lodging rooms, but does not include a residential use with support services.”

“A **Dwelling Unit** means a unit consisting of one or more rooms, which contains cooking, eating, living and sanitary facilities and is not a *rooming house*.”

# Rooming Houses

## Official Plan Recommendations

### Definition:

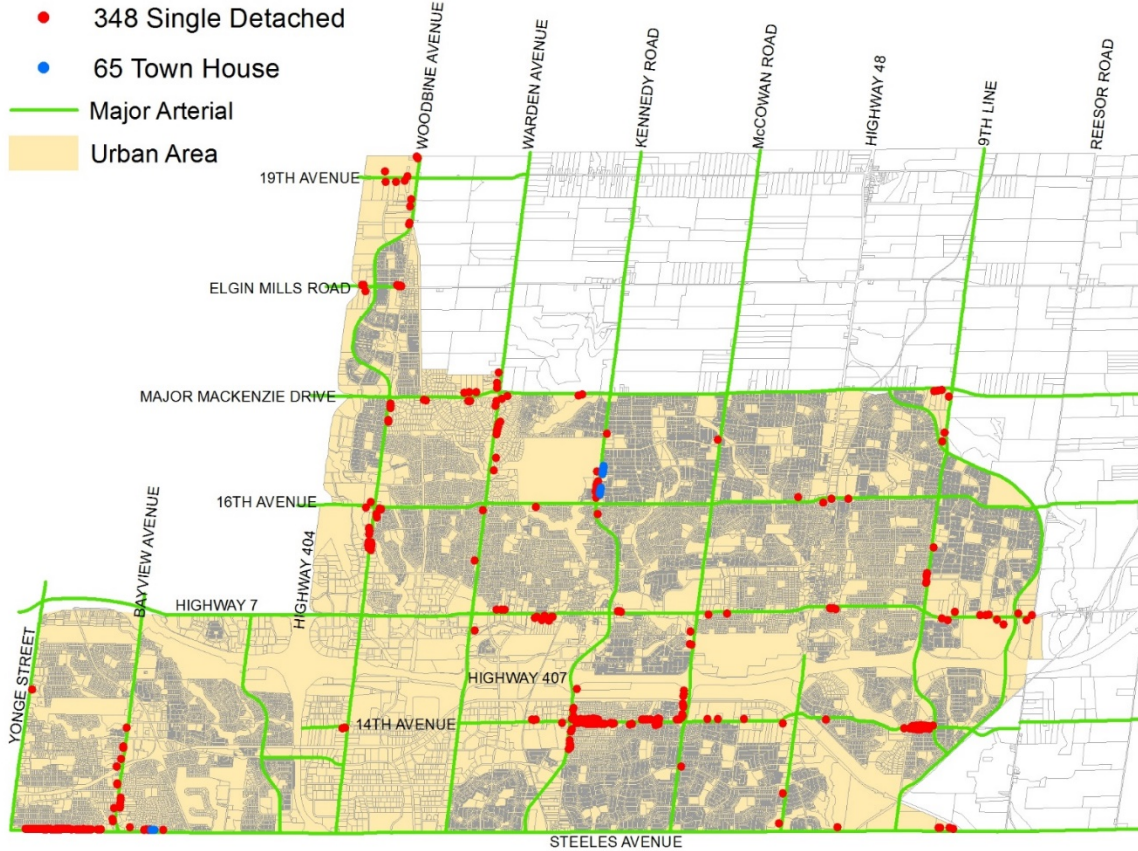
The location of *shared housing* in the form of a rooming house shall be restricted to single detached, semi detached and townhouses in designated residential areas that front onto and have sole vehicular access from an arterial road within the “Urban Boundary” that are built in accordance with all applicable codes, by-laws and regulations.



# Rooming Houses

OFFICIAL PLAN		ZONING	
Current	Proposed	Current	Proposed
Included under Shared Accommodation category	<p>Add criteria as follows:</p> <ol style="list-style-type: none"> <li>1. Only in single detached, semi detached and townhouses</li> <li>2. Only in designated residential areas</li> <li>3. Frontage on and access from an arterial road within the “Urban Boundary”</li> <li>4. Site Specific ZBA required (rather than COA)</li> </ol>	Defined in 27 of 42 by-laws, but not permitted in any zone	Define and not permit in any zone

<b>Rooming Houses</b>		
<b>Criteria Considered</b>	<b>Staff Comments</b>	<b>City of Toronto</b>
<b>Not Permitted except through Re-Zoning</b>	<ol style="list-style-type: none"> <li>1. Anyone can apply to the Committee of Adjustment even if Official Plan directs that the proposal should be evaluated through a rezoning application.</li> <li>2. The Official Plan can be amended to include provisions for approval of a Rooming House by Zoning By-law Amendment rather than the Committee of Adjustment.</li> <li>3. However, if an application is made, the COA may make a decision to approve and if so, that decision may be appealed.</li> </ol> <p>Conclusion: Staff recommend OP provision requiring re-zoning and no as of right permission in Zoning By-law.</p>	<ol style="list-style-type: none"> <li>1. Only permitted certain zones in the former cities of York, Toronto and Etobicoke.</li> <li>2. Rooming houses that operate in Toronto and Etobicoke must be licensed.</li> <li>3. City Staff are currently conducting a study that seeks to expand permissions for rooming houses to other residential zones in Scarborough, East York and North York.</li> </ol>
<b>Locational Requirements</b>	<ol style="list-style-type: none"> <li>1. All Arterial roads within the “Urban Boundary” of Markham are well served by public transit.</li> <li>2. Restricting Rooming Houses to single detached, semi detached and townhouses in designated residential areas that front onto and have sole vehicular access from an arterial road within the “Urban Boundary”, is appropriate as residents of Rooming Houses may be less likely to own motor vehicles and rely more heavily on public transit than other residents of the City.</li> </ol> <p>Conclusion: Staff recommend restricting Rooming Houses to single detached, semi detached and townhouses in designated residential areas that front onto and have sole vehicular access from an arterial road within the “Urban Boundary”.</p>	<p>In Etobicoke:</p> <ol style="list-style-type: none"> <li>1. Is in a building originally constructed as a detached house;</li> </ol> <p>In former City of Toronto:</p> <ol style="list-style-type: none"> <li>1. Is in the whole of a building originally constructed as a detached or semi detached house;</li> </ol>



## Rooming Houses

<b>Criteria Considered</b>	<b>Staff Comments</b>	<b>City of Toronto</b>
<p><b>Parking Considerations</b></p>	<ol style="list-style-type: none"> <li>1. Single detached, Semi Detached and Townhouse dwellings require two parking spaces for each dwelling.</li> <li>2. Requiring an additional one (1) or two (2) spaces may be excessive and have a negative impact on the streetscape (reduction in soft surfaces).</li> <li>3. Demand for parking spaces will be constrained by availability, particularly as on-street parking is typically restricted or not permitted in Markham.</li> <li>4. Rooming Houses will need to comply with the driveway width standards of Markham's Extended Driveway By-law.</li> </ol> <p>Conclusion: Staff recommend not applying standard parking requirements, however require sites to be located near public transit. Let an individual application be reviewed based on its own merits to determine if appropriate parking is provided on site for the scale proposed.</p>	<ol style="list-style-type: none"> <li>1. 1 parking space for each 3 rooms in former Cities of Toronto and York.</li> <li>2. In Etobicoke—1 space for the owner and 1 space for every 2 units.</li> <li>3. Staff have proposed that in the new by-law the standard be changed to 1 for every 4 rooms in most of the City and 1 for every 6 rooms in the downtown.</li> </ol>
<p><b>Distance Separations</b></p>	<ol style="list-style-type: none"> <li>1. It is not advised to prescribe minimum distance separations to rooming houses in the OP or Zoning By-law as it will be seen as discriminatory and likely violates the Ontario Human Rights Code.</li> </ol> <p>Conclusion: Staff recommend not applying distance separation to rooming houses.</p>	<ol style="list-style-type: none"> <li>1. Etobicoke has a 300 metre distance separation, which is being reviewed as part of the City wide review of rooming houses.</li> </ol>

## Rooming Houses

Criteria Considered	Staff Comments	City of Toronto
<p style="text-align: center;"><b>Restrict to Key Development/Intensification Areas</b></p>	<p>1. Only providing for rooming houses in Intensification/Key Development Areas is problematic as existing housing stock in these areas is not typically conducive to rooming house built forms (i.e. singles, semi's and towns).</p> <p>2. Directing rooming houses to these areas would likely extend the "life" of these underdeveloped properties which would be inconsistent with the vision of these areas for more intensive lands uses.</p> <p>Conclusion: Staff recommend not restricting opportunities for rooming houses to Intensification/Key Development Areas only. Let an individual application be reviewed based on its own merits.</p>	<p>1. Not applicable/considered</p>
<p style="text-align: center;"><b>Prohibit use in Duplex, Triplex, Fourplex and Apartments</b></p>	<p>1. Use is not appropriate in Duplex, Triplex, Fourplex and Apartments as they are already intensive uses.</p> <p>Staff recommend that the OP prohibit Rooming Houses (Large or Small) in these dwelling types.</p>	

# Rooming Houses Synopsis

## Official Plan

- Only considered in single detached, semi detached and townhouses in designated residential areas that front onto and have sole vehicular access from an arterial road within the “Urban Boundary”
- Site Specific Zoning By-law Amendment required (rather than COA)

## Zoning By-Law

- Not permitted as-of-right anywhere in the City
- No additional parking required

## Licensing

- Develop licensing by-law if site specific application is approved by Council

1. Requires a Statutory Public Meeting
2. Is a full public process under the Planning Act
3. Council makes the final decision to approve or deny
4. Decisions by Council can be appealed to Local Planning Appeal Tribunal (LPAT) – formerly OMB

### Pros of Site Specific Re-zoning

- Provides Council with direct approval
- Provides for public input on a proposed application
- Official Plan provisions can direct that applications go through a Zoning By-law Amendment process rather than through the Committee of Adjustment process (with limitations)

### Cons Site of Specific Re-zoning

- Lengthy and costly process may encourage illegal operations
- Re-zoning may result in an increased volume of applications which could create staffing challenges in processing applications in a timely manner
- Zoning creates approvals in perpetuity. Once approved, cannot be revoked unless there are sound planning reasons for rezoning
- May be cost prohibitive to those proprietors who only operate on a periodic basis



1. A Temporary Use By-law is a planning process where Council has the opportunity to permit a use for a limited amount of time
2. The maximum number of years that a Temporary Use By-law can be in force in three (3) years
3. A Temporary Use By-law can be extended with the approval of Council
4. A Temporary Use By-law requires a Statutory Public Meeting
5. A Temporary Use By-law is a full public process
6. Council makes the final decision to approve or deny an application
7. Decisions by Council are appealable to Local Planning Appeal Tribunal (LPAT) – formerly the OMB

### Pros of Site Specific Temporary Use By-law

- Provides Council with direct control based on a specific application and Council can choose not to extend the terms of the by-law
- Provides for public input
- Official Plan provisions can direct applications through a Temporary Use By-law Amendment process rather than through the Committee of Adjustment process
- Council can apply fixed term site specific approvals of up to three years. By-law expires after term limit.
- Application for renewal and full public process required prior to extending the terms of the by-law

### Cons of Site Specific Temporary Use By-law

- Lengthy and costly process may encourage illegal operations
- Onerous and costly process especially for proprietors who only operate on a periodic basis
- Re-zoning may result in substantial volume increases in applications which could create staffing challenges.
- Once an application is initially approved, it may be difficult to justify denial to extend the temporary use (must be based on planning reasons)



1. Permitting as of right would allow STA's in single detached, semi detached, duplexes, triplexes, Fourplexes and apartment units in the City of Markham
2. Not a public process

### Pros to permitting As of Right

- Less onerous on individual proprietors as lengthy and costly public process and public participation would be avoided
- Would encourage compliance through licensing as the time to process a license and associated costs would be substantially less than through re-zoning

### Cons to permitting As of Right

- Does not promote affordable housing as Second Suites may be used as STA's which typically charge more on a nightly or longer term basis
- Individual proprietors would be able to avoid public process and public input/participation would not be considered
- Decisions out of the hands of Council

## KEY BENEFITS TO LICENSING:

- **Health and Safety Benefits**
  - Require inspections for Fire, Building and Property Standards
- **Consumer Protection**
  - Require proper business insurance
  - Reporting requirements for the Booking Agency (i.e. Airbnb, VRBO etc..)
  - Require police background checks
- **Nuisance**
  - Require the property to be the principal residence of the Operator
  - Require 24/7 contact information from the “host”
  - Compliance with all City by-laws
- **Revocation Powers**
  - City can revoke a license where the licensee has failed to meet the requirements of the Licensing By-law or is subject to multiple complaints or convictions of any law or by-law
- **Other Considerations**
  - Require licensing and inspection fees
  - Require that signage to be posted on the property when a license has been requested
  - Ability to tax the activity

# Short Term Accommodations

OFFICIAL PLAN		ZONING	
Current	Proposed	Current	Proposed
Not Defined (Bed and Breakfast)	Define and add criteria	Not Defined	<p>Three options for discussion:</p> <ol style="list-style-type: none"> <li>1. Site Specific Re-zoning <b>and require Licensing</b>; or,</li> <li>2. Site Specific Temporary Use By-law <b>and require Licensing</b>; or,</li> <li>3. Permit in Zoning By-law <b>and require Licensing</b></li> </ol>

# Short Term Accommodations Zoning By-law

- Add the following definition in the zoning by-law:

“**Short Term Accommodation** means an establishment that operates or offers a place of temporary residence, lodging or occupancy by way of concession, permit, lease, license, rental agreement or similar commercial arrangement for overnight accommodation, for one or more periods of less than 30 consecutive days.”

- Should Council choose to permit an STA, additional standards such as limiting the maximum number of days to 180 in a calendar year, restricting the use to specific building types (i.e., singles, semi's, towns), and limiting the use to the principal residence of the proprietor of the establishment, may be considered.

# Short Term Accommodations Official Plan

- Add STA definition to the Official Plan.
- Provide for STAs in certain Residential and Mixed Use Areas, subject to meeting specific use criteria.
- Add a new Specific Use Section to the Official Plan that would limit STAs to building types provided for in the Official Plan in accordance with all applicable codes, by-laws, regulations and Official Plan policies.

# Discussion







BUILDING MARKHAM'S  
FUTURE TOGETHER  
2015-2019 Strategic Plan





# Background

- March 2016 - DSC directed staff to advance work on Secondary Suites, Rooming Houses and Short Term Accommodations.
- July 2016 - Special DSC meeting held to discuss options for Secondary Suites, Rooming Houses and Short Term Accommodations.
- October 2016 - Public Open House.
- December 2016 - Statutory Public Meeting of Phase 3A - Matter referred back to staff to explore policy criteria.
- June 2017 - Council approves staff report recommending that Statutory Public Meeting be held in Fall 2017.
- Oct 3, 2017 - DSC Public Meeting on Rooming Houses and Short Term Accommodations - Committee recommends matter be brought back in early 2018.
- February 26, 2018 – Interim Report to DSC – Committee requested additional information to be presented at a Special Evening DSC Meeting (March 27, 2018)