

Report
Staff Report
The Corporation of the City of Brampton
6/18/2025

**Date:** 2025-05-14

Subject: Work Plan to Update Lodging House Policies - RM 24/2023

**Contact:** Allyson Sander, Strategic Leader, Project Management

**Report number:** Legislative Services-2025-488

#### **RECOMMENDATIONS:**

1. That the report from Allyson Sander, Strategic Leader, Project Management to the Committee of Council Meeting of June 18, 2025, re: Work Plan to Update Lodging House Policies - RM 24/2023, be received;

**2.** That Council approve the proposed workplan to continue the Lodging House Review by returning to public consultation with alternative options for implementation.

#### **OVERVIEW:**

- A key component of the Housing Strategy and Action Plan is the review of lodging house policies, which are units increasingly recognized as vital for providing affordable accommodations. In 2023, Council directed staff to develop a work plan to update lodging house regulations city-wide.
- This report provides a summary of the work completed to date and proposes a work plan to advance the project, considering parallel initiatives such as the new Comprehensive Zoning By-law and the RRL Pilot Program.
- While early phases focused on a city-wide application, this workplan reflects today's realities of the ongoing challenges related to regulating the broader private rental market and the limited availability of government funding. It recommends evaluating alternate options, such as piloting new policies in strategic areas or limiting operations to non-profit and agency-run models in order to balance planning compatibility, operational capacity, the need for housing and impacts on communities.
- A cross-departmental project team will support with updating jurisdictional scan and best practice reviews, legal and policy analysis and stakeholder engagement and report back to Council with an implementation strategy, planning rationale, evaluation framework, the required policy or by-law amendments and resource requirements.
- There is no financial impact resulting from the adoption of the recommendations in this report.

#### **BACKGROUND:**

Lodging houses are residential units where more than four individual tenants rent separate rooms, only sharing access to common areas like the kitchen. These are distinct from shared accommodations where tenants function as a single housekeeping unit and share control over the unit (e.g., sharing meals, chores and household decisions).

### **Housing Brampton - Housing Strategy and Action Plan**

The comprehensive Housing Strategy and Action Plan, initiated in May 2021, is aimed at addressing the city's growing housing affordability challenges by increasing the supply of affordable units and promoting a diverse mix of housing types suited to all demographics.

A key component of this strategy is the review of lodging house policies, which are increasingly recognized as vital for providing affordable accommodations, especially for single-person households and students (Section 5.7). In accordance with Action Item 8.1.4.1 of the <a href="Housing Brampton Strategy and Action Plan">Housing Brampton Strategy and Action Plan</a>, City Council directed staff through <a href="CW113-2023">CW113-2023</a> to develop a work plan to update lodging house regulations (Official Plan policies, zoning and licensing) for city-wide application.

#### **Report Objective**

This report provides a summary of the Lodging House Review work completed by Housing Brampton to date. The report also outlines a proposed work plan to advance the project, taking into account parallel initiatives such as the new Comprehensive Zoning By-law and the Residential Rental Licensing (RRL) Pilot Program.

The objective of this work is to address the evolving housing landscape, the supply of affordable rental units and the diversity of rental types. The goal is to establish a regulatory framework that facilitates more effective enforcement and supports the identification and monitoring of lodging houses across the City.

#### **CURRENT SITUATION:**

Evidence from service requests indicates that lodging houses are operating citywide. However, only eight are formally licensed due to restrictive zoning regulations, resulting in unregulated units operating across the city. Approximately 3,500 service requests have been received since 2020.

**Enforcement Challenges:** Since Ontario case law has narrowly defined a "lodging house" based on the absence of a single housekeeping unit, enforcement officers must successfully demonstrate sufficient evidence of individual leases, rent payments, lack of shared household routines and separate control over rooms for each lodger. This is an impractical threshold in most investigative scenarios.

**Supply Challenges:** In the absence of a regulatory framework, lodging houses cannot be offered as a more affordable rental housing option. This contributes to an undersupply of affordable units, forcing tenants into unregulated and potentially overcrowded and unsafe living conditions.

#### **Housing Brampton - Lodging House Review**

The Housing Strategy acknowledges that lodging houses serve a critical role in filling housing gaps for lower- and middle-income individuals who may not be able to afford conventional housing. To address these challenges, the Strategy recommends expanding licensing and encouraging acquisition by non-profit and community organizations to preserve affordability and ensure safe, purpose-built rental housing.

## **Key Project Drivers**

Key Housing Brampton milestones from 2018 to 2025 reflect a progressive shift toward expanding affordable housing options and establishing a regulatory framework to support the legalization, licensing and enforcement of lodging houses. In 2017, Council endorsed the development of a framework for a "Brampton-Made" affordable housing strategy to build upon the <u>Brampton 2040 Vision</u>. Since then, the following work has been completed, making recommendations for lodging house policies:

### Housing Needs Assessment | 2018

The housing needs assessment found that Brampton had the highest proportion of households struggling with housing affordability among the municipalities in Peel Region. It also highlighted the need for a diverse range of housing types to effectively meet the contrasting needs of both the growing youth population and the aging demographic.

#### Student Housing Policy Review | 2019

The student housing policy review, a deliverable of this framework, was undertaken by an internal steering committee which recommended relying on existing lodging house licensing framework to address the rental housing issues affecting the City.

## Summary of Engagement for Housing Brampton | 2021

Throughout 2019 and 2020, the City conducted comprehensive consultations with the public, internal staff and external stakeholders through events at community centres, open houses, public workshops, roundtable discussions and focused engagement sessions. The summary contains comments on policy options and action items to promote affordable housing through lodging houses. The policy options highlighted in this document were supported, with no objections raised.

## Council Adoption of Housing Strategy and Action Plan | 2021

The Plan outlines key deliverables, including support for non-profits in acquiring and operating lodging houses, hotels, and other rental properties as affordable housing (8.4.1); updates to Official Plan policies, zoning, and licensing regulations for lodging houses with city-wide application (8.1.4.1); and the development of policies aimed at preserving and expanding the supply of affordable housing for single individuals—such as students, seniors, and newcomers—by encouraging and permitting legal, well-managed, and well-designed lodging houses (9.2.15).

# Housing Brampton Discussion Paper on Attainable and Supportive Housing and Housing Brampton Policy Options | 2021

This discussion paper presented multiple policy options and action items to achieve goals of "Improving the Supply of Affordable and Rental Housing" and "Enhancing Housing Diversity and Design." These included promoting gentle density through the conversion of units into legal lodging houses (Goal 2, Priority 2, Action 5); allowing lodging houses as of right in residential areas (Goal 2, Priority 2, Action 9); optimizing parking requirements (Goal 1, Priority 4, A4); establishing requirements for property maintenance and pest control agreements, education and proactive enforcement (Goal 2, Priority 2, Action 9); introducing mandatory registration requirement with random inspections (Goal 2, Priority 2, Action 9); and sharing a registry of registered lodging houses with post-secondary institutions for student placement (Goal 2, Priority 8, Action 1).

## Adoption of Region of Peel Official Plan | 2022

The Region of Peel Official Plan directs local municipalities to review and consider exemptions for minimum distance and maximum number requirements for lodging houses to ensure alignment with the Ontario Human Rights Code and the Canadian Charter of Rights and Freedoms (5.9.47)

## Council Adoption of Brampton Plan | 2023

Brampton Plan promotes lodging houses as one of the most affordable forms of housing, which can help alleviate the student housing crisis. It adopts policies to protect the supply of affordable housing by allowing multi-tenant housing in all designations that permit residential uses, subject to zoning and performance standards, and encouraging such housing within 400 metres of Support Corridor transit routes and 800 metres from the Rapid Transit Network (3.3.1.32 and 3.3.1.33).

Brampton Plan recommends requiring a certain proportion of new units created through the licensing of lodging homes be maintained as affordable units. It also supports developing or assisting the development of partnership arrangements with colleges, faith organizations and social non-profits to ensure affordability of these units and the placement of diverse populations within them (3.3.1.35).

# Housing Technical Memo - WSP (Zoning By-law Review) | 2023

The memo proposes the implementation of high-level direction from the Brampton Plan in the Zoning By-law Review, including, but not limited, to creating a regulatory framework to allow new lodging houses in residential zones, single room occupancy units and other forms of relatively affordable rental housing.

# Draft Comprehensive Zoning By-law (CZBL) | May 2025

The new CZBL is proposed to implement Brampton Plan policies, however, until the lodging house review is completed, new zones will not include lodging houses as a permitted use. The conclusion of the review will guide future regulations and facilitate amendments to the adopted CZBL.

#### Key Project Milestones

In 2019, the Lodging House Review team examined the current state of lodging house policies, conducted benchmarking and hosted two Council Workshops. This work was paused during the implementation of the RRL Pilot development.

## Housing Brampton Strategy & Initiatives - Council Workshop #1 | 2020

Presented a best practice review including Ontario Human Rights Commission housing consultations, which highlighted that many think lodging houses (if adequately maintained) can fill a critical gap in the housing shortage for people with lower incomes who are unable to afford conventional housing.

## Housing Brampton Strategy & Initiatives - Council Workshop #2 | 2021

Presented options for regulations including expanding parent zone permissions in the Zoning By-law that permit lodging houses citywide controlled by a licensing system. Through this presentation, staff outlined "Options for Regulations" (Slide 70), including:

- Expanding the parent zones in the Zoning By-Law that permit lodging houses
- Expanding dwelling types beyond single detached dwellings, but prohibited in Additional Residential Units Permitting lodging houses in specific geographic areas with unique defined criteria
- Permitting lodging houses citywide with zone specific requirements
- Considering a citywide approach through a tiered classification system (Lodging House Tier 1 – a maximum of six lodgers in all residential designations; Lodging House Tier 2 – a maximum of ten to twelve (12) lodgers in higher density residential designations)

#### **Proposed Work Plan to Advance Project Milestones**

In alignment with the policy direction and guidance outlined in the key milestones above, this work plan proposes advancing updates to zoning by-laws and licensing frameworks to enable the legalization and regulation of lodging houses, with the goal of improving both the quality and supply of affordable rental housing.

While early phases focused on a city-wide application, this workplan reflects today's realities of the ongoing challenges related to regulating the broader private rental market and the limited availability of government funding. Therefore, staff recommend evaluating alternate implementation options, such as piloting new policies in strategic areas or limiting operations to non-profit and agency-run models. This recommendation aims to balance planning compatibility, operational capacity, the need for housing and impacts on communities.

#### Implementation Options

**Citywide:** Permitting lodging houses citywide, in single detached dwellings with zone-specific requirements, (while continuing to prohibit them in ARUs) aligns with Brampton's long-term housing objectives by promoting housing diversity, expanding affordable rental options and supporting vulnerable populations such as students, newcomers and single-

person households. Applying this use across all residential areas would normalize multitenant living and facilitate an equitable distribution of affordable housing. However, from an enforcement and administrative standpoint, citywide implementation would require significant resources for monitoring, licensing and ensuring compliance, particularly in low-density neighbourhoods where concerns around parking, safety and community fit are more pronounced.

**Strategic Locations Only:** A targeted approach in strategic locations allows the City to balance affordability objectives with practical considerations around resource capacity and neighbourhood suitability. Focusing on areas near transit corridors, post-secondary institutions and existing higher-density zones like Urban Growth Areas, as defined in the Brampton Plan, supports sustainable development and student housing demand, while reducing reliance on commuting.

Administratively, a pilot approach provides an opportunity to refine licensing, monitoring and inspection practices in a controlled environment before broader application. This strategy supports incremental change, enables evidence-based evaluation and reduces risk to community cohesion in lower-density areas.

**Approved Operators Only:** Limiting lodging house operations to approved non-profit and institutional partners offers a prudent middle ground that advances affordability goals while maintaining accountability. Non-profits are mission-driven, often serving students, low-income individuals, and equity-deserving groups, and are better equipped to maintain housing standards and provide tenant supports.

This option helps ensure that lodging houses function as stable, community-oriented housing stock rather than speculative investment properties. It also significantly reduces the administrative burden on enforcement, as licensed non-profits are typically more compliant with property standards, maintenance, and safety regulations. This model resembles the current Supportive Housing Residence Registration Program.

#### Proposed Next Steps

**Internal Working Group:** Given the intersections between multiple departments, it is recommended to establish cross-departmental project team to guide the balance of the project to ensure alignment with Housing Brampton initiatives, the Comprehensive Zoning By-law Review, Enforcement, Building and Fire Prevention practices, Business Licensing capacity and Community Safety and Well-Being programs. This work will be advanced in coordination with the Comprehensive Zoning By-law Review.

**Public Consultation:** To advance the review in a transparent and informed manner, staff recommend undertaking targeted public consultation during Q3 2025 on the alternate implementation options. This engagement will gather input from residents, students, landlords, community groups and housing stakeholders to assess the perceived benefits, concerns and trade-offs associated with each approach or inform the development of an alternative approach.

**Report Back:** The internal working group will support with updating jurisdictional scan and best practice reviews, legal and policy analysis and stakeholder engagement. Staff will report back to Council with recommendations, inclusive of a feasible implementation strategy, planning rationale, evaluation framework, the required policy or by-law amendments and resource requirements.

#### **CORPORATE IMPLICATIONS:**

**Financial Implications:** There is no financial impact resulting from the adoption of the recommendations in this report.

**STRATEGIC FOCUS AREA:** This report supports the *Health & Well-being* and *Government & Leadership* strategic focus areas by enhancing the safety, quality and accountability of rental housing in Brampton.

#### **CONCLUSION:**

Lodging houses are an essential part of Brampton's affordable housing solution, offering lower-cost rental options. Modernizing the City's approach to lodging houses through updated zoning and licensing frameworks is critical to ensuring these units are safe, legal and well-managed. A phased implementation, whether through a pilot in strategic locations or by working with approved non-profit operators, provides a practical and balanced path forward that aligns with long-standing Council direction and the goals of Housing Brampton. This approach will help.

Without intervention, the informal rental market can continue to grow in unregulated forms. A modernized, City-supported lodging house framework can transition lodging houses from the informal market into regulated, accountable housing stock and facilitate access to affordable housing options in a responsible, managed way.

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