

Staff Report



Corporate Services Department

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REPORT TO: Finance and Corporate Services Committee

DATE OF MEETING: August 12, 2024

SUBMITTED BY: Amanda Fusco, Director, Legislated Services, 519-741-2200 ext. 7809

PREPARED BY: Kristin VanDerGeld, Manager of Licensing, 519-741-2200 ext. 7854

WARD(S) INVOLVED: All

DATE OF REPORT: July 12, 2024

REPORT NO.: COR-2024-344

SUBJECT: Lodging House By-law

RECOMMENDATION:

That the Lodging House By-law be approved in the form shown attached to staff report COR-2024-344 as Appendix “A” to COR-2024-344,

That the fees set out in Appendix “B” of staff report COR-2024-344 be approved; and

That the request for two (2) Full Time Equivalent (FTEs) to support the administration, inspection, and enforcement of the Lodging House By-law be approved as part of the 2025 Budget.

REPORT HIGHLIGHTS:

- The purpose of this report is to provide follow-up as requested by the Committee of the Whole at the June 24, 2024, meeting.
- Staff have separated the lodging house provisions from the Shared Accommodation By-law as proposed in staff report COR-2024-233 and COR-2024-288 to create a stand-alone Lodging House By-law.
- The proposed Lodging House By-law compliments the recent amendments to the City’s Official Plan and Zoning By-Law to permit lodging houses city-wide in all residential zones.

BACKGROUND:

On June 24, 2024, the Committee of the Whole considered report [COR-2024-288](#) (Supplemental Shared Accommodation By-law) and report [DSD-2024-249](#) (City-wide Lodging House Review) which sought approval to allow lodging houses city-wide in conjunction with a proposed licensing framework that would regulate both lodging houses and short-term rentals in the form of a Shared Accommodation By-law. While the amendments to the City’s Official Plan and Zoning By-Law to permit lodging houses city-wide in all residential zones were approved, staff were

directed to separate the proposed licensing regulations for Lodging Houses into a stand-alone by-law.

REPORT:

This staff report includes a new by-law for Lodging Houses that aims to improve the ability to ensure public safety, consumer protection, and nuisance control while also reducing barriers for property owners. Some of the key changes include more robust licensing requirements, enhanced property maintenance measures, enhanced safety measures by way of mandatory inspections, advertising requirements, the implementation of a Lodging House Handbook and a Dedicated Responsible Person. Based on feedback received, licensing fees have been reduced and the ability to apply online through our public portal will be made available for applicants.

The proposed updates to licensing for Lodging Houses aligns with the updates to the Official Plan and Zoning By-Law to permit lodging houses city-wide in all residential zones.

Currently, there are only 15 licensed Lodging Houses in Kitchener. Staff's initial projections are that there are approximately 150-300 unlicensed Lodging Houses operating in the City. For the program to be successful, additional resources are required as there is currently no capacity for the existing staff to administer, inspect, or enforce the proposed by-law now that it applies city-wide. Further financial details regarding the projected cost of the staffing complement are included in the Financial Implications section of this report.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

If supported by Council the Lodging House Program would have operating budget financial implications associated with the cost of 2 full-time employees (salary and fringe benefits). Staffing includes a Business Licence Inspector \$102,687 and Property Standards Officer \$131,120. The recruitment of 2 full-time equivalents (FTE's) to oversee the administration, inspection, and enforcement of the Lodging House By-law is a minimum requirement for ensuring the success of the program. Staff is recommending that given the city-wide application of lodging house licensing, and the enhanced licensing requirements in the proposed by-law that two additional staffing be approved as part of the 2025 budget. This approval would allow staff to recruit for these positions in December 2024 to have staff in place for the program launch on January 1, 2025.

Based on the estimated number of 150-300 new Lodging House applications the anticipated licensing revenue generated will be between \$112,500 - \$225,000. The licensing fees will be used for expenses relating to staffing, however additional funding required will be offset by any divisional/departmental surpluses or the tax stabilization reserve.

PREVIOUS REPORTS/AUTHORITIES:

- COR-2024-288 Supplemental Report Shared Accommodation By-law

- DSD-2024-249 Supplemental Report to DSD-2023-446 – City-wide Lodging House Review
- DSD-2023-446 City-wide Lodging House Review (OPA21/004/COK/AR, ZBA21/040/K/NG)
- COR-2024-233 – Shared Accommodation By-law
- DSD-2021-11 - Lower Doon land Use Study Recommendations Report
- DSD-20-214 - Housing for All - City of Kitchener Housing Strategy
- *Municipal Act, 2001*
- *Planning Act*

APPROVED BY: Victoria Raab, General Manager, Corporate Services

ATTACHMENTS:

- Attachment A – Lodging House By-law
- Attachment B – Lodging House Licensing Fees