



Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 15, 2024
SUBJECT/REPORT NO:	Opportunities for Tax Levy Savings in the Hamilton Apartment Rental Program and Tenant Support Program (PED23072(b)/HSC23023(c)) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Monica Ciriello Director, Licensing and By-law Services Planning and Economic Development Department
SIGNATURE:	
SUBMITTED BY:	Michelle Baird Director, Housing Services Healthy and Safe Communities Department
SIGNATURE:	

COUNCIL DIRECTION

On January 30, 2024, the General Issues Committee passed a motion that “staff be directed to review the Hamilton Apartment Rental Program inclusive of the Tenant Support Program, Safe Apartment By-Law, and Renovation Licence & Relocation By-Law programs and report back on any opportunities for 2024 Tax Levy savings from the coordinated and staggered implementation of the program”.

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INFORMATION

Background

On April 20, 2023, the Emergency and Community Services Committee passed a motion for staff to report back to the Committee in August 2023, with recommendations on a full suite of options to halt renovictions in the City of Hamilton, including a RentSafeTO style Tenant Support Program, amendments to various City By-laws, the use of building permits and a City-wide Licensing By-law and a stand-alone Renovictions By-law, in addition to any potential By-law associated with the review of a Tenant Support Program.

In response to that Council direction, through Report PED23072 and PED23072(a), Licensing and By-law Services staff recommended the adoption of a Safe Apartment Buildings By-law and a Renovation Licence and Relocation By-laws, both of which were referred to the 2024 Tax Supported Budget.

Additionally, through Report HSC23023(b), Housing Services staff presented recommendations on an expanded Hamilton Tenant Support Program. The staffing and resourcing for the Hamilton Tenant Support Program was also referred to the 2024 Tax Supported Budget.

Adoption of all three of the programs, as initially referred to the Budget process, would require the creation of 40 new FTEs in the Licensing and By-law Services, Legal Services, Parking Services and Housing Services Divisions at an estimated total cost of \$2.4M for 2024. This staffing and budget impact was based as though each initiative were separate and standalone programs.

Revised Implementation Timeline

In response to the January 30, 2024, direction, staff conducted a thorough review of the programs in order to identify opportunities for 2024 Tax Levy savings that could be achieved based on an optimized and coordinated implementation of the Hamilton Apartment Rental Program and the Hamilton Tenant Support Program.

As with the introduction of any new By-law, there is an initial period of preparation, education, and consultation regarding operational regulations, internal administrative organization, including hiring and system modifications. Implementation timelines for the Safe Apartment Buildings By-law and the Renovation Licence and Relocation By-law were initially detailed in Appendix "C" to Report PED23072 and Appendix "C" to PED23072(a). These implementation timelines were the basis for the 2024 Budget submission.

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To achieve cost savings, staff have developed a revised implementation timeline that would achieve cost savings through a coordinated and staggered approach to implementation. The revised implementation timelines are detailed in Appendix “A” to Report PED23072(b)/HSC23023(c).

The revised implementation timeline, would involve the consecutive roll out first of the Renovation Licence and Relocation By-law and the Tenant Support Program, followed by the Safe Apartment Buildings By-law. Prioritization was given to the implementation of the Renovation Licence and Relocation By-law due to the urgency required to support tenants experiencing bad faith evictions in the short-term. Under this revised timeline, the phased hiring of staff would begin in May 2024. Based on a By-law adoption date of May 1, 2024, staff anticipate that Renovation Licence application intake could begin in January 2025.

Following implementation of the Renovation Licence and Relocation By-law, staff would undertake a phased recruitment of positions required to develop, implement and enforce the Safe Apartment Buildings By-law. Based on a By-law adoption of May 1, 2024, staff anticipate that building registration intake could begin in January 2026 with initial evaluations of all registered buildings City-wide completed by September 2027.

Potential Cost Savings

Overall, the coordinated and staggered implementation of the programs as outlined in Appendix “A” to Report PED23072(b)/HSC23023(c) could result in savings over the roll-out of the programs between 2024 and 2027 as summarized in Table One.

The net savings to the 2024 Operating Budget would be \$1,390,623.

Table One – Potential Cost Savings as a Result of Staggered Implementation

	FTE	GROSS	NET
2024			
Savings/Cost Increase	(16.0)	(\$1,639,621)	(\$1,390,623)
2025			
Savings/Cost Increase	(10.0)	(\$1,905,698)	(\$2,727,901)
2026			
Savings/Cost Increase	(8.0)	(\$744,775)	(\$1,790,528)
2027			
Savings/Cost Increase	(8.0)	(\$744,775)	(\$735,707)

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The cost savings summarized in Table One include a reduction in the staffing requirement at full program implementation of 8.0 FTE, for a total staffing requirement of 32.0 FTEs at full implementation, rather than the original staffing need of 40.0 FTE.

The reduced staffing need is broken down as follows:

- 2 in Tenant Support that are being outsourced to other agencies
- 1 Municipal Law Enforcement Officer
- 1 Solicitor
- 3 Licensing Compliance Officers
- 1 Housing Clerk

Revised Program Cost

The overall program costs based on the coordinated and staggered implementation of the programs as outlined in Appendix “A” to Report PED23072(b)/HSC23023(c) is summarized below.

Hamilton Apartment Rental Program

- \$3,262,975 for staffing
- \$116,350 in operating costs for thirteen vehicles
- \$30,000 annually for outreach, education and communications

In addition to the operating costs, there is a one-time capital cost of \$708,825 for the purchase of 13 vehicles and shared cost of installation of charging stations.

Tenant Support Program

- \$529,000 for staffing
- \$290,000 to fund the Hamilton Community Legal Clinic pursuant to Procurement Policy By-Law (20-205) Policy 11
- \$80,000 to fund the Housing Help Centre Hamilton Property Rehab Tenant Liaison Coordinator position
- \$55,000 to fund the Association of Community Organizations for Reform Now (ACORN Hamilton) for two (2.0) staff positions as follows:
 - 1 FTE Tenant Defence Fund Organizer
 - 0.25 FTE for a Project Manager position
- \$25,000 for the Community Research Table
- \$100,000 for promotional materials and advertisement campaigns to educate landlords and tenants on their rights and responsibilities, available community supports, and local legislation

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Actual financial impacts would vary as a result of staggered hiring and delayed revenue generation. Estimated revised financial impacts for 2024-2027 are summarized in Table Two.

Table Two – Revised Total Program Costs Based on Staggered Implementation

2024 Revised Operating Costs			
Program	FTE	GROSS	NET
Renovation Licence By-law	3.00	\$301,293	\$132,803
Safe Apartment Buildings By-law	7.00	\$1,090,801	\$72,578
Tenant Support Program	4.00	\$809,946	\$809,946
Total	14.0	\$2,202,041	\$1,015,327
2025 Revised Operating Costs			
Program	FTE	GROSS	NET
Renovation Licence By-law	3.00	\$301,293	\$271,164
Safe Apartment Buildings By-law	23.00	\$1,947,109	\$253,124
Tenant Support Program	4.00	\$1,079,000	\$1,079,000
Total	30.0	\$3,327,402	\$1,603,288
2026 Revised Operating Costs			
Program	FTE	GROSS	NET
Renovation Licence By-law	3.00	\$301,293	\$281,107
Safe Apartment Buildings By-law	25.00	\$3,108,032	\$404,044
Tenant Support Program	4.00	\$1,079,000	\$1,079,000
Total	32.0	\$4,488,325	\$1,764,151
2027 Operating Costs			
Program	FTE	GROSS	NET
Renovation Licence By-law	3.00	\$301,293	\$291,351
Safe Apartment Buildings By-law	25.00	\$3,108,032	\$404,044

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Tenant Support Program	4.00	\$1,079,000	\$1,079,000
Total	32.00	\$4,488,325	\$1,774,395

Service Levels

In crafting staff's initial recommendations for a full suite of options to halt renovations in Hamilton, staff undertook significant consultation with other municipalities. Specifically, staff thoroughly reviewed the City of Toronto's RentSafeTO program and Mississauga's Apartment Rental Compliance Program to understand staffing structures, timelines, program challenges and program strengths, areas of opportunity and "lessons learned". Based on this best practice review, staff brought forward the Safe Apartment Buildings By-law and resourcing that was modelled after features drawn from the aforementioned programs.

Feedback provided by the other municipalities stressed the importance of service levels to program success and particularly in building relationships with tenants and landlords across the municipality. Feedback provided also indicated that as a result of implementing a Safe Apartment Buildings By-law staff can expect to see an increase in complaints received relating to other by-law concerns, including; Property Standards, Yard Maintenance, and Noise.

Staffing and resourcing recommendations for the Safe Apartment Buildings By-law were developed to ensure that officers could evaluate all buildings within 18 months of application intake, while responding to an expected increase in Property Standards and other complaints received by tenants in registered buildings and completing the associated administrative work as required. A decrease in officers or a delay in hiring would extend the application intake period beyond September 2027. Under the staffing model described in this report, staff hired under the Renovation Licence and Relocation By-law and the Safe Apartment By-law would ultimately become one team to oversee the Hamilton Apartment Rental Program within Licensing and By-law Services.

Further reduction to staffing levels would have a direct impact on service levels for both By-laws, including but not limited to; estimated time to evaluate buildings via the Safe Apartments By-law, response time to complaints received from tenants, issuance of licence applications, timeliness of follow up communications/updates, etc.

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APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED23072(b)/HSC23023(c) – Hamilton Apartment Rental Program and Tenant Support Program Revised Implementation Timeline

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