



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Parking and By-law Services Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	October 6, 2015
SUBJECT/REPORT NO:	Amendments to Licensing By-law 07-170, Schedule 3 (Bed and Breakfasts, Hotels / Motels) (PED10075(d)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ken Leendertse (905) 546-2424 Ext. 3059
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That Schedule 3 (Bed and Breakfasts, Hotels / Motels) of Licensing By-law No. 07-170 be amended by removing the requirement for a Property Standards Certificate of Compliance;
- (b) That the item respecting "Amendments to Licensing By-law, Schedule 3 (Bed and Breakfasts, Hotels / Motels)" be deemed complete and removed from the Planning Committee Outstanding Business List.

EXECUTIVE SUMMARY

On March 28, 2012, Council approved the licensing of Hotels and Motels by amending Schedule 3 of the City of Hamilton Licensing By-law 07-170.

On July 8, 2014, the Planning Committee was presented with additional proposed amendments to Licensing By-law 07-170, Schedule 3 (Bed and Breakfast, Hotels / Motels) for consideration. These proposed amendments included charging a fee for the required Property Standards Certificate of Compliance. The Committee referred the report back, directing staff to seek stakeholder input into the proposed amendments. The Committee also directed staff to provide a summary of all fees charged for Licensing in this Schedule.

Staff is now recommending that the Property Standards Certificate of Compliance be removed as a requirement for this Licensing Category.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There is no financial impact as the fees for the Certificate of Compliance had not been approved as a pre-requisite for a Business Licence under Schedule 3.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

On March 28, 2012, City Council adopted Item 8 of Planning Committee Report 12-004 approving the licensing of Hotels / Motels by amending Licensing By-law 07-170, Schedule 3 (Bed and Breakfasts).

At the July 8, 2014 meeting, the Planning Committee was presented with “Amendments to Licensing By-law, Schedule 3 (Bed and Breakfasts, Hotels / Motels)” for consideration. Subsequently, the Committee referred the report back, directing staff to seek stakeholder input into the proposed amendments. (Report PED10075(c) – Information Item (e)(viii) of Planning Committee Report 14-011, received for information by City Council on July 11, 2014).

On April 27 and 29, 2015, stakeholder consultation was completed with both Bed and Breakfast and Hotel and Motel owners and operators.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

In accordance with Committee direction, stakeholder consultation was held with the owners / operators of Hotels / Motels and Bed and Breakfast establishments. Letters of invitation were extended to all owners / operators to attend the stakeholder meetings on April 27 and April 29 respectively. Attached to each invitation was a copy of Staff Report PED10075(c), together with the draft by-law with the proposed amendments.

Invitations were also extended to the Ontario Restaurant, Hotel and Motel Association and the Federation of Ontario Bed and Breakfast Accommodation requesting their input into the proposed by-law amendments.

At the public consultations, the Director of Licensing provided a PowerPoint presentation, speaking to the history, overview, By-law amendments, fees, application process and next steps. An opportunity was also provided for the attendees to ask questions and provide their comments. The comments and concerns expressed are attached hereto as Appendix "A" to this Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Bed and Breakfast facilities are home-based businesses located in residential areas while Hotels / Motels are normally located in commercial areas. None of these establishments are intended to be permanent accommodations and do not fall under the regulations of the *Residential Tenancies Act*.

In March 2012, Council approved the additional Licensing Category of Hotels / Motels, (PED10075(b)) after staff recommended that there was a demonstrated public interest to license them. An enforcement blitz in 2011 showed numerous By-law violations in property standards for one specific Motel, while others in the blitz met compliance.

Of the 26 identified Hotels / Motels in the City of Hamilton, there is only one that is currently licensed under this Schedule. Of the 22 identified Bed and Breakfasts locations, five are licensed. Enforcement of the Business Licensing By-law, Schedule 3 has been held until after public consultation and Council's approval.

In staff's opinion, there is a need to continue to license Bed and Breakfasts and Hotels / Motels to ensure that proper inspections for Health, Fire and Parking are met. Many Bed and Breakfasts are in private homes and may impact on the safety of their guests and the surrounding community. Some Hotels / Motels have also generated concern for neighbouring communities. However, there does not appear to be a need to impose a Certificate of Compliance for this Licensing Category.

A Property Standards Certificate of Compliance is used to ensure that a property is up to minimum standards in maintenance and to ensure safety. Traditionally, these Certificates are used for the licensing of Lodging Homes and Residential Care Facilities. These two categories ensure safety for the potential vulnerable sector tenants. While the clients of a Bed and Breakfast and Hotel / Motels have a choice to use the facility, the reputation of the business and continued occupancy is based on an excellent patron experience at the location. The use of a Certificate of Compliance, in staff's view, is over regulating in a sector that is self-regulated with mass media and customer feedback.

One of the main concerns from the stakeholders during consultation was that charging a fee for a Certificate of Compliance would impact on the viability of their businesses. For some of the smaller Bed and Breakfasts, the business helps off-set the cost of operating a home, and the additional fees, sometimes 10-15% of their yearly gross, are cost prohibitive. The additional fee is also a concern for some of the small Motel operations.

Summary of Fees

Council also directed staff to provide a summary of all fees that are charged to an applicant for these two Licensing Categories. The chart attached as Appendix “B” to this Report shows the cost for a licence, inspections fees, zoning verifications as well as the impact that a new Certificate of Compliance fee would have on the yearly fees for these businesses.

ALTERNATIVES FOR CONSIDERATION

Continue to require Certificates of Compliance and charge fee.

The largest increase in fees comes from the Certificate of Compliance. This fee is set in the User Fee By-law and is based on staff time to complete the inspections. An average Bed and Breakfast with four rooms will have an additional \$302 fee added to their \$762 start-up licensing fees. An average Hotel / Motel with 50 rooms will have an additional fee of \$762 for their Certificate of Compliance for a total start-up cost of \$1,398.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

2.2 Improve the City's approach to engaging and informing citizens and stakeholders.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A": Comments/Concerns Expressed at Public Consultations

Appendix "B": Business Licensing Fees (Current Fee Structure)

Appendix "C": By-law to Amend By-law No. 07-170

KL:cab