

6.1(92)

Robicheau, Vanessa

To: Taylor, Sheree L.
Subject: RE: City of Hamilton Proposed Rental Licensing By-Law

-----Original Message-----

From: MRAD
Sent: December-06-12 2:51 PM
To: clerk@hamilton.ca
Subject: Fwd: City of Hamilton Proposed Rental Licensing By-Law

Hello,

We understand that there is a scheduled Planning Committee meeting on December 11, 2012 at 1 pm to hear delegations on the City of Hamilton Proposed Rental Licensing By-Law.

We would like to have our email submitted including the attached report to the appropriate committee so that it may be heard by all staff and Council during this meeting.

Respectfully,

Robert and Marzanna Flis
Ancaster, ON

----- Forwarded message -----

From: Robert and Marzanna Flis
Date: Fri, Nov 23, 2012 at 3:18 PM
Subject: City of Hamilton Proposed Rental Licensing By-Law

Dear Councillor Ferguson,

We would like to let you know that as local residents and taxpayers we are against the proposed rental licensing By-Law that is currently being contemplated by the City of Hamilton.

The rental licensing By-Law is a major step back for the City that is known to be #1 place to invest in Ontario. We would like to highlight that:

- Licensing will slow economic growth in Hamilton.
- Licensing will drive away investment from the city.
- Licensing will negatively impact property values.
- Licensing will eliminate jobs that are currently supporting rental industry.
- Licensing will decrease availability of affordable housing by driving rent increases for the most vulnerable in our community.
- Licensing will discriminate against people wanting to live in certain areas of the city.

We feel that the city is currently equipped to deal with the problem and absentee landlords and there is no further need to add administrative burden and cost to operating our city. Licensing does not improve safety or any other standards that buildings must already maintain. We have attached a report that we came across the local landlord association that supports our views on this subject for your consideration.

We strongly request for the proposed by-law to be rejected by the council.

Thank you for your time,

Robert and Marzanna Flis
Ancaster



"Enforcing the current by- laws ensures compliance. Licensing adds nothing"

RE: PROPOSED LICENSING OF RENTAL HOUSING IN HAMILTON

Hamilton and District Apartment Association is an association of Landlords and Suppliers. Our members manage in excess of 30,000 units throughout Hamilton and surrounding areas. HDAA supports the City's efforts to ensure there are safe, affordable rental accommodations for all Hamilton Residents.

This report outlines HDAA's opposition to licensing of Hamilton's Rental housing. We have created the report to point out 5 main reasons why we feel licensing should not be accepted in Hamilton. Included as well, are alternate suggestions that we feel would benefit the City and resolve the issues that affect Hamilton residents.

Our position as outlined in this report is to establish that licensing is a redundant, momentum killer that if accepted, will drain the City funds, put the City into an economic decline, force marginal tenants further into financial distress and have an overall negative effect on Hamilton. Licensing will in no way fix the issues we face with bad Landlords and Tenants and so we want to stress the need to find a better solution.

Arun Pathak

HDAA President

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SUMMARY

5 Reasons why Licensing should not be accepted in Hamilton

1. Licensing will become a momentum killer for investment growth in Hamilton. *(examples on page 2)*
2. Hamilton will feel an economic decline from loss of consumer purchasing power. This decline will send more tenants to the food banks, shelters and further into poverty. *(see how on page 3)*
3. Licensing creates redundant bureaucracy, and may contravene human rights & privacy legislation. Why use a sledge hammer to kill a fly? *(turn to page 4)*
4. The cost to enforce property standards should not sit solely on the backs of the tenants when it improves the entire neighbourhood for all city residents. *(page 5)*
5. Licensing fails to deal with problem Tenants and bad Landlords. *(learn why on page 6)*

5 Suggestions and alternate solutions to Licensing in Hamilton

- A. Continue with Current enforcement; work on improving the Tenant/Landlord/City Relationship. *(see how on page 7)*
- B. HDAA volunteers wish to work with City Councillors to proactively address potential issues, with the objective of creating a direct line of communication between landlords and the City. *(let us help on page 8)*
- C. The City currently has resources to gather contact information of Owners to deal directly with them. *(learn how on page 9)*
- D. Work with the “hot spot” off campus student housing neighbourhoods (Mohawk & McMaster) to better educate tenants to be respectful neighbours. *(for more suggestions turn to page 10)*
- E. Zoning is an issue that licensing will not fix. With a new comprehensive zoning bylaw scheduled for the near future, a new licensing measure would be unnecessary. *(on page 11)*

1. LICENSING WILL BE A MOMENTUM KILLER FOR INVESTMENT GROWTH IN HAMILTON.

MYTH:

- The investment climates will not change simply because of licensing.

REALITY:

- Investors are not interested in purchasing properties with licensing complications; this is proven in Waterloo and other Cities who have accepted licensing. If we lose the “# 1 place to invest in Ontario” status, we lose any momentum we have to grow. If we lose the investors, we lose the attraction to live and work here.

Don't stop the momentum: Investors are finally recognizing Hamilton as a destination. If their investment goes well, they will look to do it again, or improve the property to increase the revenue. Time spent in the city they invest in means more economic spin-off for Hamilton. The number of owners that have moved into Hamilton to be closer to their investment is on the rise.

Don't lower property value: The demand for properties for Investors is what helps drive the property values up, in turn allowing for greater tax revenue. Lose the interest in Hamilton and you lose revenue coming into the city. Neighbourhoods with desirable rentals are enjoying higher property value because there is interest in Hamilton as an investment opportunity. If property values drop for rental properties because of lack of interest after licensing, the city will either have to raise the tax on the surrounding homeowner or the city will have to learn to live with lower income from taxes with an overall reduction of property values.

Don't stop improvements: Better properties get better revenue from tenants, they enjoy less turn over, less maintenance cost and more profits. A good Landlord will re-invest in a property when they feel their profits will continue and have no fear of added costs and hassle.

Beware of hidden agendas: Is there a push to turn back the time, change neighbourhood to the 50's nuclear family look & lifestyle? Does this agenda fit this generation, or is it living in the past?

“To try disguising a new tax as a solution to a local by-law issue would be an insult to the intelligence of current and prospective investors. They will leave Hamilton”

as stated in the September 18th Planning committee meeting Jordin Neumann, Pudddy Properties Ltd.

2. Hamilton will feel an economic decline from loss of consumer purchasing power. This decline will send more tenants to the food banks, shelters and further into poverty.

MYTH:

- Licensing only affects the Landlords, that can afford the extra cost.

REALITY:

- For many Landlords there simply isn't enough extra money per unit leftover at the end of the month. The cost will be passed onto the tenant that in many cases can't afford the extra monthly fee either.

Don't take away consumer purchasing power: This cost of licensing will be passed on to the tenant either in above guide line increases, upon turnover or simply by the loss of available funds for unit upgrades. Some tenants can't afford the cost that will be passed onto them. This decrease in extra money means less spending by tenants and Landlords alike. If the Landlords feel the strain of added expense, they may not hire that roofer this year, or upgrade the landscaping. This affects the Companies that depend on the rental industry.

The City needs more affordable housing: Hamilton is providing one of the few locations for affordable rents (with over 40% of the population renting). It has been previously stated by the City of Hamilton's Housing and Homeless Action Plan (Oct 2011) that Hamilton is looking for 629 new affordable rental units per year for the next 20 years. Rental increases will decrease the current stock of affordable housing. Some renters will be displaced and forced into the city shelters.

Don't ignore the additional costs this will have: More time and money property managers have to spend with the additional administrative expense the more tenants lose in services or timeliness of services. The application fee does not reflect the actual cost. There may be multiple inspections with related costs; this is money & time spent on fighting claims & waiting for inspections.

Beware of hidden agendas: Is this a money grab? Are tenants an easy target to get money from because they won't see how this licensing fee will end up coming out of their pockets? If tenants really understood how much this would affect their disposable income, they would rise against Licensing.

"If a licensing regime is in the works, the city needs to ensure inspection, and that means more inspection resources. If licensing doesn't result in measurable results, it will be seen as just a cash grab and with good reason."

Spec article "Apartment licensing an Incomplete Solution" Aug 23 2012

3. Licensing creates a redundant bureaucracy and may contravene human rights & privacy legislation. Why use a sledge hammer to kill a fly?

MYTH:

- Licensing is the only way to make sure Hamilton's renters live in safe housing & ensure Landlords really understand how to provide proper housing.

REALITY:

- Landlords already face penalties if they do not abide by the current by-laws, building codes, fire codes and the RTA. Groups like the HDAAL already provide information for Landlords so they can provide safe, affordable housing to their Tenants.

Don't duplicate: Licensing only duplicates the existing Building Code Act and the Residential Tenancies Act through the powers of the Landlord tenant Board and Enforcement Unit of the Ministry of Housing. Separating owner occupied & rental housing for by-law issues adds another layer of administration. The City and Province already have tools to deal with complaints. Insurers and lenders already require a high degree of due diligence, and inspection.

The City's perceived benefits from licensing are;

1. Gaining the ability to override Tenant's right to privacy by forcing entry into their homes and obtaining confidential & personal information.
2. The ability to obtain the contact information of the Owner.
3. The extra income from licensing.

Have they thought about? ...

- How the tenant's privacy rights are violated (PIPEDA & human rights)?
- Would the City become liable if they licence properties that are later found to be unsafe?
- Will there be a possible shifting of blame and responsibility between municipal staff when complaints continue?
- Will things get back logged when the wrong person is called to a "rental issue" not a "homeowner issue"?

Beware of hidden agendas: Are the councillors simply trying to appease certain groups by saying they are doing "something"

"Regardless of how Council decides to implement licensing, investors will see it as a tax and an unknown and the result will be less investment in Hamilton"

as stated in the September 18th Planning committee meeting Jordin Neumann, Pudddy Properties Ltd.

4. The cost to enforce property standards should not sit solely on the backs of the tenants when it improves the entire neighbourhood for all city residents.

MYTH:

- All the poorly maintained properties are rental units.

REALITY:

- 43 % of the orders from the Pilot Project are owner occupied, the orders on garbage issues are higher on owner occupied properties than rentals.

Don't focus on one group of people: All residents, renters and home owners benefit from well maintained properties and so the cost to maintain property standards should not be targeted at rental properties alone. Why are Churches & individual homes not licensed? They should be protected from unsafe environments too. If rental properties need to be licensed because they are owned and managed by people who do not live there, than all business, schools and churches should be licensed.

Don't lay the blame solely on the Landlords: Many years of neglect by the City to enforce bylaws has resulted in unmaintained properties by both renters and homeowners.

Beware of hidden agendas: Targeting specific demographics which are protected under the human rights code (including students) is illegal. Knowing this, the City has to work around the system to achieve their hidden agenda of displacing students by creating a system that will encompass them while maintaining the façade of helping all Tenants.

"Using licensing to move tenants out of an area is immoral, unethical and reprehensible."

- HDAA member

5. Licensing fails to deal with problem Tenants and problem Landlords.

MYTH:

- Licensing will force bad Landlords to comply.

REALITY:

- Good ones will buy a licence, but others will wait until they are physically inspected.

How licensing does NOT change a bad Tenant: When a bad Tenant makes excessive noise, it can take up to 2 months (sometimes longer) to go through the eviction process. In the mean time the City charges the Landlord for the noise complaint. The Landlord cannot change bad behavior and even when they successfully evict the Tenant, it simply becomes another Landlord's problem, who will in turn encounter the same issues.

How licensing does NOT increase the number of available choices the Tenant has to report bad Landlords: Under the current system, if a Landlord fails to maintain a property the Tenant can;

- Withhold rent, ask for rent abatement at LTB
- File application with LTB (Landlord Tenant Board)
- Phone City's by law enforcement
- Contact the Health Department
- Contact the Fire Department (if relevant)
- Contact Electrical Safety Authority (if relevant)
- Contact the Enforce Department of the Ministry of Municipal Affairs and Housing
- Contact the Technical Standards and Safety Authority (if relevant)

If licensing is introduced, the Tenant's actions for reporting a bad Landlord are the same, with NO extra options to help them.

"181 Jackson St and 95 Hess are frequently visited by Hamilton police, so much so, that the police have started tracking stats on the number of police calls"

"The Hamilton spectator article of Sept 26th 2012, "drug plagued apartment keep cops hopping" is a great indication of how difficult it is even for a City run building to effectively control Tenant's behaviour."

- HDAA member

A. Continue with Current enforcement; work on the Tenant/Landlord/City Relationship.

MYTH:

- Only an extra Licensing fee will stop by law infractions & ensure safe housing for Tenants.

REALITY:

- The proactive by-law enforcement team is working. Allow them to help clean up the bad properties, added licensing is only doubling up.

Make the City /Tenant/Landlord relationship stronger. We all have a common goal for better living conditions of renters in Hamilton. If we can improve our communication and focus on understanding where all 3 groups are coming from (i.e., time frames, costs, ability) it will go a long way in helping create a consistent and reliable system to deal with issues that arise. It is the respect of all three groups that will improve the working relationship with each other.

We support proactive enforcement. In spirit the program works well, however there should be greater caution when using overly aggressive methods for entry. The common complaint received from tenants during the pilot has been the approach taken for gaining access to their homes.

Who is really afraid of who? The City seems to think there is a large number of Tenants who are afraid of their Landlord, when the truth is, the Landlord has limited real power or control over the Tenants.

"We have to be strategic, to start with the worst of the worst," Glyn Wide (Manager of Municipal Law Enforcement for the City of Hamilton) said. "But I think more aggressive enforcement is working. We just have to be persistent."

Spec article: 'It's driving families out of the neighbourhood' by Matthew Van Dongen Thu Aug 30 012

B. HDAA volunteers wish to work with City Councillors to proactively address potential issues, with the objective of creating a direct line of communication between landlords and the City.

MYTH:

- Landlord don't care about the rules, Tenant quality of life or neighbourhood appeal. They don't want to do anything extra if its going to cost them money

REALITY:

- Every Landlord wants to stay in business. The best way for them to do that is to follow rules and invest in educating themselves so they don't have to pay extra money in fines and unexpected expenses. Any money spent that will increase the quality of Tenant and property value is always money well spent

Find solutions with Landlord groups: HDAA will be expanding its seminars, workshops and special education programs. We welcome the City's participation in helping to develop and deliver the information to our members.

Formalize a committee: The HDAA would like to create a stronger working relationship with the City by having regular meetings with Councillors and officials to discuss rental property issues.

Don't use a sledge hammer to kill a fly – Take a different approach to solving the rental issue;

- Work with groups & create incentive programs to help build more 'purpose built' rental properties within the high demand areas.
- Offer incentives to multi-plex/commercial Landlords (downtown incentive program style) to beautify front facades and properties outside downtown area (some European cities already do this and in fact lower taxes on properties that do it).

C. The City currently has resources to gather contact information of Owners to deal directly with them.

MYTH:

- Licensing will provide information on owners for the City

REALITY:

- Licensing is not the only way to get contact information, the City already knows the legal owners and has the ability to contact them already

Owners want to deal with issues: Landlords would rather deal with work orders than have them registered against title. Landlords invest huge amounts of money in investment properties; they don't want to lose that investment because things weren't maintained properly. It is in their best interest to hear about issues.

The City already has the ability to get owner information: On the tax roll the city already has the legal owners name and address. If the city wants further information they can attach a questionnaire to the tax bill to obtain items like the phone numbers, email addresses details on the contact person for by-law issues.

Allow Landlords to fix the problems: Contact the owners, let them know what the problem is. Give them time to fix it and allow a working relationship with Landlord.

"This a tenant tax on the tenants. The cost is going to flow right through to them," said Cameron Nolan, the president of a Realtors Association of Hamilton-Burlington, who called on the city to consult more with landlords before implementing a licensing scheme.

Spec Article: Hamilton landlords in uproar over licensing City council aims to crack down on 'deplorable' rental unit conditions by Matthew Van Dongen Wed Sep 19 2012

D. Work with the “hot spot” off campus student housing neighbourhoods (Mohawk & McMaster) to better educate tenants to be respectful neighbours.

MYTH:

- Landlords don't care about the neighbourhood, only how much money they make from their property.

REALITY:

- A better balanced, and well maintained neighbourhood increases the value & desirability of a rental unit.

Licensing will not change the mix: Students will need to live close to their school. Licensing will not reduce the student populations around the campuses, unless more purpose built student housing is build on or near the campus.

Find solutions with the Schools: The University and College invest millions in Hamilton; work with the schools to help educate student Tenants. Work with the stressed areas to find a solution to unbalanced neighbourhoods. Incentive programs for student rental housing around McMaster & Mohawk, such as an interest free loan, waiver or deferral of development charges for people building student rentals may help reduce the student population in the surrounding areas.

Find solutions with the students: Students who study in Hamilton greatly boost Hamilton's economy. Without them the city will feel the economic decline. Help create a campaign that promotes pride in Hamilton to educate the students on how to integrate into the city. These students can impact how a city feels and looks and in turn decrease the student rental issues we face.

E. Zoning is an issue that licensing will not fix. With a new comprehensive zoning bylaw scheduled for the near future, a new licensing measure would be unnecessary.

MYTH:

- Licensing will bring out the "illegal" units without any extra cost for the City

REALITY:

- The "non-conforming" units (which are in most cases safe) will only be found with a physical inspection. The physical inspections can be done now without having to bring licensing.

Illegal vs. Unregistered: When the units don't conform to antiquated zoning laws, they are condemned as "illegal" when the truth is they are simply non-conforming. A great example of this is the majority of vehicles traveling the QEW are traveling at a speed over the legal limit, however due to non-enforcement, it is an accepted practice.

To zone or not to zone: A related but separate issue of licensing is zoning, which in itself is a greater issue. Zoning needs considerable study and discussion because it is estimated that there are 23,000 unregistered units in Hamilton. Nothing should be done that might displace 23,000 families when the cost of shelters is \$1,200 a month and we don't have housing for them. We believe that tabling the licensing issue until the planned zoning review next year is the most productive solution for now. Use the options mentioned in this summary until the city can clean up the illegal units and rezone the legal-non conforming units.

"And what happens to people displaced by apartment licensing? What happens to the family in the illegal third unit when the house is scaled back to a legal duplex? There are 5,700 people looking for affordable housing in the city. As important, 15,000 renters spend at least half their income on shelter. Fewer rental units overall means more demand and probably higher prices, which will impact the people who can afford it least "

-Spec article: "Apartment licensing an incomplete solution" Aug 23 2012