MEMO

TO: Chrystal Fuller, Town of Wolfville
DATE: February 12, 2015
FROM: FOTENN Consultants Inc.

Lodging, Boarding and Rooming Houses in the Town of Wolfville

This memo has been prepared by FOTENN Consultants Inc. to present background information and recommendations on possible approaches to addressing some of the identified problems around lodging, boarding and rooming houses in the Town of Wolfville. The memo is structured as follows:

1. Background and Context
2. Current Planning Documents
3. Review of Ontario University/College Municipalities: Definitions
4. Review of Ontario University/College Municipalities: Licensing
5. Review of University/College Municipalities: Nova Scotia and New Brunswick
6. Some Notes on Precedent Case Law
7. Human Rights and Rental Housing Licensing
8. FOTENN’s Direction for the Current Draft Documents
9. Specific Recommendations for a Future Licensing By-law
10. Next Steps: Implementing a Wolfville Approach to Residential Rental Housing
11. Options for Wolfville
   - Proposed Definitions for the Revised Wolfville LUB
   - References and Resources

The memo concludes by presenting a set of proposed definitions for the revised Wolfville Land Use By-law based on the research completed. This memo is not intended to be comprehensive, rather, it presents an overview of the areas outlined above and recommendations for possible direction based on approaches in other municipalities. A list of resources and references consulted is also included.
Recommendations:

A. Introduce policies regarding Residential Rental Uses (including boarding, lodging and/or rooming houses) in the Municipal Planning Strategy (MPS).

B. Introduce definitions for Residential Rental Uses in the Land Use By-law (LUB).

C. Control the locations of Residential Rental Uses through Zoning in the Land Use By-law.

D. Introduce licensing of boarding, rooming and/or lodging houses (“Residential Rental Uses”) in Wolfville. Reasons for introducing licensing include: minimum health and safety standards, human rights, and protection of neighbourhood character.

E. In order to fully implement this approach and comprehensively address the current situation in Wolfville, FOTENN recommends that the Licensing By-law come forward at the same time or in advance of the Land Use By-law. This may have implications for the Phase II Public Consultation Strategy and timeline. A detailed public conversation about licensing should be added to the Phase II consultation if this approach is chosen.

F. FOTENN recommends Wolfville seek a legal opinion on the overall approach to controlling residential rental uses that considers potential human rights aspects. As this issue may be of interest to many Nova Scotia municipalities, it may also be helpful to consult the Nova Scotia Human Rights Commission for guidance.

1. Background and Context

Wolfville residents have expressed concern that residential neighbourhoods in the Town are being eroded by the gradual conversion of large, single-detached dwellings into rental housing, often with five or more tenants. Sometimes referred to as “Student Houses”, these dwellings may contain more bedrooms than originally intended. Properties being used in this manner can have greater impacts on adjacent properties in terms of noise, waste and parking. These properties also seem to require higher levels of building maintenance, and when converted, run the risk of having their original architectural character eroded through poor property maintenance. From a tenants’ perspective, converted older buildings may have structural or safety issues that make them less secure than modern constructions. However, this form of housing can also have important social benefits for students who may have no previous ties to Wolfville. International students are a major target market for Acadia University, and this type of housing can offer these students a community connection that bachelor or one-bedroom apartments cannot.

The traditional definition of a “Boarding House” included an on-site manager who provided meals to tenants. Public consultations have indicated this is not really what is going on in Wolfville, and that this is not a model that is desirable to students seeking independence. Rather, these large properties are rented by the room, tenants share the kitchen, bathroom(s) and common areas, and there is no on-site management. This model is more accurately described as a “Rooming House”. Some jurisdictions refer to these as “Lodging Houses”. Some aspects of these residential rental housing models may be controlled through land use planning, but there are other aspects that are more closely aligned with other legislation.
Boarding, rooming and lodging houses are frequently grouped together in fire and building codes as they share many life-safety characteristics. In the Nova Scotia Fire Safety Regulations, these are distinguished from other residential occupancies by reason of having more than three (3) units. Section 35 of the Fire Safety Regulations applies to boarding, rooming and lodging houses that:

- Are less than three (3) storeys in height;
- Have a building area smaller than 600m²;
- Provide lodging for more than three (3) persons in return for remuneration or the provision of services or both; and
- Do not have bathroom and kitchen facilities for the exclusive use of individual occupants.

Finally, recent Ontario case law around residential rentals has garnered a lot of public attention, however the Ontario policy and regulatory context, for both land use and business licensing, remains different from Nova Scotia’s. To that end, this memo includes a review of both the Ontario regulatory context for licensing, and Ontario Municipalities’ approaches to licensing Residential Rentals in order to provide the full context for the Ontario examples discussed.

2. Current Planning Documents

Wolfville’s current Municipal Planning Strategy (MPS) and Land Use By-law (LUB) do not contain any policies or regulations on Boarding, Rooming, or Lodging Houses. Since these are all dwellings, they are perceived to be permitted in all residential zones. In the absence of a definition, these have been considered to fall under the “Single Dwelling Unit” definition.

The current LUB sets out to control multi-unit dwellings through bedroom caps. A three-unit dwelling may contain a maximum of 8 bedrooms, while a four-unit dwelling may contain a maximum of 10 bedrooms. New multi-unit dwellings with more than four dwelling units may contain an average of 3 bedrooms per dwelling unit. Consultation with landlords and developers revealed that these bedrooms caps, when taken together with the dwelling unit definition that limits the amount of floor space dedicated to sleeping areas to 40% of the dwelling unit, can result in difficulties for developers who wish to build smaller (i.e. one-bedroom) units in Wolfville.

In 2015, the Town sought a legal opinion on the interpretation of residential land uses in the Land Use By-law in the context of student housing in residential zones. This legal opinion recommended that Council consider limiting the number of bedrooms in a single unit dwelling in R-1 and R-1/A zones, as well as amend the LUB to clarify what a boarding or rooming house is, and when and where these uses are permitted.

3. Review of Ontario University/College Municipalities: Definitions

Several Ontario municipalities with large student populations were reviewed in detail, including Waterloo, Oshawa, Kingston and Ottawa. The initial review of Ontario University/College municipalities examined the suite of residential definitions that describe dwelling units and shared accommodation. The review revealed the following definition trends in Land Use or Zoning By-laws:
DWELLING UNIT
- Self-contained set of rooms
- Contains sanitary and kitchen facilities
- Designed for use as a “single housekeeping establishment” or “household”

LODGING UNIT (or LODGING ROOM)
- Designed to be used for sleeping accommodations
- May contain a kitchen OR a washroom for exclusive use of the room’s occupant, but not both.

LODGING HOUSE
- Provided to persons for remuneration OR for the provision of services, or both
- Waterloo: Five or more lodging units
- Oshawa: Three to ten lodging units
- Does NOT include: bed and breakfast, hotel, residential unit, hospital, nursing home, home for the young or the aged, institution etc. that is licensed, approved or supervised under any other act.

SINGLE HOUSEKEEPING ESTABLISHMENT (or HOUSEHOLD or HOUSEKEEPING UNIT)
- Waterloo: “One or more persons living together as a single nonprofit, independent housekeeping unit, sharing all areas of the dwelling.

UNCOMMON DEFINITIONS - GENERALLY NOT USED
ROOMING HOUSE
- Generally not used
- Ottawa uses Rooming House as “Lodging House” above.

BOARDING HOUSE
- Generally not used
- Appears to be covered by the definition of Lodging House in many municipalities, which may or may not include meals.

LODGER
- Generally not used.

The Ontario municipalities reviewed do not specify or require on-site management in their regulatory documents. Due to inconsistencies in definitions of rooming, boarding and lodging houses between fire code, building code, and planning documents, some municipalities have taken the approach of grouping these together for clarity.

Evolving Regulations
In the wake of several Ontario court rulings (Good v Waterloo, Windfields), some Ontario municipalities are shifting away from controlling boarding, lodging and rooming houses through zoning. The definitions above contain the elements of the “factors which comprise a ‘lodging house operation’” as set out in the Windfields decision. However, it is still difficult to define these uses in a way that does not distinguish between occupants on the basis of relationship. Section 32(2) of the Ontario Planning Act specifically states that municipalities cannot pass by-laws that distinguish between persons who are related and persons who are
unrelated, including the occupancy or use as a single housekeeping unit. The Nova Scotia MGA gives us no such black-and-white direction.

4. **Review of Ontario University/College Municipalities: Licensing**

The Ontario Municipal Act 1990 allowed municipalities to pass by-laws for licensing, regulating and governing lodging houses. Some jurisdictions began to license lodging houses under this legislation. The 1990 Act has since been repealed. The current Ontario Municipal Act 2001 allows municipalities to license, regulate and govern any business wholly or partly carried on within the municipality.

Ontario municipalities are shifting toward regulating boarding, rooming and lodging houses as businesses from a health and safety perspective through licensing by-laws. Waterloo, Oshawa, Kingston and Ottawa all take this approach, along with other Ontario municipalities. Some municipalities characterise these uses as “residential rental businesses”.

Licensing By-laws generally include provisions for licensing requirements, classes of licenses, issuance, revocation or suspension of licenses, appeals, including the creation of a Licensing Appeal Tribunal, notice, inspections, enforcement and penalties. Some examples of how these provisions are applied include Waterloo’s licensing by-law, which establishes six classes of residential rental license, and Oshawa’s demerit points system which was established to encourage compliance with their licensing by-law.

Application requirements for these “Residential Rental Businesses” generally include:

- An application for a municipal license;
- Floor plans of the building indicating the number and size of bedrooms;
- A survey of the property;
- A police records check (for the owner and proposed manager of the property, if management is proposed);
- Proof of insurance (minimum $2 million per occurrence);
- A maintenance plan outlining compliance with the property standards by-law;
- A parking plan, outlining compliance with the Land Use By-law;
- Evidence that the rental property complies with the Fire Code and/or relevant legislation;
- Evidence that the rental property complies with any Electrical Safety Acts;
- Evidence that the rental property complies with the Building Code; and
- A licensing fee.

5. **Review of University/College Municipalities: Nova Scotia and New Brunswick**

Halifax, Antigonish, and Sackville NB were reviewed for their approach to controlling rental housing. Attempts to control boarding, rooming and lodging houses in these municipalities are less consistent than in Ontario. Halifax uses a definition of “Rooming House”, but also still uses “Family” as a basis for distinguishing single dwelling units. “Family” is undefined in the Halifax Land Use By-law. Halifax recently commissioned a report titled “Rooming Houses in
Halifax”, which details the inconsistency across the Halifax Regional Municipality. This report focuses mainly on rooming houses as an affordable housing option, and does not deal directly with student rental housing.

Similar inconsistencies are seen in the current Antigonish and Sackville, NB planning documents, neither of which define “Lodging House” or “Boarding House”. Antigonish appears to have investigated a rental housing licensing approach in 2011, but they do not appear to have a licensing by-law in place at the moment. It is FOTENN’s understanding that Antigonish is currently examining their approach with an eye to future revisions. Sackville, NB also does not appear to currently have a licensing by-law in place.

The Nova Scotia Municipal Government Act 1998 (MGA), Section 174 (a) states “a council may make by-laws respecting “the regulation and licensing of persons owning or operating rooming houses or boarding houses and regulating the maintenance, administration, operation and occupancy of buildings used as rooming houses or boarding houses and the land on which they are located”. This is in addition to the general and broad powers to make by-laws set out in Section 172 of the MGA. These general and broad powers include: health and safety, nuisances, businesses, safety and protection of property, property maintenance standards, by-law enforcement, regulation by dividing things into classes, setting fees and license time limits.

6. Some notes on precedent Case Law

Precedent cases reviewed in the preparation of this brief are all from Ontario, and the case law has not been tested in Nova Scotia. While the Supreme Court of Canada’s rulings do apply, FOTENN would not recommend the Town rely exclusively on precedent cases as a basis for drafting their definitions or by-laws. It is FOTENN’s understanding that while courts in one province may refer to decisions from courts in other provinces, they are not bound by them. It is also FOTENN’s understanding that precedent cases have distinguishing features that may be unique to their jurisdictions, and as such may not apply wholesale in another jurisdiction where the provincial and municipal statutes are different. A full list of precedent cases reviewed appears in the Resources section at the end of this memo.

The Ontario Human Rights Commission (OHRC) has produced several reports on human rights and rental housing, and several papers dealing with precedent cases and other jurisdictions facing similar issues (links to these are provided in the Resources section). OHRC’s perspective is that “although many believed that the Supreme Court of Canada’s declining leave to appeal in Death v. Neighbourhoods of Windfields Limited Partnership put to rest any human rights concerns regarding the definition of lodging houses, this is not the OHRC’s interpretation. None of the lower court cases examined any of the human rights issues. The Supreme Court of Canada dismissed the application for leave to appeal […] leaving these issues open, and questions remain about the intersection between human rights and the occupancy and zoning of lodging houses.”
7. Human Rights and Rental Housing Licensing

There are several points where Land Use By-laws and human rights collide. Land Use By-laws may control for compatibility of uses and adverse impacts on adjacent properties. The Canadian Charter of Rights and Freedoms protects our human right to safe and sanitary places to live, but also protects us from discrimination. Non-discrimination applies to all “code-protected” groups: you cannot discriminate on the grounds of disability, sexual orientation, age, religion, race, among others.

Housing is a fundamental human right, and while licensing can be a valuable tool for promoting the safety and security of tenants, it must be undertaken with great care to ensure it is not discriminatory. Some strategies may have the potential to be unintentionally discriminatory.

**Can we apply the by-law only to near-university neighbourhoods?** If a by-law is meant to serve legitimate planning or safety purposes, it should be needed by and applied to every part of the Town. A by-law that is applied first, or only, to a certain area is more likely to be seen as targeting the people within that particular area.

**Can we set a bedroom cap?** Arbitrary bedroom caps can reduce the availability of housing over time – they can exclude large families with children, or extended families. Caps based on medians or demographic averages may unintentionally penalize families or households that are not “average”. Bedroom caps may be appropriate in some cases (for example, to control parking) but there would need to be a variance procedure for houses that were originally constructed with more bedrooms than the cap allows.

**Can we set floor area requirements?** The Building Code sets out requirements for floor areas of different rooms in housing. By-laws that have floor area requirements that are more stringent than the building code may appear to be arbitrary. For example, limiting the percentage of a home that may be devoted to bedrooms in housing intended for rental purposes could be seen as discriminatory.

**What about setting a per-person floor area?** The Building Code also sets out minimum floor areas for bedrooms. People should be able to share a bedroom if they choose, without the landlord or municipality regulating this. “Per occupant” references can limit housing options for people who commonly share rooms, such as couples or families with children. Unless there is a necessary reason why rented units should be required to meet requirements that exceed the Building Code (when owned homes do not face the same requirement), requirements of this nature may be seen as discriminatory.

**What about minimum separation distances between Lodging, Boarding or Rooming Houses?** Minimum separation distances (MSD) were originally used to separate land uses such as industry and housing. Over time, these have evolved, and some municipalities apply MSDs to Lodging Houses. This means that if one Lodging House is established in one neighbourhood, others cannot be established within a certain distance or radius. However, an
owned house that may have the same number of bedrooms would not be subject to the MSD. This means that the MSD is not about regulating building form, but is regulating the occupants of the building. While MSDs may appear to facilitate the development of inclusive, mixed neighbourhoods, they can limit the sites available for alternative housing forms, and restrict the number of sites that are near services. Much of the case law dealing with MSDs relates to group homes for persons with disabilities, but an MSD approach to rental housing may adversely affect renters by restricting their options which could be seen as discrimination against renters or young people. Where MSDs are used, there must be a sound planning rationale for doing so.

The OHRC handbook "Room for Everyone: Human Rights and Rental Housing" contains detailed guidance and best practices from Ontario municipalities on these and other issues.

8. FOTENN’s direction for the current draft documents

Currently, for the submission of draft documents at the end of February 2016, FOTENN assumes that a licensing by-law will be brought forward at the same time as the LUB. The draft documents presented at the end of February will include the following changes which reflect Recommendations A through C presented at the beginning of this memo.

- Add policies to the MPS supporting the introduction of a boarding, rooming and lodging house by-law that will introduce licensing requirements for all residential rental uses across Wolfville.
- Add or amend LUB definitions to clarify the differences between Dwelling Units, Lodging Units, and Lodging (or boarding, or rooming) houses. Given the research outlined in this memo, FOTENN would recommend including definitions for Dwelling Unit, Detached Dwelling, Household, Lodging Unit and Lodging House in the LUB. Proposed definitions are included at the end of this memo.
- Introduce parking and waste storage requirements for these uses in the LUB.
- Restrict the locations of lodging, rooming and boarding houses through zoning.

9. Specific Recommendations for a Future Licensing By-law

Implementing an approach similar to the one in place in some Ontario municipalities will require a lot of work both in drafting the Licensing Rental By-law and in the ongoing administration. A comprehensive, Wolfville-wide approach has the advantage of treating all residential rentals equally, and protecting tenants, landlords, and property owners.

- Licensing should apply across Wolfville. If licensing only applies in certain areas, it may be construed as discriminatory and targeting certain populations.
- Licensing should apply to all rooming, boarding or lodging houses – all Residential Rental Businesses, as they are called in some Ontario municipalities. These licences are business licences, and as such do not distinguish between owner-occupied and non owner-occupied properties.
- The LUB definitions should be worded in such a way as to ensure that any number of “Lodging Units” above the number permitted as a right constitute a “Lodging House”, which therefore requires a license.
• Licenses should be on a scale, with higher fees and requirements for larger establishments. Some municipalities use 4 or 5 bedrooms as this threshold (Refer to Waterloo’s approach: up to four units requires one class of license, five + requires a different class of license).
• The Licensing By-law should reference other life-safety legislation, including the building and fire codes, other municipal by-laws controlling noise, nuisance, and property standards, and others, as applicable.

10. Next Steps: Implementing a Wolfville Approach to Residential Rental Housing

• Create a licensing by-law and associated transition and enforcement procedures.
• Establish the Wolfville approach to:
  - Maximum number of Lodging Rooms permitted as a right in a Dwelling Unit;
  - Submission requirements for licences;
  - Draft application forms;
  - Draft maintenance agreements (if required);
  - Classes of licences (if required);
  - Bedroom caps or thresholds (for license classes, if required);
  - Exceptions to licensing (purpose-built apartments? Co-operative housing? Affordable housing?)
  - Licensing fees; and
  - Infractions and violations.
• Ensure that revisions to draft documents (MPS, LUB, SBL) align with the future licensing by-law.
• Dedicate resources to transitional provisions during the introduction of the licensing requirements.
• Dedicate resources to ongoing enforcement of the Licensing By-law.
• Public consultation and education around the introduction of this new approach, including encouraging existing Lodging (or rooming, or boarding) houses to come forward to be licensed.

Neither the Land Use By-law nor a Licensing By-law alone can control all of the aspects of residential rental housing that the Town wishes to address. Some issues, such as setbacks, building size and parking will continue to be controlled through the Land Use By-law. A comprehensive approach will ensure that the LUB and the future Licensing By-law work together to support the Town’s goals, and provide certainty and clarity for all residents of Wolfville.
11. Options for Wolfville

**Option 1:**
Address recommendations A through C in the current Municipal Planning Review, and enable a future licensing program through policy.

Option 1 has the following advantages:
- Addresses the current lack of policy;
- Addresses the current lack of definitions;
- May help control applications for new developments of this nature.

However, Option 1 may also:
- Continue to leave the Town open to legal challenges; and
- Not address existing Residential Rental properties.

**Option 2:**
Pursue a comprehensive update including recommendations A through F that brings a Residential Rental Licensing by-law forward at the same time as the Land Use By-law.

Option 2 has the following advantages:
- Addresses the current lack of policy;
- Addresses the current lack of definitions;
- Provides an approach to controlling all Residential Rentals in Wolfville, including existing properties.

However, Option 2 may also:
- Require more time and Staff resources; and
- Have additional implications for the Phase II Consultation strategy and timeline.

FOTENN recommends that Wolfville pursue Option 2.
Proposed definitions for the Revised Wolfville LUB

Based on the research presented in this memo, FOTENN recommends that the following definitions appear in the Revised Wolfville LUB. Note that these represent a change from the definitions proposed during the workshops and consultations which took place on January 27th-28th, 2016 and that they will likely be subject to further changes during the Phase II Consultation, and subject to the direction the Town chooses with respect to licensing.

**Dwelling** means a building, or a portion thereof, used or intended to be used for residential occupancy. A Dwelling shall exclude Accommodations.

**Dwelling Unit** means a self-contained set of rooms designed or intended to be occupied by and for the use of an individual or household as a residence. A Dwelling Unit contains sanitary and kitchen facilities for the exclusive use of the residents of the Dwelling Unit. A Dwelling Unit may include up to X Lodging Units.

*FOTENN recommends that the Town determine how many Lodging Units, if any, are permitted as a right within a single Dwelling Unit. The Town may choose to require all Lodging Units to acquire a license, in which case no Lodging Units should be permitted as a right in any Dwelling Unit.*

**Accessory Dwelling Unit** means a self-contained dwelling unit with a maximum of 2 bedrooms that is secondary and subservient to a Detached Dwelling. An Accessory Dwelling Unit shall occupy a maximum of 25% of the overall floor area of the main Dwelling Unit. An Accessory Dwelling Unit shall not be considered a second dwelling unit on the lot for the purposes of this By-law. An Accessory Dwelling Unit shall not contain a Lodging Unit. Accessory Dwelling Units shall be restricted to Detached Dwellings.

*FOTENN recommends that the Town consider how Accessory Dwelling Units may fit into a future residential rental licensing strategy, and whether they shall be subject to licensing.*

**Detached Dwelling** means a building used or intended to be used as a single Dwelling Unit.

**Household** means one or more persons living together as a single nonprofit, independent housekeeping unit, sharing all areas of the Dwelling.

**Lodging Unit** means a room that is used or designed to be used for sleeping accommodations, which is

a) used exclusively by the resident or residents of the room;

b) not normally accessible to persons other than the resident or residents of the room; and

c) shall not include a kitchen and a bathroom for the exclusive use of the resident or residents of the room.

**Lodging House** means a dwelling with X or more Lodging Units which are provided to persons in return for remuneration, or for the provision of service, or for both. Lodging Houses exclude Accommodations, Bed and Breakfasts, Nursing Homes, and Residential Care Facilities.

*FOTENN recommends the Town determine the correct threshold for Lodging Units in Wolfville. Some municipalities use 5 or more, some use 3 to 10. Some municipalities divide Lodging Houses into classes based on the number of Lodging Units and the presence (or lack) of on-site management.*
Web Resources

Room for Everyone: Human Rights and Rental Housing  - Ontario Human Rights Commission

Waterloo – Residential Rental Housing Info Page
Waterloo – Residential Rental Licence By-law
Waterloo – Rental Housing Licence Application

OHRC calls for Waterloo to remove discriminatory sections of rental housing licensing bylaw - Ontario Human Rights Commission

Oshawa – Residential Rental Housing Info Page
Oshawa – Business Licensing By-law
Oshawa – Residential Rental License Application

Comment of the Ontario Human Rights Commission on the City of Oshawa’s student accommodation strategy (Reference to Windfields Decision) - Ontario Human Rights Commission

Proposed lodging house licensing bylaw and the associated proposed zoning bylaw amendment (Town of Ajax) - Ontario Human Rights Commission

Precedent Cases

Neighbourhoods of Windfields Limited Partnership v. Death, 2007 CanLII 31756 (ON SC)

Neighbourhoods of Windfields Limited Partnership v. Death, 2008 CanLII 42428 (ON SC)

Neighbourhoods of Windfields Limited Partnership v. Death, 2009 CanLII 497 (ON SC)

The Neighbourhoods of Windfields Limited Partnership v. Ronald Death, et al., 2010 ONSC 1800 (CanLII)

City of Ottawa v. Bentolila, 2006 ONCJ 541 (CanLII)

Good v. Waterloo (City), 2003 CanLII 14229 (ON SC)

Good v. Waterloo (City), 2004 CanLII 23037 (ON CA)


Smith et al. v. Township of Tiny, 1980 CanLII 1949 (ON CA)
Other References

- “City of Waterloo Rental Housing By-law and Program” Staff Report to Council, May 9, 2011.

- City of Waterloo By-law 2011-047: Being a By-law to provide for the Licensing, Regulating and Governing of the Business of Residential Rental Units in the City of Waterloo.

- Personal communication with City of Waterloo Planning and Enforcement Staff, February 2016.

- “Mississauga Proposed Zoning By-law Amendments – Definitions of Lodging House and Lodging Unit” Staff Report to Planning and Development Committee, December 1, 2008.


- “Residential Intensification in Kingston’s Near-University Neighbourhoods” School of Urban and Regional Planning, Queen’s University, Kingston, 2009


- Rooming House Management in Antigonish, personal communication c/o Chrystal Fuller, 2015.