

**CITY OF HAMILTON**

**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Parking and By-law Services Division**

<b>TO:</b> Chair and Members Planning Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> September 17, 2013	
<b>SUBJECT/REPORT NO:</b> Rental Housing Licensing By-law PED10049(m) (City Wide) (Outstanding Business List Item)	
<b>SUBMITTED BY:</b> Tim McCabe General Manager Planning and Economic Development Department	<b>PREPARED BY:</b> Joe Xamin (905) 546-2424 Ext. 6656
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the Rental Housing Licensing By-law attached as Appendix “A” to Report PED10049(m), which is in a form satisfactory to the City Solicitor, and which would become Schedule (30) Rental Dwelling Units of the Licensing By-law No. 07-170 and come into force on April 10, 2017, be approved subject to the approval of items (i), (ii) and (iii) below:
- (i) The creation of a “*Manager of Rental Housing*” position (1 FTE) effective January 1, 2014 at an annual cost of \$135,000 to be fully funded from the Tax Stabilization Reserve for 2014; 1/3 FTE expense to be added to the Levy in each 2015, 2016 and 2017, with offsetting revenues eliminating the Levy impact in 2017 through revenues associated with the Rental Housing Licensing Program;

- (ii) An additional 8 FTEs to administer and enforce the Rental Housing Licensing By-law at an estimated net levy impact of \$115,000 (effective January 1, 2017) and reduced annually until such time as the Program becomes full cost recovery (estimated at 2020);
  - (iii) That a \$100 per dwelling unit annual rental housing license fee be added to the City's User Fees and Charges By-law effective January 1, 2017;
- (b) That a permanent Proactive Enforcement Program to enforce rental housing conditions (for properties not included in the Rental Housing Licensing By-law) be approved, subject to the approval of items (i) and (ii) below:
- (i) An additional 5 FTEs (4 enforcement officers and 1 support clerk) at an estimated net levy impact of \$275,000 annually until 2017 when the levy impact would be reduced to approximately \$175,000 annually;
  - (ii) one time Capital (cost to an upset limit of \$160,000) to purchase 4 vehicles funded from Unallocated Capital Reserve Account No. 108020.

#### **EXECUTIVE SUMMARY**

In approving Planning Committee Report 13-010, City Council on June 26, 2013, directed staff to "...report back to the Planning Committee with options and alternatives related to the licensing of rental housing no later than September 2013." This report responds to that direction.

***Alternatives for Consideration – See Page 8***

#### **FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

##### **Financial:**

**Rental Housing Licensing By-law:** Implementation of the proposed Rental Housing Licensing By-law would have a net levy impact estimated at approximately \$115,000 in 2017 when the By-law comes into force. It is estimated that the net levy impact would be reduced to approximately \$90,000 in 2018 and eliminated by 2020 as existing rental units renew and additional units become licensed and revenues increase.

Staff is recommending an annual license fee of \$100 per rental dwelling unit (effective 2017). Appendix "B" to this Report outlines the potential cost per unit. Based on an estimated 8,500 rental dwelling units being licensed in the first year and additional units become licensed each year thereafter, it is estimated that the Program would become

full cost recovery by 2020. Other fees either initiated by the City or independently by the landlord may be required, such as zoning verifications (\$103 per property).

**Proactive Enforcement Program:** The recommended permanent Proactive Enforcement Program would have a net levy impact estimated to be \$275,000 per year (\$455,000 cost/\$180,000 fines) until such time as the By-law comes into effect in 2017. When the Rental Housing Licensing By-law comes into effect in 2017, 40% of the cost (approximately \$100,000) should be allocated to the Rental Housing Licensing Program based on an estimate that 40% of the enforcement time and effort would be associated with the Licensing Program. The required one time Capital cost (to an upset limit of \$160,000) to purchase 4 vehicles can be funded from the Unallocated Capital Reserve Account No. 108020.

**Staffing:**

**Rental Housing Licensing By-law:** Having the By-law come into force in 2017 will provide lead time for landlords to bring existing illegal units into compliance. It is anticipated that current staff will be able manage the zoning verification requests during this period. However, there may be an impact on the Building Services Division and the Planning Division depending upon the demand for building permits and/or requests on the Committee of Adjustment or Zoning By-law amendments. The situation will have to be monitored and it may result in additional costs for a temporary staffing increase.

Staff recommends the creation of a “*Manager of Rental Housing*” position (1 FTE) effective January 1, 2014 to manage the recommended proactive Rental Housing Enforcement Program, educational efforts and to prepare for the impending (2017) Rental Housing Licensing By-law, if approved. Salary and benefits for this position are estimated at \$135,000 per year, which can be fully funded from the Tax Stabilization Reserve for 2014; 1/3 FTE expense to be added to the Levy in each 2015, 2016 and 2017 with offsetting revenues reducing the Levy impact in 2017 through revenues associated with the Rental Housing Licensing Program.

Beginning January 1, 2017, and phased-in as necessary during the first year of the program, 8 new FTEs (1 Clerk, 4 Municipal Law Enforcement Officers (MLEOs), 1 Fire Inspector, 1 Licensing Facilitator and 1 technical support) would be required to effectively administer and enforce the proposed Rental Housing Licensing By-law.

**Proactive Enforcement Program:** The implementation of a permanent full-time Proactive Enforcement Program (5 FTEs (4 MLEOs and 1 Clerk)) is recommended to commence immediately once a decision has been made regarding a Rental Housing Licensing By-law, as the current Pilot Program is set to expire no later than December 2013.

**Legal:** The City has the authority to license the business of renting dwelling units under the Municipal Act, 2001. Staff is proposing a City-wide approach to licensing rental housing which is consistent with the recommendations of the Ontario Human Rights Commission.

## **HISTORICAL BACKGROUND**

To assist with its comprehensive investigation into the need to license rental housing, City Council, on March 31, 2010, approved an 18-month Proactive By-law Enforcement Pilot Program for Wards 1 to 8 (subsequently named “Project Compliance”). The Pilot consisting of 6 part-time MLEOs and 1 temporary full-time Clerk which commenced in May 2010.

On September 14, 2011, City Council directed *“that staff report back on licensing options based on the experience of other municipalities, including but not limited to a hybrid of a rental housing license/proactive by-law enforcement”*.

On September 18, 2012 staff presented Report PED10049(h) (“Regulation of Rental Housing”) to the Planning Committee which contained much of the justification for requiring a Rental Housing Licensing By-law as well as alternatives to licensing. Committee approved the following direction:

- a) That the concept of licensing rental housing in low-density buildings, as detailed in Report PED10049(h), be received;
- b) That staff be directed to prepare comprehensive recommendations, a draft by-law amendment and cost recovery analysis to be presented to a Special Public Meeting of the Planning Committee to be held before December 15, 2012 and that the report be released to the public one week prior to the public meeting;

(URL link) [Report PED10049\(h\) “Regulation of Rental Housing”](#)

On November 28, 2012 Council approved a recommendation (Report PED10049(i)), that funding for the proactive enforcement pilot be extended *“...until the end of December 2013 or sooner if a decision was made regarding Proactive Enforcement and Rental Housing Licensing”*.

(URL link) [Report PED10049\(i\) “Extension of Project Compliance and Vital Services Programs”](#)

On December 11, 2012 staff presented Report PED10049(j) (“Rental Housing Licensing Model”) to the Planning Committee which contained a draft rental dwelling unit by-law for buildings containing six or less dwelling units as well as the costing and implementation plan. Staff also submitted Report PED10049(k) (“Rental Housing

Supplementary Report”) in response to several questions related to proactive enforcement and licensing raised at the September 18, 2012 Planning Committee meeting.

Well over 30 delegations were made to the Special Planning Committee meeting on December 11, 2012. The Planning Committee directed “*that the Hamilton Real Estate Board and the Hamilton Apartment Association be requested to provide a solution to illegal apartments and, in particular, student residences in an effort to respect neighbourhood concerns and tenants’ safety and that staff be directed to provide necessary statistics to both associations.*”

(URL link) [Report PED10049\(j\) “Rental Housing Licensing Model”](#)  
[Report PED10049\(k\) “Rental Housing Supplementary Report”](#)

On June 18, 2013 a Joint Task Force of the Realtors Association of Hamilton-Burlington (RAHB) and Hamilton and District Apartment Association (HDAA) presented their recommendations. Upon completion of their presentation and following questions to staff, the RAHB-HDAA presentation was received. Following the presentation, the Planning Committee directed, “*that staff report back to the Planning Committee with options and alternatives related to the licensing of rental housing no later than September 2013.*” Staff also presented Information Report PED10049(l) (“Rental Housing Supplementary Findings of December 11, 2012 Special Planning Committee Meeting”) which contained answers to questions raised at the December meeting.

(URL link)  
[Report PED10049\(l\) “Rental Housing Supplementary Findings of December 11, 2012 Special Planning Committee Meeting”](#)

#### **POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS**

N/A

#### **RELEVANT CONSULTATION**

Legal Services and Fire were consulted in the preparation of this Report.

#### **ANALYSIS / RATIONALE FOR RECOMMENDATION**

In 2010 Council approved a proactive by-law enforcement program as an alternative to licensing rental housing and to assess the need to license renting dwelling units. As reported to Planning Committee on several occasions since then, the pilot is significantly contributing to the City’s goals towards a safe and healthy Community by

uncovering and addressing significant deficiencies in rental housing, which were not being addressed under the former reactive (complaint based) approach to enforcement.

The program continues to reveal deficiencies and sub-standard living conditions in many rental units, as well as an over intensification of rentals in certain neighbourhoods across the City and existing unsafe illegal units where construction may have occurred without the proper building permits and approvals from the City. Landlords and social housing advocates state that rental licensing will impact on affordable housing. However, the condition of some of the rental housing stock does not meet the minimum Property Standards By-law requirements. As a result, staff continue to recommend a Rental Housing Licensing By-law as a means to regulate and ensure properties meet the minimum requirements per the City's by-laws, rather than to return to the ineffective reactive approach to enforcement.

In preparation of this Report and as directed by Council, staff examined various options and alternative approaches to licensing by examining frequency of inspections, cost recovery, different licensing fees, implementation schedules, etc. which would be necessary for an effective Rental Housing Licensing By-law. The table below provides an outline of the model originally presented in Report PED10049(j), as well as the other alternative scenarios including the recommended model in this Report. A complete summary of the various options is provided in Appendix "C" to this Report.

Scenarios	FTE	Year Enforced	License Fee	Levy Impact 1 <sup>st</sup> Year	Inspection Period/Frequency
Original Plan 2012 (Report PED10049(j))	17 staff	2014	\$100	\$473,000	3 year
Scenario 1	17 staff	2014/15	\$145	\$90,000	3 year
Scenario 2	14 staff	2014/15	\$100	\$204,000	3 year
Scenario 3	12 staff	2014/15	\$100	\$60,000	6 year
Recommended Plan (Report PED10049(m))	9 staff	Pass 2013 Enforce 2017	\$100	\$115,000	4 year

Based on the results and feedback of the December 11, 2012 Special Planning Committee Meeting, further consultation was undertaken and various alternatives of licensing examined. Staff is proposing that the draft by-law requirements before the Committee on December 11, 2012 be maintained, but with relaxed requirements in the following areas:

- The submission of a completed "*self-certification checklist*" once every four years (rather than every three years as originally recommended) to assure the Issuer of Licences that applicable by-laws and legislation were being complied with. Relaxing this requirement would reduce the number of enforcement staff required while continuing to ensure an inspection of the property. Properties would be inspected based on the date they were first licensed; however, priority would be given to those properties where there is a history of and/or ongoing enforcement issues. A draft copy of the "Self-Certification Checklist" is attached in Appendix "D" to this Report.

- The requirements regarding room size and height in the “*self-certification checklist*” have been removed and replaced to require compliance with the Ontario Building Code and/or Ontario Fire Code. The Property Standards By-law, which contains outdated and inaccurate Building Code standards, will also need to be amended to require compliance with the Building and Fire Codes.
- Proof of compliance with Electrical Safety Authority requirements was to be submitted prior to applying for a licence and once every three years thereafter. However, based on further consultation and current requirements under the Fire Code, staff recommends removing this requirement. Instead, when a property inspection by an MLEO gives rise to concerns about electrical safety, Fire Prevention will be notified to conduct an inspection and assess the need for an ESA inspection.

Finally, the most significant change staff is recommending the extension of the implementation schedule to allow more time for education of and compliance by landlords seeking to address illegal rental units. Staff is now recommending that the Rental Dwelling Unit By-law be passed in 2013 and come into force on April 10, 2017. A longer implementation schedule would also allow the City to complete the new comprehensive residential Zoning By-law which may mitigate the potential loss of units and for other housing options and/or programs to be developed by Housing, Planning and Neighbourhood Development staff.

Also, as noted by the Joint Task Force of RAHB and HDAA, allowing landlords to come forward and work through the systematic process of recognizing illegal units will take time but can be achieved through the City’s current Zoning By-law. As well allowing for new regulations to be identified as the City develops its new Zoning By-law which may allow for higher densities in certain parts of the City and/or neighbourhoods.

A summary of all requirements for the draft Rental Housing Licensing By-law, as presented in Report PED10049(j) in December 2012, is attached to Appendix “E” to this Report PED10049(m). The list includes the new recommendations as outlined above.

As noted earlier, the former reactive approach to enforcement was not effective in identifying and addressing deficiencies in rental housing living conditions. Therefore, in addition to a Rental Housing Licensing By-Law, staff recommend that some level of proactive enforcement be maintained, especially for the larger multi-residential buildings (i.e. seven or more units) not captured by the recommended By-law. As noted earlier, funding for the current proactive enforcement pilot exists “...until the end of December 2013 or sooner if a decision was made regarding Proactive Enforcement and Rental Housing Licensing”.

A Proactive By-law Enforcement Team would continue to conduct audits of multi-residential buildings to address safety/quality issues. Concerns raised by social housing advocates about poor living conditions in some multi-residential buildings have been validated through recent proactive efforts as noted in Report PED10049(k). The Proactive Team would continue to undertake inspections in problem areas and properties across the City.

As previously reported, the current part-time staffing model is neither efficient nor effective because of the high degree of staff turnover. Therefore, staff recommends a permanent program of 5 FTEs (4 MLEO and 1 Clerk). This is a reduction of 1 MLEO from the original recommendation (PED10049(j)) but it closely matches the staffing level associated with the current pilot (6 part-time MLEOs)

### **ALTERNATIVES FOR CONSIDERATION**

As noted earlier, the former reactive (complaint based) approach to enforcement was not effective in identifying and addressing deficiencies in rental housing living conditions. As such, staff does not recommend returning to the former reactive approach to enforcement. However, the following alternatives may be considered:

#### **Revise the Proposed Rental Housing Licensing Model/By-law:**

Council may direct various changes to the proposed by-law, such as a different implementation schedule, frequency of inspections, including more or fewer building types, the amount of the licensing fees, etc. Variations of these themes, as noted, are presented in Appendix “C” to this Report.

#### **Alternative Implementation Schedule**

In consultation with the Realtors Association of Hamilton-Burlington, one option would be to work with landlords to bring illegal properties into compliance and assess the need for licensing at a later date. The alternative is that licensing be set aside and reassessed at a later date once considerable effort has been made to bring illegal units into compliance. Such an approach may not be effective if, without a by-law, there is relatively little chance that continuing to operate illegal properties will have consequences for a landlord.

#### **City-Wide Proactive By-law Enforcement Team**

A permanent Proactive Enforcement Team could be established without a Licensing By-law to proactively enforce Property Standards and Yard Maintenance issues, focusing on key problem areas across the City. However, as there would be no licensing revenues, funding for this Program would come solely from the levy and only partially off-set by fines.



**ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:**

**Strategic Priority #1**

A Prosperous & Healthy Community

*We enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.*

**Strategic Objective**

- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.

**APPENDICES / SCHEDULES**

Appendix “A” to Report PED10049(m) – Draft Rental Dwelling Unit Licensing By-law (Schedule 30 – Rental Dwelling Unit)

Appendix “B” to Report PED10049(m) – Potential Costs and Licensing Fee Overview

Appendix “C” to Report PED10049(m) - Summary of Alternatives of Licensing

Appendix “D” to Report PED10049(m) – Draft Rental Dwelling Unit Self-Certification Checklist

Appendix “E” to Report PED10049(m) – Summary of Licensing Requirements as Presented in Report PED10049(j)

Authority: Item , Committee

Report (Staff report number)

CM: Date

Bill No.

**CITY OF HAMILTON**  
**BY-LAW NO. \_\_\_\_\_**

**To Amend:**

**By-law No. 10-221, a by-law to prescribe standards for the maintenance and occupancy of property and**

**By-law No. 07-170, a by-law to license and regulate various businesses**

**WHEREAS** Council enacted a by-law to prescribe standards for the maintenance and occupancy of property, being City of Hamilton By-law No. 10-221, and a by-law to license and regulate various businesses, being City of Hamilton By-law No. 07-170;

**AND WHEREAS** this By-law provides for amendments to both by-laws to enable the licensing and regulation of the business of renting residential dwelling units;

**NOW THEREFORE** the Council of the City of Hamilton enacts as follows:

1. Subsections 27(1), 27(2), 27(3) and 27(4) of By-law No. 10-221 are deleted and replaced with following new subsections 27(1) and 27(2):
  - 27(1) Every room or space within a building shall be compliant with the Building Code.
  - 27(2) No room or space within a building shall be used for a purpose that is not compliant with applicable zoning by-laws.
2. By-law No. 07-170 is amended by adding Schedule 30, attached as Appendix A.
3. Section 30 of the General Provisions of By-law No. 07-170 is amended by adding the title "Schedule 30 Rental Dwelling Units" after "Schedule 29 Trades".
4. This By-law comes into force on XXX.

**PASSED** this                    day of                    , 20 .

R. Bratina Mayor	R. Caterini City Clerk

## Appendix A

### SCHEDULE 30

#### RENTAL DWELLING UNITS

##### INTERPRETATION

1. In this Schedule:

**"building"** means a structure, whether permanent or temporary, containing from one to six dwelling units and includes a building which is a single detached dwelling.

**"dwelling unit"** means a room or suite of rooms used or intended to be used by one or more persons living together as one household, in which cooking and sanitary facilities are provided for the exclusive use of the household, and to which an independent entrance is provided from the outside or the building or from a common interior hallway, vestibule or stairway;

**"landlord"** means:

- (a) a registered owner of a dwelling unit in a building;
- (b) a person:
  - (i) for the time being managing or receiving rent for a dwelling unit in a building whether on the person's own account or as agent or trustee; or
  - (ii) who would receive rent for a dwelling unit in a building if it were rented;

**"local contact"** means an individual who resides in the City of Hamilton and who is authorized by a landlord to act on their behalf with respect to their dwelling unit, including to ensure compliance with this By-law, but does not include a tenant of the dwelling unit;

**"property"** means a parcel of land which can be legally conveyed pursuant to the provisions of the *Planning Act* and does not include road allowance;

"**registered owner**" means an owner of a dwelling unit whose interest in the dwelling unit is defined and whose name is specified in the proper land registry office;

"**rent**" includes consideration paid or required to be paid by a tenant to a landlord for the right occupy a dwelling unit when used as a noun and has a corresponding meaning when used as a verb; and

"**tenant**" includes a person who pays rent to a landlord for the right to occupy a dwelling unit.

2. This Schedule does not apply to:
  - (a) a bed and breakfast, hotel or motel as defined in Schedule 3 of this By-law;
  - (b) a lodging house as defined in Schedule 9 of this By-law;
  - (c) a residential care facility as defined in Schedule 20 of this By-law;
  - (d) a dwelling unit to which any of the following Acts or their regulations apply:
    - (i) *Homes for Special Care Act*;
    - (ii) *Long Term Care Homes Act, 2007*; or
    - (iii) *Social Housing Reform Act, 2000*.

#### **GENERAL**

3. The Issuer of Licences is authorized to prescribe the format and content of any forms or other documents required under this Schedule.

#### **LICENCE REQUIRED**

4. No person shall rent out or offer to rent out a dwelling unit in a building without a licence issued under this Schedule.
5. When submitting an application for a licence, an applicant shall submit:
  - (a) a copy of the Transfer/Deed and parcel abstract dated no later than 15 days prior to the date of the application evidencing the registered owner of the dwelling unit;
  - (b) a premises plan, drawn to scale, of the property where the dwelling unit is located that has been approved by the Issuer of Licences and the details of such premises plan shall include but are not limited to depicting the location, as applicable, of: all buildings, structures, parking areas and

- walkways; all dwelling units to be licensed; all entrances/exits to the dwelling units to be licensed and the building where they are located; and, all bedrooms in each dwelling unit;
- (c) a maintenance plan identifying the measures that the landlord will implement to comply with:
    - (i) The Snow Removal By-law No. 03-296;
    - (ii) the Solid Waste Management By-law No. 09-067;
    - (iii) the Yard Maintenance By-law No. 10-118;
  - (d) if the landlord does not reside in the City, the name, address, telephone number and email address of a local contact;
  - (e) proof of insurance as required by the application; and
  - (f) for the first application and at four year intervals thereafter, a completed dwelling unit self-certification checklist.
6. As required by the Issuer of Licences when applying for a licence or at any time during the term of a licence, an applicant or licence holder shall submit one or more of the following:
- (i) a certificate from the Electrical Safety Authority that each building containing a dwelling unit, including each dwelling unit, complies with the Ontario Electrical Safety Code;
  - (ii) a certificate from the Fire Department that each building containing a dwelling unit, including each dwelling unit, complies with the applicable fire safety standards;
  - (iii) a certificate of compliance under the Property Standards By-law for each building containing a dwelling unit, including each dwelling unit;
  - (iv) a zoning verification certificate for the use of the property.
7. No licence holder under this Schedule shall change or cause a change to be made to a premises plan or maintenance plan without first obtaining the approval of the Issuer of Licences.

#### **DUTIES OF LANDLORD**

8. Every landlord shall:
- (a) post inside the front entrance to each dwelling unit in a conspicuous place:

- (i) a current licence; and
- (ii) a legible notice stating the name of the landlord or the landlord and the local contact and the telephone number where such landlord or the landlord and the local contact can be contacted immediately;
- (b) ensure that every advertisement of a dwelling unit for rent includes the current licence number and that the current licence number is either legible or clearly audible depending on the advertising medium used;
- (c) ensure that the property where a dwelling unit is located, including the building containing the dwelling unit and the dwelling unit, meets all requirements of the *Building Code Act, 1992* and its regulations, the *Fire Protection and Prevention Act, 1997* and its regulations and any applicable by-law including any zoning by-law;
- (d) ensure that the measures in the maintenance plan under subsection 5(c) are implemented; and
- (e) not cause, directly or indirectly, a tenant to refuse to consent to lawful entry and inspection of the property where a dwelling unit is located, including the building containing the dwelling unit and the dwelling unit.

Potential Costs and Licensing Fees Overview

The following is a break-down of potential costs per rental dwelling units and/or single dwellings under the proposed licensing requirements.

<b>Number of Units</b>	<b>Fee per Unit</b>
<b>One Unit /Single-Family</b>	<b>\$100</b>
Zoning (if required)	\$108
Total (including Zoning)	\$208
<b>Two Units</b>	<b>\$200</b>
Zoning (if required)	\$108
Total	\$308
<b>Three Units</b>	<b>\$300</b>
Zoning (if required)	\$108
Total	\$408
<b>Four Units</b>	<b>\$400</b>
Zoning (if required)	\$108
Total	\$508
<b>Five Units</b>	<b>\$500</b>
Zoning (if required)	\$108
Total	\$608
<b>Six Units</b>	<b>\$600</b>
Zoning (if required)	\$108
Total	\$708

\* Zoning Verification Fee is an estimate of what the fee could be in 2017. Used for estimating only and is subject to change.

### Summary of Alternatives – Rental Housing Costing

Scenarios	FTE	Year Enforced	Licence Fee	Levy Impact 1 <sup>st</sup> Year	Inspection Period
Recommended Plan	9 staff	Pass 2013 Force 2017	\$100	\$115,000	4-year
Original Plan 2012	17 staff	2014	\$100	\$473,000	3-year
Scenario 1	17 staff	2014/15	\$145	\$90,000	3-year
Scenario 2	14 staff	2014/15	\$100	\$205,000	3-year
Scenario 3	12 staff	2014/15	\$100	\$60,000	6-year
Alternative – Just Project Compliance no Rental Housing By-law					
Alternative	5 staff	2014	N/A	\$275,000	N/A

Note: all amounts rounded

### Rental Housing By-law Preferred Scenario

By-law passed in 2013 & enforce April 1, 2017

- 9 FTE's
- \$100/unit Licence Fee

Levy Impact (minus fees/fines)

2017	2018	2019	2020
\$115,00	\$90,000	\$10,000	(\$20,000)

**Assumptions:**

- 8500 units year one
- Inspection once every **four** years (impacts staffing)
- Project Compliance included (40% of 5 FTE's) (fines/salary)
- New Zoning By-law in place (protects the loss of units)
- 2019/20 potential to expand program add FTE (Licence or Fire)





### Background Recommended RHB Information

9 FTE’s (4 MLEO’s, 1 Clerks, 1 Lic Fac, 1 Fire Inspectors, 1 App Analyst, 1 Manager)

- 4 year Inspection Model
- Risk based Fire Inspections
- \$63,000 fines collected via Project Compliance to offset Levy Impact
- \$945,000 Salary
- Plus \$195,000 (40% from PC)

This scenario assumes 1000 buildings requiring a zoning verification at \$108 (2017) and 500 buildings each year there after.

All Salaries within each scenario is assumed highest step in the salary grade.

1.9% Inflation is calculated into each scenario for Salary increases

For properties failing to register additional charges/penalties would be charged which could reduce the levy impact – amount unknown



### Recommended Rental Housing Cost Summary

Preferred Plan	FTE	Year	FTE	Fee	Levy Impact	Inspection Period
Rental Housing By-law (RHB)	Year Passed	2013	N/A	N/A	No Impact	N/A
	Year Enforced	2017	9 Staff	\$100	\$113,829	4-year

Rental Housing Summary:

- 9 FTE’s (1 Manager, 1 Clerk, 1 Licence Facilitator, 1 Fire Inspector, 1 Application Analyst and 4 MLEO’s)
- Enforcement begins in 2017 and includes 40% of Project Compliance (Cost/Fines)

### Project Compliance Cost Summary

FTEs	Year	Salary (5 FTE's)	% to RHB	Total to PC(2017)	Total to RHB (2017)	Fines Collected (historical)	TOTAL Levy Impact
5 staff	2014 - 2016	\$453,000	-	-	-	\$180,000	\$273,000 (per year)
	2017	\$479,723	60/40	\$287,834 (60%)	\$191,889 (40%)	\$117,000 (60%)	\$170,834

Project Compliance Summary:

- 4 MLEO's and 1 Clerk
- 2014-2016 Full-time PC leading up to By-law Enforcement in 2017
- In 2017, 40% (or 2 days a week) PC team committed to RHB related enforcement and inspection activities “*finds the properties that avoid licensing*”

### Background Information Project Compliance

FTEs	Year	Salary (5 FTE's)	% tied to RHB	Total to QUES? (2017)	Total to RHB (2017)	Fines Collected (historical)	TOTAL Levy Impact
5 staff	2014 - 2016	\$453,000				\$180,000	\$273,000 (per year)
	2017	\$479,723	60/40	\$287,834 (60%)	\$191,889 (40%)	\$117,000 (60%)	\$170,834
	2018	\$488,838	60/40	\$293,303	\$195,535	\$117,000	\$176,303
	2019	\$498,125	60/40	\$298,875	\$199,250	\$117,000	\$181,875
	2020	\$507,590	60/40	\$304,554	\$203,036	\$117,000	\$187,554



## December 2012 Plan (Report PED10049(j))

By-law passed in 2013 & enforce April 1, 2014

- 17 FTE's
- \$100/unit License Fee

Levy Impact (minus fees/fines)

2014	2015	2016	2017*
\$473,000	\$457,000	\$388,000	\$302,000

**Assumptions:**

- 8500 units year one
- Inspection once every **three** years (impacts staffing)
- Proactive included ( 5 FTE's)
- New Zoning By-law not in place (loss of units)
- 2017 reduction in staff by one FTE



## Scenario One – Dec 2012 Plan with \$145 Fee

By-law passed in 2013 & enforce April 1, 2014

- 17 FTE's
- \$145/unit License Fee

Levy Impact (minus fees/fines)

2014	2015	2016	2017*
\$90,000	\$30,000	(\$84,000)	(\$193,000)

**Assumptions:**

- 8500 units year one (additional units each year thereafter)
- Inspection once every **three** years (impacts staffing)
- Proactive included
- New Zoning By-law not in place (loss of units)
- 2017 reduction in staff by one FTE
- 2016 surplus revenue either reduce fees or expand program



### Scenario Two – Reduced FTE Plan & \$100 Fee

By-law passed in 2013 & enforce April 1, 2014

- 14 FTE’s (2014)
- 17 FTE’s (future when new revenue allows for expansion)
- \$100/unit License Fee

Levy Impact (minus fees/fines)

2014	2015	2016	2017
\$204,000	\$182,000	\$107,000	\$104,000

**Assumptions:**

- 8500 units year one
- Inspection once every **three** years (impacts staffing)
- Proactive included
- New Zoning By-law not in place (loss of units)



### Scenario Three – Reduced FTE Plan, \$100 Fee, & 6 Year Inspection

By-law passed in 2013 & enforce April 1, 2014

- 12 FTE’s (2014)
- 17 FTE’s (future when new revenue allows for expansion)
- \$100/unit License Fee

Levy Impact (minus fees/fines)

2014	2015	2016	2017
\$60,000	\$35,000	(\$44,000)	(\$51,000)

**Assumptions:**

- 8500 units year one
- Inspection once every six years (impacts staffing)
- Proactive included
- New Zoning By-law not in place (loss of units)
- 2016 potential to expand program



## Alternative – No RHB just Full-time Project Compliance

No Rental Housing By-law –full time Project Compliance

- 5 FTE’s

Levy Impact (minus fees/fines)

2014	2015	2016	2017
\$273,000	\$282,000	\$291,000	\$300,000

**Assumptions:**

- Proactive only
- Radom Inspections and Audits Proactive included
- Can focus on corporate priorities





## Rental Dwelling Unit Self-Certification Checklist

<b>Municipal Address:</b>
<b>Rental Dwelling Unit #:</b>

This Rental Dwelling Unit Self - Certification Checklist is designed to assist property owners in determining whether their properties comply with the City of Hamilton Property Standards By-law and Yard Maintenance By-law. Each item on the checklist must be indicated as being "in compliance" or marked as "not-applicable". Use the comments section to explain proposed actions to address non-conforming items or to explain why an item is "not applicable". Complete one Checklist for each rental dwelling unit and supply all tenants within the rental dwelling unit with a completed Checklist.

This Self-Certification Checklist is not all-inclusive. In addition to the items listed below, property owners are responsible for ensuring that all their units are in compliance with all applicable City of Hamilton By-laws (e.g. Zoning By-laws) and all applicable Provincial and/or Federal legislation (e.g. the Building Code and the Fire Code).

Exterior and common areas	Compliance Verified	Comments
<b>Exterior property areas</b>		
The property is free of waste (i.e. garbage and litter)	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	
The property landscaping is properly maintained	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	
There are no dead, decayed or damaged trees	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	
There are no wrecked, dismantled or inoperative vehicles	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	
There are no dilapidated or collapsed structures	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	
Driveways and parking areas are in good condition	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	
Exterior lighting is in good working order	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	
Accessory buildings (sheds) are well maintained	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	
Property fences and gates are in good working order	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	
Retaining walls are well maintained	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	
Outside garbage storage area is kept in a litter free condition	<input type="checkbox"/> In compliance <input type="checkbox"/> Not applicable	

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**Rental Dwelling Unit Self-Certification Checklist**

<b>Municipal Address:</b>
<b>Rental Dwelling Unit #:</b>

Exterior and common areas <i>(continued)</i>	Compliance Verified		Comments
<b>Building</b>			
Foundations are in good solid condition	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
All doors, windows, skylights and shutters are well maintained and operational	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Roofs are in good repair able to prevent the leakage of water into the building	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Gutters and downspouts are unclogged, in good condition and operational	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Chimneys are well maintained and free from loose bricks	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Staircases are sound and in good condition and operational	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Guards and handrails are in good condition and operational	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Decks and balconies are in good solid condition	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Exterior paint is well maintained	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Property is free of graffiti	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Building is maintained to prevent the entry of vermin and birds	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Interior of Units	Compliance Verified		Comments
<b>Kitchen</b>			
Floor covering are free of trip hazards and in good condition	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Electrical outlets and light switches are functional and have cover plates	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Doors, windows and window screens are in good condition and operational	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
The kitchen sink is serviced with potable water	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Interior lights are in good working order	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Cupboards, pantries are well maintained and in good working order	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	

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**Rental Dwelling Unit Self-Certification Checklist**

<b>Municipal Address:</b>
<b>Rental Dwelling Unit #:</b>

Interior of Units <i>(continued)</i>	Compliance Verified		Comments
<b>Living room - Dining room - Den</b>			
Floor coverings are free of trip hazards and in good condition	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Electrical outlets and light switches are functional and have cover plates	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Doors, windows and window screens are in good condition and operational	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Interior lights are in good working order	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Fireplaces are in good working condition and properly vented	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
<b>Bedrooms</b>			
Floor covering is free of trip hazards and in good condition	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Electrical outlets and light switches are functional and have cover plates	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Interior lights are in good working order	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Doors, windows and window screens are in good condition and operational	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
<b>Bathrooms</b>			
Floor coverings are free of trip hazards and in good condition	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Electrical outlets and light switches are functional and have cover plates	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Doors, windows and window screens are in good condition and operational	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Interior lights are in good working order	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Sinks, bathtubs/showers and toilets drain properly and do not leak	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
<b>Plumbing Systems and Fixtures</b>			
All plumbing systems and plumbing fixtures in a building/unit are maintained so as to properly perform their intended function and be free from leaks and defects	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	

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### Rental Dwelling Unit Self-Certification Checklist

<b>Municipal Address:</b>
<b>Rental Dwelling Unit #:</b>

General - Interior and Exterior	Compliance Verified		Comments
<b>HVAC - Heating - Ventilation</b>			
HVAC systems are in good condition and operational	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Heating systems maintain a temperature of 20°C (68°C) between the 1st of September to the 31st of May	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Natural or mechanical ventilation of a room or space in a building is Building Code compliant and maintained in good working condition	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
Portable heating equipment is not be used as the main source of heat	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
<b>Occupancy Standards</b>			
No room or space within a building is used for a purpose that is not compliant with the Building Code and applicable zoning by-laws	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
<b>Ceilings and Walls</b>			
All walls and ceilings are maintained and in good condition	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
<b>Pest Infestation</b>			
The dwelling unit is free and clear of rodents, vermin and insects	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	
<b>Means of Access or Egress</b>			
Means of access or egress are free and clear and in good condition	<input type="checkbox"/> In compliance	<input type="checkbox"/> Not applicable	

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**Rental Dwelling Unit Self-Certification Checklist**

<b>Municipal Address:</b>
<b>Rental Dwelling Unit #:</b>

Rental Unit Information	
Completion Date	Location of rental property

**Special Note:** Every home in Ontario must have a working smoke alarm on every storey and outside all sleeping areas

Initial each box below

- I certify as the property owner/agent that the rental dwelling unit has been inspected and it meets or exceeds the minimum criteria listed in the Rental Dwelling Unit Self-Certification Checklist.
- I certify the completed Rental Dwelling Unit Self- Certification Checklist was provided to all tenants of the rental dwelling unit.
- I certify that I am responsible as the property owner/agent for ensuring this rental dwelling unit is in compliance with all applicable City of Hamilton By - Laws (e.g. zoning by - Laws) and all applicable Provincial and/or Federal legislation (e.g. the Building Code and the Fire Code).

Print Name: \_\_\_\_\_ Check box:  Property owner       Property agent

\_\_\_\_\_  
Property owner/agent signature

\_\_\_\_\_  
Date (dd/mm/yy)

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The following is an outline of the proposed Rental Dwelling Units Draft By-law requirements as noted in Report PED10049(j) and it continues to be part of the proposal presented in Report PED10049(m).

**Proposed Model to Regulate Rental Housing**

**(i) Licensing Businesses Renting Dwelling Units**

The requirements, as proposed in the draft Rental Dwelling Units Licensing By-law attached as Appendix “A” to this Report, include:

- a licence for any rental building in the City containing from one-to-six dwelling units, including a building which is a single detached dwelling;
- proof of ownership of the rental dwelling unit and contact information (including a local contact);
- a premises plan for the property showing all buildings, structures, parking areas, walkways, dwelling units, entrances/exits to the dwelling units and the building where they are located, and habitable rooms in each dwelling unit;
- a Property Maintenance Plan identifying the measures a landlord will take to be in compliance with the City’s Yard Maintenance By-law (10-118), Snow Removal By-law (09-067) and Solid Waste Management By-law (09-067);
- proof of insurance;
- once every four years, a completed “self-certification checklist” (a draft of which is attached in Appendix “C” to this Report) to assure the Issuer of Licences that applicable by-laws and legislation are complied with. The City would, through subsequent inspections by staff (estimated to be once every four years based on the proposed staffing levels), verify the accuracy of the checklist; and,
- a zoning verification (when necessary).

In addition:

- Owner-occupied buildings are included in the by-law. While it has been suggested that owner-occupied buildings be exempt because they are better cared for, this has yet to be substantiated. Council could consider an exemption for such buildings in the future if experience under the by-law supports this;
- Social Housing rental buildings are exempt as they are already subject to oversight through Provincial legislation;

- Bed and Breakfasts, Hotels and Motels, Lodging Homes and Residential Care Facilities are exempt as the public interest is currently protected through existing Licensing By-law requirements;
- Reliance on Hamilton’s Zoning By-law (6593), which currently allows for eight habitable rooms. Habitable rooms include living rooms, dining rooms, kitchens and bedrooms. Any additional habitable rooms require an increase in parking (0.5 parking for each additional room) and are subject to minimum lot size requirements. It is anticipated that this requirement will be incorporated into new City-wide zoning to ensure consistent application across the City. The requirement for zoning verifications, premises plans and continued inspections under the new By-law will ensure compliance. This approach allows more flexibility, particularly for larger families who often have difficulty finding rental accommodation.
- The Fire Department (HFD) will undertake a Risk Based Evidence Analysis of all license applications as part of the licensing requirements. This will entail a strategic review of applications utilizing specific criteria to identify properties requiring targeted inspections by the HFD. In addition, as Enforcement staff undertake proactive and random property inspections they will notify HFD of properties with potential fire risks. Beyond the Risk Based Evidence Analysis, the HFD will continue with its current practice of inspecting complaints under the legislative authority of the Fire Protection and Prevention Act.