

# INFORMATION REPORT

<b>TO:</b>	Chair and Members Rental Housing Sub-Committee
<b>COMMITTEE DATE:</b>	June 26, 2018
<b>SUBJECT/REPORT NO:</b>	Rental Housing Best Practices Tour (PED10049(y)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Jim Gordon (905) 546-2424 Ext.1317
<b>SUBMITTED BY:</b>	Kim Coombs Acting Director, Licensing and By-law Services Planning and Economic Development Department
<b>SIGNATURE:</b>	

## Council Direction:

At its meeting of February 14, 2018 City Council approved Planning Committee Report 18-002, Item 1, which allowed the Licensing and By-Law Services Division to hire a full time Project Manager for a six month period, from the redistribution of resources within the Licensing and By-law Services Division, at an estimated cost of \$60,000 to provide the following:

- (i) An update of Report PED10049(h) respecting Regulation of Rental Housing;
- (ii) A comparison of municipalities and their use of regulations respecting rental housing, for inclusion in a staff report back to the Rental Housing Sub-Committee; and,
- (iii) A list of municipalities for use in a future research trip respecting rental housing.

This Report will address Item (iii) above. Item (ii) will be addressed in Report PED10049(z). A final report will be forthcoming to the Rental Housing Sub-Committee regarding Item (i), an update on Report PED10049(h).

## Information:

On April 19, 2018, staff and members of the Rental Housing Sub-Committee visited two of the selected three municipalities that have established Licensing requirements for rental properties.

The Municipalities selected were London, which established their licence in 2010; Waterloo which established their licence in 2011; and, Guelph which looked at licensing in 2014 but ultimately chose increased enforcement over a licensing program.

In attendance were Councillor Terry Whitehead; Arun Pathak (Hamilton District Apartment Association); C. Michael Ollier (Hamilton Community Legal Clinic); Larry Huibers (Housing Help Centre); Nigel Warren (Citizen-at-Large); Sylvia Sadowski (Licensing Compliance Officer); Jim Gordon (Acting Project Manager) Kristin Prince (Special Projects Manager, Councillor Whitehead's Office).

### LONDON, ONTARIO

In London we were greeted by Heather Chapman, Manager, Municipal Law Enforcement Services, and Megan Pellizzari, Municipal Law Enforcement Officer. They gave a brief overview of their Licensing By-law. The By-Law was enacted in 2011 and then followed by a lengthy educational component. There have been a few charges over the past five years since enforcement with close to a 100 percent conviction rate. An added Fee for Service By-Law for repeat offenders assisted with compliance. Recently the fee for Licensing increased due to untruthfulness of the application process, and dual inspections with the Fire Department.

The City of London had difficulty entering properties for inspections due to the denial of right of entry, which resulted in the City enforcing exterior issues under the Property Standards and Yard Maintenance Bylaws. These exterior inspections led to collaborating with landlords and increased compliance with the Rental Licensing.

The City of London has amended their Zoning By-Law to permit secondary units. Many property owners are now converting their property to include second units.. Ms. Chapman stated that the licensing regime in regards to this type of rental property, and all other rental properties was a Health and Safety initiative. She did concede that in her department the cost recovery approach was not working as costs were outpacing fees. Ms. Chapman stated the Planning Department of London had estimated that there were 8,000 low density rentals in the City that did not have a student renting component. She also stated that there was not a great deal of displacement of tenants, when enforcing on illegal dwellings. London has taken a long term compliance approach to working with landlords and have chosen a collaborative process with owners.

Since the inception of their Licensing By-Law in 2011, London has processed 20,185 applications for Residential Rental Licensing. The high number is due to the transient nature of a lot of rental properties in their school districts (short term investment- student

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*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

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turnover). The implementation of a Licensing By-law has created increased workloads for many departments other than Municipal Law and has resulted in additional staff.

The Municipal Law Office in London is staffed by seventeen Municipal Law Enforcement Officers. The Residential Rental Licensing component is dealt with each week by one officer. This Officer will typically inspect seven dwellings per day for a total of 35 inspections per week.

Officers were finding many properties in violation of giving inaccurate information on their self-certification checklist during inspections. Inaccuracies ranged from wrong number of bedrooms listed, ingress/egress misstated, wrong ceiling heights in basements and other listed information requests. These inaccuracies have led to amendments to the Residential Rental Licensing By-Law which now ensure that an inspection is done on every dwelling applying for a licence, and has resulted in an increase of fees from \$55 to \$165.

London has placed an emphasis on working with their post-secondary institutions which comprise of a large portion of their rental population. Education components have been introduced to make this population aware of their rights, responsibilities, and to provide contact information in relation to the Residential Rental Licensing By-Law.

#### WATERLOO, ONTARIO

Shamir Mehta, Manager, Licensing and Standards gave an overview of their By-Law and answered questions from those in attendance.

Waterloo's By-Law came into effect in 2012, this was in response to conversions of properties from single family dwellings, and the problems associated with conversion. When implementing their program, they emphasized the need for an Electrical Safety Authority (ESA) inspection, a floor plan showing where bedrooms were located, and a Fire Inspection. The new By-Law resulted in the hiring of seven additional employees to handle the influx of applications and enforcement of the By-Law.

Waterloo has a large transient student population, however the student versus general population in rental housing is estimated to be 50/50. The post-secondary institutions were asking the City to implement licensing for health and safety reasons. Mr. Mehta could not provide statistics on the number of inspections to date.

Mr. Mehta stated that the rationale for implementation of the By-Law was due to issues such as overcrowding and property maintenance. When asked why they did not use the current City By-Laws already in effect, he stated that Licensing was brought in because past practice showed that landlords would wait to be issued Orders by the City before doing any maintenance or upkeep of the property, and their Licensing By-Law

now requires a local maintenance person or the owner to be responsible for upkeep. The implementation of Fees for Re-attendance also helped in the enforcement of By-Laws associated with rental properties.

An asset that Waterloo has in helping with enforcement of their By-Law is the requirement for a maintenance plan and responsible party along with a copy of the Deed and Insurance. This assists with identifying parties for service of Orders and work requests.

Mr. Mehta spoke of the challenges presented in implementation, such as having adequate manpower to enforce the By-Law, ensuring that staff were trained to complete a thorough application review process, and that the process would include the Building, Zoning and Planning Department and additional Fire Department resources. He also emphasized the need for pro-active education in conjunction with the post-secondary institutions, annually in September and February for educational purposes.

Waterloo has undergone a drastic change in regard to safety and overcrowding issues related to rental housing. Having a common component with many Cities in Ontario that house a transient student population that requires affordable housing, he felt a limit on bedrooms and having defined common spaces, had alleviated problems with overcrowding. Mr. Mehta was unaware of an issue of displacement due to the implementing of a licensing regime.

When initiating their inspection regime, many properties were found to be illegal secondary units. Waterloo worked with landlords to bring their properties into compliance. Mr. Mehta did concede that many of the problems associated with post-secondary institutions were not caused by rental properties and would occur whether there was a Licensing regime or not. He admitted that the first year of implementation could be costly for landlords requiring a licence as well as the fees for an ESA certificate, Fire Inspections, and the City's requirements (police check, hiring of a contact person for out of town owners, HVAC inspections). The renewal fee is half of the initial fee, and the police checks, parking plan, floor plan, maintenance plan, and ESA inspection, mentioned above need to re-occur every five years. The changing of contact people and maintenance people without notice to the City could result in legal action.

Mr. Mehta concluded that the licensing regime instituted could be construed as costly, but he felt it was a good initiative, and has increased the safety of rental housing throughout the City, but came at a cost to educate, staff and administer.

GUELPH, ONTARIO

Time did not permit a visit to the City of Guelph as our time at the previous municipalities extended beyond our anticipated requirements.

**Appendices and Schedules Attached**

N/A

KC/JG/st