



Corporate Report

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DATE: April 20, 2015

TO: Chair and Members of General Committee
Meeting Date: May 6, 2015

FROM: Martin Powell, P. Eng.
Commissioner of Transportation and Works

SUBJECT: **Second Unit Licensing Update Report**

RECOMMENDATION: That the report from the Commissioner of Transportation and Works, dated April 20, 2015 entitled "Second Unit Licensing Update Report" be received for information.

**REPORT
HIGHLIGHTS:**

- The licensing by-law for second units was approved by City Council on September 18, 2013.
- Licensing of second units began in January 2014.
- In 2014 and 2015, 65 second unit licences were issued (51 owner-occupied and 14 investment).
- The second unit licensing program was initiated to ensure that these units meet safety and property standards as well as meeting Ontario Fire Code and Building Code requirements.

BACKGROUND: The second unit licensing program was outlined in the report from the Commissioner Transportation and Works, dated June 12, 2013 entitled "Licensing of Second Units" as part of the Second Units Implementation Strategy (SUIS) and was approved by Council on July 3, 2013.

The licensing by-law for second units was approved by City Council on September 18, 2013. Council requested staff report back on the implementation process.

This report provides:

- an update on second unit licensing;
- the enforcement action plan update; and,
- responses to inquiries regarding the SUIS.

COMMENTS:

Second Unit Licensing

The second unit licensing program was initiated to ensure that these units meet safety and property standards as well as meeting Ontario Fire Code and Building Code requirements. The licensing system was designed so that second units may provide a safe housing option for the public. It is intended to protect the tenant and the community. It is also a mechanism through which ongoing inspections (on an audit basis) can take place in the future to ensure that second units are maintained and meet the requirements of City of Mississauga by-laws.

Although Enforcement Division and Zoning Administration requirements are components of the approval process, a second unit requires multiple approvals from various City divisions and an external agency in order to obtain licensing status. Fire Inspection Services conducts an inspection to confirm that the unit is in compliance with the *Fire Protection and Prevention Act*. The Electrical Safety Authority certifies that an inspection has been conducted and confirms that the unit is in compliance with the Ontario Electrical Safety Code. The unit must also comply with the Ontario Building Code.

Mississauga began licensing second units in January 2014. Please note the following information related to second unit licensing activity as of April 20, 2015:

- 51 second units were licensed in 2014 and 14 in 2015, for a total of 65 (51 owner-occupied and 14 investment);

- 104 second unit licences are in process;
- eight Committee of Adjustment applications have been submitted relating to second units. The variances are in relation to (some applications have multiple variances):
 - Driveway widening (5);
 - Basement entrance stairwell in side yard and/or facing a street (5);
 - Basement entrance stairwell in garage (1);
 - Side yard setback (1);
 - Walkway width (1);
- over 500 counter inquiries in 2014;
- over 600 attendees at presentations; and,
- over 20,000 website visits in 2014.

The number of second units licensed in the first year in Mississauga is comparable with the City of Toronto experience. The City of Toronto does not charge a licensing fee. Toronto has allowed second units since 2000 and approved an average of 50 building permits for second units per year. Building permits have ranged from as low as 24 to as high as 123 in selected years.

The number of second units in Mississauga is unknown. Based on limited information approximately 400 were established before 1994 under previous provincial legislation. The City is aware of approximately 3,500 possible additional second units identified through complaints.

In order to obtain a licence in Mississauga, second unit owners are required to:

- comply with the Official Plan, Zoning By-law, Building and Fire Codes and the Electrical Safety Authority; and,
- provide proof of ownership and an insurance certificate.

Licensing fees for second units are summarized in Table 1 below. Additional fees for review and inspections associated with zoning, building, fire and electrical safety are also required and summarized in Table 2 below.

Table 1 Licence Fee By Type of Second Unit		
	Owner Occupied Dwelling	Investment Dwelling
Licence Fee	\$500	\$1,000
Licence Renewal Fee	\$250	\$500

Table 2 Additional Fees for Review of Second Units	
Certificate of Occupancy (for Zoning Compliance)	\$262
Building Permit Fee	\$8.80 per square metre, minimum fee of \$225 with \$140 for exterior alteration
Fire Inspection Fee	No fee charged at this time (\$153.68 including HST is the current inspection fee.) Potential to charge this fee in 2016.)
Electrical Safety Authority Inspection Fee	\$144 per unit

The average time to obtain a licence is nine weeks. The timeline to obtain a licence varies depending on when the application is made. If an application is made concurrent with the certificate of occupancy and a building permit is required, it will take longer for the licence to be issued as other permissions need to be obtained. Applicants are directed to obtain other approvals before submitting the licence application.

No revisions to the licensing requirements and fees are recommended at this time.

Enforcement Action Plan Update

Compliance and Licensing Enforcement staff have inspected all licensed second units. These inspections are required to ensure that the documentation provided by the applicant is accurate and meets the requirements of City by-laws. For example, the Zoning By-law 0225-2007, as amended, has regulations for second units related to type of

dwelling, size of floor area, entranceway and parking. Zoning Administration is responsible for reviewing the plans submitted by the applicant including the driveway width to ensure the parking requirements are met. Enforcement staff will inspect driveways that significantly differentiate from the submitted plans. In some instances the property owners may be required to apply for a minor variance or reduce the driveway width.

Although the Zoning By-law 0225-227, as amended, is regulated by the Enforcement Division, it is administered by the Planning and Building Department. In other words, the Enforcement Division enforces the regulations, the Planning and Building Department establishes the regulations, subject to Council approval, with respect to the Zoning By-law.

In addition, Enforcement staff will investigate and enforce any significant by-law infractions such as debris and property standard related contraventions or any other by-law infractions that are received as a result of a complaint as per standard operating procedures.

The Second Unit Licensing By-law 204-13, as amended, is enforced on a reactive basis in response to complaints. The Enforcement Division receives numerous complaints regarding second units. Moreover, Compliance and Licensing Enforcement received 486 multiple occupancy complaints in 2014 and 129 complaints have been reported during the first quarter of 2015. Complaints may originate from a neighbour or tenant. Neighbours may have concerns with property standard issues in addition to the alleged second unit issue: the property may be a mess, the front yard may be totally paved and many other additional issues may need to be addressed. Tenants may have concerns about the safety of the unit. All complaints are investigated and additional issues may be identified at the time of the inspection by the Municipal Law Enforcement Officer (MLEO). The responsibility of the MLEO is to deal with all issues on the property including the licensing or removal of the unit. Although MLEOs do not go looking for by-law infractions, they cannot ignore significant violations that are in plain view.

Responses to Inquiries on Second Unit Implementation Strategy

There have been a number of inquiries on second units. Staff have collaborated on the response for these inquiries and provided additional information as required. The majority of inquiries have revolved around the process to establish a legal unit. An education program during 2014 included a number of presentations and information on the website to respond to these inquiries. These are detailed in the report titled "Second Unit Implementation Strategy - Update Report" dated April 20, 2015 from the Commissioner of Planning and Building. Other questions are:

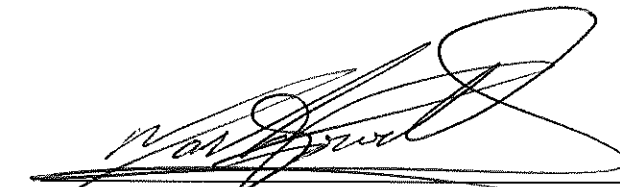
- *Do I need a licence for a second unit?* A number of inquiries have been made around the need to obtain a licence. Staff response has been that in order to have a legal second unit in Mississauga a licence is required. This information is provided through the presentations, the website and in response to individual inquiries.
- *What happens when a house is sold?* Real estate professionals have requested clarification on the status of the licence when a dwelling with a legal second unit is sold. Second unit licences are not transferrable. A new owner would have to apply for a new licence, however, with documentation on the building, fire and electrical authority approvals, a new owner may not need to obtain these approvals. These would be evaluated on an individual basis.
- *How does someone know if there is a legal second unit?* The public, realtors and tenants asked for information on how to confirm whether a second unit is a legal unit. The Enforcement Division maintains an inventory of legal second units in the City and respond to inquiries regarding whether a particular address has a legal second unit. Open Data information on licensed second units is scheduled to launch in May 2015. Interested parties will then be able to look up this data on the City's website.

STRATEGIC PLAN:

Legalizing second units is identified as Action Item 7 "Legalize Accessory Units" in the Belong Pillar of the City's Strategic Plan.

FINANCIAL IMPACT: Staff are processing applications and investigating complaints with existing resources. If the number of licensing applications increases substantially, and/or Council directs the Second Unit Licensing By-law 204-13, as amended, to be regulated on a proactive basis, staff will bring forward a report identifying the increased resources that may be required to effectively administer and enforce the by-law.

CONCLUSION: Licensing of second units began in January 2014 as per the second units licensing program. There have been 65 second unit licences issued (51 owner-occupied and 14 investment) and another 104 are in process. Staff are processing applications and investigating complaints with existing resources. No revisions to the licensing requirements and fees are recommended at this time.



Martin Powell, P. Eng.
Commissioner of Transportation and Works

*Prepared By: Douglas Meehan
Manager of Compliance and Licensing*