



Report
Staff Report
 The Corporation of the City of Brampton
 12/11/2024

Date: 2024-11-27

Subject: **Occupancy Standards and Overcrowding in Rental Accommodations (RM 63/2024)**

Contact: Robert Higgs, Director, Enforcement & By-law Services

Report number: Legislative Services-2024-921

RECOMMENDATIONS:

1. That the report from Allyson Sander, Strategic Leader, Project Management, Legislative Services, to the City Council Meeting of December 11, 2024, re: *Occupancy Standards and Overcrowding in Rental Accommodations (RM 63/2024)*, be received;
2. That City Council approve the proposed amendments to the Property Standards By-law 165-2022, as amended, regarding occupancy standards;
3. That City Council approve the proposed amendments to the Administrative Penalty (Non-parking) By-law 218-2019, as amended, regarding fines for repeat offenders;
4. That staff be directed to facilitate any required amendments to the current and draft Zoning By-laws to accommodate changes in occupancy standards;
5. That staff be directed to report back to City Council with an amending by-law to establish new user fees related to non-compliance and repeat re-inspections;
6. That staff be directed to review the Council-approved Second Unit Task Force and report back with recommendations to enhance its effectiveness in addressing evolving trends and improving service delivery, including identifying optimal staffing levels.

OVERVIEW:

- **Developing trends in the local private rental market continue to raise concerns about community well-being, including issues with unauthorized construction, unlicensed contractors, absentee landlords, and unsafe overcrowding. In September 2024, staff were directed to review regulations pertaining to occupancy and overcrowding in rental accommodations (CW343-2024).**
- **The Property Standards By-law 165-2022 establishes occupancy standards to prevent overcrowding by prohibiting the conversion of rooms for sleeping purposes. However, some landlords choose to increase bedroom occupancy levels of authorized bedrooms to maximize rental income, disregarding the public health and safety risks to tenants.**

- **Staff recommend establishing scaled minimum floor area requirements to provide stronger guarantees against overcrowding and ensure adequate space per occupant for health and safety. Staff also recommend graduating fines for violations of By-law 165-2022 to increase the penalties for repeat offenders.**
- **Further, since Council approved the Second Unit Task Force in 2017, the concept of second units in Ontario has significantly evolved, expanding the scope of service demands and Task Force responsibilities.**
- **Staff are evaluating the mandate and operating model of the Task Force to ensure it remains effective in addressing these emerging challenges; including exploring the potential restructuring into a "Rental Compliance Unit" to sustain service levels and strategically align resources for maximum efficiency.**
- **To ensure adequacy in recovering costs associated with non-compliance, staff are also reviewing appropriate user fees for repeat re-inspections, ensuring that those who fail to comply bear a greater share of the financial responsibility.**
- **Recommendations resulting from these reviews will be brought back to Council in future staff reports with consideration given to other project milestones including the adoption of the new draft Comprehensive Zoning By-law and the evaluation of the Residential Rental License Pilot Program.**
- **Pending Council approval, the recommendations in this report will result in anticipated maximum revenue of \$277,100 depending on the number of fines issued.**

BACKGROUND:

Recent provincial legislative changes aimed at increasing the housing supply through additional residential units have significantly altered the local landscape of rental housing. While these initiatives are intended to address critical housing affordability and availability issues, they also present municipalities with new challenges in regulatory oversight and implementation. The City of Brampton has identified several key themes related to illegal construction, unlicensed contractors, unauthorized rental accommodations, absentee landlords, and unsafe overcrowding, as highlighted in a recent [Council Workshop](#) and Council resolutions; including [CW343-2024](#) directing staff to report back in Q4 with a path forward to regulate and enforce occupancy standards and overcrowding.

These emerging complexities challenge the existing operating model and have the potential to impact the delivery of municipal services to residents, including the enforcement thereof. This report will inform Council about work being undertaken to review the City's housing-related enforcement and inspection processes to modernize its approach and better serve the community, including the enforcement of new occupancy standards. Further analysis is underway to transition from a traditional enforcement-focused model to a customer-centric and adaptable system to effectively address the evolving needs of the city. These enhancements are intended to strengthen service delivery, improve public safety, and streamline operations across various departments.

CURRENT SITUATION:

Enforcement and By-law Services, Fire and Emergency Services, and Building Division staff have observed concerning trends in rental accommodation conditions. Incidents of overcrowding and unsanitary living conditions are regularly identified, including multiple tenants occupying a single room and inadequate provisions for furniture and egress. Additionally, staff have encountered incidents of unauthorized room conversions that do not adhere to Building Code and Fire Code requirements, often involving temporary partition walls, curtain-like doors, and insufficient ventilation or natural light. While recognizing the pressing need for affordable housing, staff emphasize the importance of ensuring that rental accommodations are safe and compliant to protect occupant well-being.

Occupancy Standards

The City of Brampton, through the [Property Standards By-law](#), regulates occupancy standards in all dwellings and units across the city. This by-law requires rooms provided for sleeping purposes be constructed under a building permit issued by the city and in accordance with Ontario Building Code requirements for a bedroom, including minimum floor area requirements of 7m² (Section 24). This means that no other rooms can be converted ad hoc to accommodate more occupants, leading to overcrowding. Since adding these offences to the by-law in 2022, 266 penalty notices have been issued, totaling \$65,000 in fines.

However, staff recognize that some landlords exploit the demand for housing by increasing bedroom occupancy levels to maximize rental income, disregarding the public health and safety risks to tenants, especially in shared accommodations. These risks include increased fire hazards, the spread of infectious diseases, poor indoor air quality, and negative impacts on mental health. Therefore, staff recommend amendments to the by-law that considers the external impact on the larger community, while providing safeguards for occupant safety and wellbeing.

Recommendation: Amend the Property Standards By-law to establish scaled minimum bedroom floor area requirements.

Building permits generally review the occupant load of a floor area based on two persons per sleeping room in a dwelling unit, in addition to the current provisions regulating the construction and use of bedrooms. Staff recommend enhancing this safety standard by prescribing a minimum per-person floor area for multiple occupancies to mitigate the risks associated with overcrowding and ensure that residents have access to safe and healthy housing, including having adequate space for beds, furniture, and movement. It is proposed to establish increased minimum bedroom floor areas where there are three or more occupants.

By-law amendments will also include provisions requiring compliance with provincial legislation, including the *Human Rights Code* and *Residential Tenancies Act*. The proposed minimum floor area requirements were reviewed to ensure consistency with applicable law and alignment with other jurisdictions.

Recommendation: Amend the Administrative Penalty (Non-parking) By-law to establish graduated fines for repeat violations

Currently, contraventions of the occupancy standards may be subject to a \$250 fine for each occurrence. It is recommended that new fines be established for second and subsequent offences under By-law 165-2022 to promote greater compliance for repeat offenders.

	Current	Proposed		
	Only Offence	First Offence	Second Offence	Subsequent Offence
Penalty	\$100.00	\$100.00	\$200.00	\$300.00
Issued (2023)	428	295	75	58
Total Fines	\$42,800	\$29,500	\$15,000	\$17,400
Penalty	\$250	\$250	\$500	\$750
Issued (2023)	1123	546	216	361
Total Fines	\$280,750	\$136,500	\$108,000	\$270,750
Penalty	\$400	\$400	\$650	\$900
Issued (2023)	1	1	0	0
Total Fines	\$400	\$400	\$0	\$0
Penalty	\$500	\$500	\$750.00	\$1,000.00
Issued (2023)	148	82	38	28
Total Fines	\$74,000	\$41,000	\$28,500	\$28,000
Total Fines	\$397,950	\$675,050		

Table 1 - Comparison based on 2023 penalty notices issued under By-law 165-2022. Amendments may result in anticipated maximum revenue of \$277,100 depending on the number of fines issued in future years.

Consideration must, however, be given to the potential challenges associated with enforcing these provisions, as the escalation of offences will rely on voluntary access being provided into the dwelling and bedroom, and on the availability of occupants to substantiate contraventions.

Second Unit Task Force

Property Standards is comprised of a core investigative component which is augmented by two initiatives dedicated to rental-accommodation related enforcement: the Residential Rental License Pilot Program and the Second Unit Task Force.

In 2017 the Second Unit Task Force, comprised of four officers was approved by Council to assist with the investigation of illegal second units and ensure second unit registration requirements were met.

Since 2017, the concept of second units in Ontario has evolved by the increasing demand for affordable housing and legislative amendments that streamline the development of additional residential units (ARUs) which now encompass a wider range of configurations, including basement apartments/second units, third units, and garden suites. As a result, the scope of work has continuously grown to keep up with increasing service demands.

Residential Rental License Pilot Program

The two-year Residential Rental Licensing (RRL) Pilot Program was launched in January 2024 in Wards 1, 3, 4, 5 and 7, and is expected to conclude in December 2025. Two officers support the implementation of this program through the enforcement of program requirements, although the work heavily intersects with the efforts of the Second Unit Task Force, as ARUs must be registered with the City, before they are eligible for the required business license.

Recommendation: Review the Second Unit Task Force Implementation Model

Staff are beginning to evaluate the Second Unit Task Force operating model to identify opportunities for enhancing its capacity to address evolving rental housing trends, such as unsafe overcrowding in shared accommodations. This review is examining the mandate, call prioritization, call distribution, composition and staffing levels.

In 2025, new enforcement distribution models will leverage a prioritization system based on urgency and risk to ensure that the highest priority calls are addressed first and with minimal delays (i.e. active construction or unsafe conditions). Complaint resolution process maps can be included in future reports to reflect process refinements as a result of this review.

There is also opportunity to unify ongoing efforts by refocusing the Task Force as the City's "Rental Compliance Unit" to reflect its expanded scope and ensure alignment with appropriate resources. This restructuring could include integrating the mandates of the Second Unit Task Force and the RRL implementation team, particularly if the RRL pilot program is expanded city-wide after its conclusion in December 2025.

These efforts will also soon be complemented by the introduction of four new Building Investigation Inspector roles to strengthen investigations into unauthorized construction of additional residential units. By consolidating resources and leveraging operational efficiencies, the unit will aim to optimize resource allocation, enhance service delivery, and increase long-term revenue potential.

The experience gained through initiatives drawing on resources from the core investigative team within Property Standards have provided management with valuable insights into optimal staffing levels and has enabled a clearer vision for alternative business models that can more effectively address evolving demands. Updates and recommendations, if necessary, will be brought to City Council in future staff reports.

Cost Recovery

Non-compliance increases the financial burden on taxpayers by consuming additional staff time and resources for enforcement. Each instance of non-compliance escalates the costs associated with re-inspections, administrative work, and legal processes. The increase in non-compliant units and repeat offenders further amplifies these challenges, straining municipal resources.

Recommendation: Review User Fees

Enforcement and By-law Services is currently reviewing the user fee structure to ensure its adequacy in recovering costs and sustaining service quality. Implementing additional user fees for repeat re-inspections is a practical solution to offset implementation costs; those who fail to comply bear a greater share of the financial responsibility, reducing the burden on taxpayers and encouraging compliance. This review will include Brampton Fire & Emergency Services, Enforcement and Bylaw Services and Building Division. Any adjustments to user fees will be proposed in a future staff report to Council.

Next Steps and Future Considerations

Working with Service Brampton and Strategic Communications, staff will ensure that it is easy for all tenants to access information and submit concerns through 311 and that all rental accommodation-related calls are streamlined and triaged appropriately.

Further, in a growing city where housing costs are rising, it is critical to ensure the City supports a diverse range of housing options and that these options are regulated to ensure tenant and community wellbeing. Currently, shared rental accommodations that do not meet the definition of lodging houses and fall outside the RRL pilot program's boundaries are not subject to existing housing program requirements, such as student-occupied single housekeeping units.

To this end, Development Services and Design, in coordination with a consulting firm is preparing a new comprehensive Zoning By-law to guide land use, including implementing [Brampton Plan](#)'s housing related policies (Section 3.3.1), as identified in the City of Brampton's [Housing Strategy and Action Plan](#) (Part 5). The second draft of the by-law was presented at a public open house in October 2024 and will be presented at a formal public meeting in Q1 2025, with final adoption by City Council to follow. Once adopted, and after evaluating the RRL pilot program, the city may explore unifying local rental housing licensing and registration programs to streamline processes and harmonize standards.

CORPORATE IMPLICATIONS:

Financial Implications:

Pending Council approval, the recommendations in this report will result in anticipated maximum revenue of \$277,100 depending on the number of fines issued. Staff will continue to monitor the impacts and adjust future budgets if necessary.

STRATEGIC FOCUS AREA:

This report aligns with the City's Strategic Focus on Healthy and Well-being by protecting the health and safety of individuals in local communities.

CONCLUSION:

In conclusion, the proposed by-law amendments aim to ensure tenants have access to safe, healthy, and livable housing while balancing public health and safety with the rights of individuals and families. These measures are part of a broader effort to modernize and streamline enforcement processes, improve customer service, and achieve adequate cost recovery. By enhancing compliance rates and addressing repeat offences more effectively, the City can reduce the strain on municipal resources while increasing fine revenue and offsetting enforcement-related expenses. Staff will continue to refine these initiatives and report back to Council with further recommendations or updates as needed.

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Attachments

Attachment 1 – Draft By-law to amend By-law 165-2022, as amended

Attachment 2 – Draft By-law to amend By-law 218-2019, as amended