

**Agenda – Standing Policy Committee on Property and Development – March 7, 2024**

**REPORTS**

**Item No. 10            Regulation of Small-Scale Multi-Tenancy Dwellings**

**WINNIPEG PUBLIC SERVICE RECOMMENDATION:**

1.     That this report be received as information.

## **Agenda – Standing Policy Committee on Property and Development – March 7, 2024**

### **DECISION MAKING HISTORY:**

### **STANDING COMMITTEE RECOMMENDATION:**

On September 18, 2023, the Standing Policy Committee on Property and Development concurred in the recommendation of the Assiniboia Community Committee and directed the Winnipeg Public Service to report back on the matter within 180 days.

### **COMMUNITY COMMITTEE RECOMMENDATION:**

On September 7, 2023, the Assiniboia Community Committee passed the following motion:

WHEREAS on May 24, 2018, Council directed the Public Service to:

- A. Make a formal request to the Province of Manitoba to amend the Manitoba Building Code (the “Code”) in order to allow for more cost-efficient conversion options for small scale multi-tenancy dwellings, such as boarding houses and rooming houses with four or fewer tenants.
- B. Report back to Council with amendments to existing City by-laws:
  - i. To ensure that the definition and regulation of multi-tenancy situations, such as boarders, roomers, converted single family dwellings and duplexes, are aligned and consistent among those by-laws, with a view to increased enforceability.
  - ii. To more permissibly regulate small scale multi-tenancy situations such as boarders (that are not part of a single housekeeping unit) and rooming houses with four or fewer tenants.

AND WHEREAS a report has not yet been provided to Council;

THEREFORE BE IT RESOLVED that the Standing Policy Committee on Property and Development be requested to direct the Public Service to report back within 180 days on the following:

1. Update on the steps that have been taken to amend the Manitoba Building Code to allow for more cost-efficient conversion options for small scale multi-tenancy dwellings, such as boarding houses and rooming houses, with four or fewer tenants.

## **Agenda – Standing Policy Committee on Property and Development – March 7, 2024**

DECISION MAKING HISTORY (continued):

COMMUNITY COMMITTEE RECOMMENDATION (continued):

2. By-law amendments required to:
  - A. Ensure that the definition and regulation of multi-tenancy situations, such as boarders, roomers, converted single family dwellings and duplexes, are aligned and consistent among those by-laws, with a view to increased enforceability.
  - B. Permissibly regulate small scale multi-tenancy situations such as boarders (that are not part of a single housekeeping unit) and rooming houses with four or fewer tenants.

# ADMINISTRATIVE REPORT

**Title:** Regulating Small Scale Multi-Tenancy Dwellings

**Critical Path:** Standing Policy Committee on Property and Development

## AUTHORIZATION

Author	Department Head	CFO	CAO
J. Veitch (Acting)	H. Borys	N/A	M. Jack

## EXECUTIVE SUMMARY

Community concerns regarding non-compliance with City bylaws in single-family homes that rent rooms in neighbourhoods surrounding the University of Manitoba have persisted. The Winnipeg Public Service was directed by Council to come forward with recommendations to better align bylaws that regulate multi-tenancy uses and options for regulating small scale multi-tenancy uses.

The Public Service is recommending that this report be received as information. Going forward, Urban Planning and Design will work with Community Services to explore a potential licensing program to regulate small-scale multi-tenant dwellings in neighbourhoods around the University of Manitoba. The Public Service will also consider amendments to the Winnipeg Zoning By-law 200/2006 to align with a potential licensing program.

## RECOMMENDATIONS

1. That this report be received as information.

## REASON FOR THE REPORT

On September 18, 2023, the Standing Policy Committee on Property and Development concurred in the recommendation of the Assiniboia Community Committee and directed the Winnipeg Public Service to report back within 180 days on the following:

1. Update on the steps that have been taken to amend the Manitoba Building Code to allow for more cost-efficient conversion options for small scale multi-tenancy dwellings such as boarding houses and rooming houses, with four or fewer tenants.
2. By-law amendments required to:

- A. Ensure that the definition and regulation of multi-tenancy situations, such as boarders, roomers, converted single family dwellings and duplexes, are aligned and consistent among those by-laws, with a view to increased enforceability.
- B. Permissibly regulate small scale multi-tenancy situations such as boarders (that are not part of a single housekeeping unit) and rooming houses with four or fewer tenants.

## **IMPLICATIONS OF THE RECOMMENDATIONS**

There are no financial implications to receiving this report as information. The opportunity to regulate small-scale multi-tenancy dwellings under the Winnipeg Zoning By-law 200/2006 and the Community Safety Business Licensing By-law will be investigated as part of the two-year comprehensive Zoning By-law re-write commencing in 2025.

## **HISTORY/DISCUSSION**

There has been a history of community concerns respecting increased demand for student rental accommodations in neighbourhoods surrounding the University of Manitoba (U of M) likely driven by a lack of supply of on-campus housing options and a growing student population. These concerns include the unregulated renting of rooms in existing homes to separate individuals, safety issues regarding possible non-compliance with Building and Fire codes as well as impacts upon the character of the neighbourhood often due to a lack of maintenance by the off-site owners of these homes.

The issue was referred to the Standing Policy Committee on Property and Development by the Riel Community Committee in 2018 on April 3, 2017, and more recently by the Assiniboia Community Committee.

The Public Service conducted extensive research on how other jurisdictions regulate small-scale multi-tenancy dwellings in 2018 and brought forward a detailed report to the Standing Policy Committee on Property and Development, Heritage and Downtown Development on May 7, 2018. Appendix A contains a copy of that report and Council's disposition on the matter.

The 2018 Public Service report suggested developing a rental housing licensing program may be an effective method for managing many of the concerns raised by the community. However, it was decided to not pursue a licensing program at that time.

Since then, community concerns around the issue of rental housing in these neighbourhoods have persisted.

### Discussion

After further review of the previous 2018 research and analysis submitted by the Public Service, and considering recent experiences with preparing a licensing program to regulate Short Term Rental Accommodation, the Winnipeg Public Service is recommending that a licensing program be evaluated as a possible method to regulate small-scale multi-tenant dwellings.

The Province of Manitoba has legislation that regulates rental units. The Residential Tenancy Branch oversees the administration and enforcement of the Residential Tenancies Act and its Regulations. Further research would need to occur in cooperation with the Province to determine if such a licensing program would be supported by the legislation.

### **Options for Consideration**

#### **Option 1. Winnipeg Zoning By-law 200/2006**

Currently, the Winnipeg Zoning By-law 200/2006 (zoning by-law) regulates small scale multi-tenant dwellings as rooming houses. This use is not permitted under “R1” and “R2” single and two-family zoning districts.

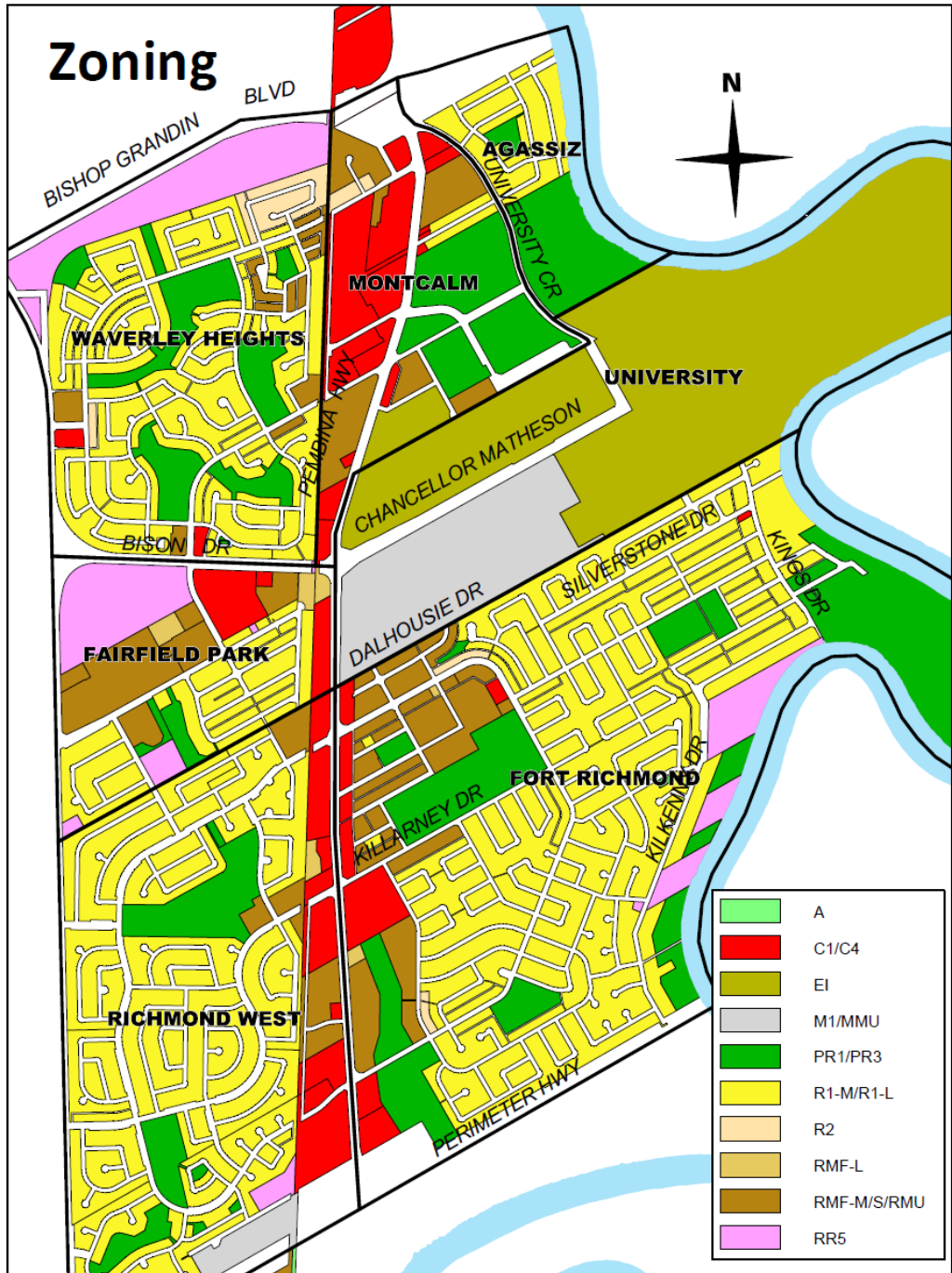
Zoning regulations do not manage how rental homes are being used and maintained or any nuisance that might be impacting the neighbourhood. Licensing is a better tool to address those sorts of community concerns.

A new small-scale multi-tenant use could be introduced into the zoning bylaw and listed as a permitted use in the “R1” and “R2” single and two-family zoning districts with a restriction for a maximum of four rental rooms. If an owner offers more than four rental rooms, then the use would become conditional, and a Conditional Use Approval would be required. The property would be posted with the public notification of a decision. That decision, whether approved or denied, would be subject to an appeal to the Appeal Committee to hear representation for a final decision.

The existing single room occupancy use in the zoning by-law allows for a maximum of 12 rooms to be rented with or without shared facilities and would be re-classified as a large-scale multi-tenant dwelling. This would continue to be an available use of land in multi-family and commercial zoning districts only.

Additionally, a potential amendment to the zoning by-law making ‘Small-scale Multi-tenant use’ as a Conditional use could be applied only to the neighbourhoods in proximity to University of Manitoba. This potential amendment to the zoning bylaw could create a PDO (planned development overlay) district to establish the small-scale multi-tenant use only in these targeted neighbourhoods.

A pilot program could be initiated for the area around the University of Manitoba as a first step through a PDO. This would allow the Winnipeg Public Service to test out a regulatory program on a smaller scale where the issue is more acute before evaluating the possibility of introducing these changes citywide. Figure 1, below, is a zoning map showing the six potential neighbourhoods adjacent to the University of Manitoba that may be considered for this PDO pilot project.



**Figure 1:** Neighbourhoods in Proximity to U of M - Potential Zoning Development Overlay District and Licensing Program Pilot Project

Option 2. Small-scale Multi-tenant Dwelling Licensing Program

The Community Safety Business Licensing By-law currently has the ability to license Shared Facilities Dwellings (rooming houses). However, modifications to the by-law may be required if a licensing program is implemented for small-scale multi-tenant dwellings.

If directed by Council, a licensing program could be piloted in the neighbourhoods where the zoning by-law amendments have been applied. The pilot program could run for two years and then be evaluated to determine if other areas of the City would benefit from the same zoning/license program.

Depending on the proposed licensing regime's scope, it would likely take about two years to create the regulatory framework and implement the appropriate by-law changes.

Advantages of a licensing program:

- Clear By-law requirements – framework for licensing regime.
- Better coordination to review and confirm compliance to by-laws.
- Better communication and engagement with landlords and property managers.
- Decreased complaints based on clearer By-law requirements.
- Consumer protection (police checks, inspections, floor plans, compliance with Building Code) and possibly reduce the risk of neighbourhoods livability issues.
- Ability to suspend or revoke a license.

Disadvantages:

- Significant time and resources required to create such a licensing program (2-3 years).
- Significant resources required to administer such a program once implemented.
- Growing pains associated with implementing a program.
- Legal challenges that will need review based on potential licensing regime being viewed as discriminatory in nature.

### Manitoba Building Code Considerations

Converting a single-family dwelling to that of a multi-suite building may require extensive upgrades to meet the current Manitoba Building Code. Traditionally multi-tenant buildings require fire-rated separations between suites, common areas and exit facilities to ensure life safety is extended to all occupants of the building. In most cases, the financial impact of such a conversion is too significant to make the project viable. Renting rooms in an existing house to separate individuals would not necessarily create building code issues provided the tenants were living together as an independent, self-governing single-housekeeping unit.

### Timing of Zoning By-law Amendments and The Licensing Program

The Public Service intends to commence the comprehensive Zoning By-law review project in 2025 and it is anticipated, based on past experience, that it will likely take two years or more to complete. Given that exploring the feasibility of creating a licensing program will take a similar amount of time to complete, it is recommended the potential zoning by-law amendments to regulate Small-scale Multi-tenant use be referred to the comprehensive Zoning By-law review.

An advantage of referring this to the comprehensive Zoning By-law update is the consultants that will eventually engage with the City to assist with the review may have experience from elsewhere with regulating Small-scale Multi-tenant dwellings.



## Financial Impact Statement

Date: February 8, 2024

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Project Name:

**Regulating Small Scale Multi-Tenancy Dwellings**

COMMENTS:

There are no direct financial implications associated with this report.

*Mike McGinn Feb. 8, 2024*

Mike McGinn, CPA, CA

Manager of Finance

## CONSULTATION

This Report has been prepared in consultation with:

- Community Services

## OURWINNIPEG POLICY ALIGNMENT

### **Goal: Leadership and Good Governance**

Objective: Establish and implement priority actions through evidence-informed decision-making processes

Policy 1.4 Integrated Knowledge and Resources: Coordinate inter-departmental systems, projects and resources, making the best use of internal and external expertise to better understand service needs, find the most appropriate solutions, optimize resources, and maximize community outcomes.

### **Goal: City Building**

Objective: Facilitate development opportunities that complete established communities, and plan new communities as complete and connected from the outset.

Policy 6.2 Complete Communities Characteristics: The characteristics of complete communities must be identified and defined in Complete Communities, and will include, at minimum, equitable access to: safety and security, affordable housing for all incomes, local employment opportunities, health-supportive amenities, access to nature, social interaction opportunities, sustainable transportation options, and digital communication technology infrastructure to align with this Plan's goals.

### **Alignment with *Complete Communities Direction Strategy 2.0***

Vision: The City of Winnipeg is planned and designed based on a logical Urban Structure that focuses growth and change to enhance existing assets, to create complete communities and complete existing communities, and to ensure a socially, environmentally, and economically sustainable future through the integration of transportation planning, land uses, built forms, and urban design.

Principle 1: Creating complete communities and completing existing communities - enhancing their existing infrastructure and assets in ways that make most amenities for daily living universally accessible - will be key to making our city attractive and competitive.

Principle 7: The implementation of Complete Communities recognizes the complexity of cities and the people within them and aims for an approach that promotes resilience and adaptability.

## WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to any of the Strategic Opportunities and Key Directions in the Climate Action Plan and it was determined that the Plan is not applicable to this specific report.

## **WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT**

Consideration was given as to whether this report connects to any of the specific Goals and Objectives in the Poverty Reduction Strategy (PRS), as well as the corresponding 2021-2023 Implementation Plan, and it was determined that the Strategy is not applicable to this specific report.

## **SUBMITTED BY**

Department: Planning, Property and Development  
Division: Urban Planning and Design  
Prepared by: Martin Grady  
Date: February 9, 2024

Attachment:

Appendix A: 2018 Small-scale Multi-tenancy dwellings Report