

Report to Community and Protective Services Committee

To: Chair and Members
Community and Protective Services Committee

From: Scott Mathers, MPA, P.Eng
Deputy City Manager, Planning and Economic Development

Subject: Renovictions: Renovation License and Relocation Bylaw
Changes: Public Comments Received (to date)

Date: July 15, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development,

- (a) the attached report **BE RECEIVED** for information purposes, to summarize the comments received so far from the public regarding proposed amendments to the business licensing by-law to introduce a new license category pertaining to licensing renovation-induced evictions.

it being noted that a public participation meeting is being held July 15, 2024, to receive further comments regarding the proposed by-law,

it being noted that amendments will be brought forward to amend the Business Licensing By-law L.-131-16, the Administrative Monetary Penalties By-law No. A-54 to introduce penalties and amounts to Schedule A-4 pertaining to the and this proposed new license category, and to the Fees and Charges By-law No. A-59 to introduce fees and charges associated with this proposed licence category.

Summary

In June of 2024 Civic Administration submitted a proposed by-law amendment for consideration by Council regarding a Rental Unit Repair Licence. As a result, staff were directed to report back with respect to a Renovation Licence and Relocation by-law.

This information report summarizes the public comments received to date regarding the draft by-law and is intended to accompany the draft by-law at the July 15th Community and Protective Services Committee public participation meeting, being held to gather input regarding the draft by-law.

Using the public input found herein and received up to and including the July 15th public meeting, Civic Administration anticipate that an amendment to the Business Licensing by-law would be presented at the Community and Protective Services Committee Meeting in September and decided on by Council later this year. For reference, the proposed By-law is attached as "**Appendix A**".

Linkage to the Corporate Strategic Plan

The proposed amendment presented to committee June 10, 2024, is directly linked to the Mission of the City's 2023-2027 Strategic Plan to improving quality of life and building a strong community through bold, proactive, and accountable City services.

It supports the *Housing and Homelessness* Strategic Area of Focus by demonstrating leadership and building partnerships to increase quality, affordability, and support for tenants. The by-law is intended to keep individuals and families housed and improve their existing living conditions.

Helping tenants understand their rights and, if they choose, to reoccupy renovated units will help keep London affordable and shows we are acting in a supportive way, as articulated in the *'Wellbeing and Safety'* Strategic Area of Focus in the Plan.

The licensing of this process should foster trust, demonstrate openness and accountability, and make us a leader in public service, which support the Strategic Area of Focus of a *Well-run City*.

Analysis

1.0 Previous Reports and Resolutions Related to this Matter

In January of 2024 Civic Administration was directed to report back to the Community and Protective Services Committee (CPSC) with recommendations on a spectrum of municipal options to limit or prevent renovictions, including but not limited to amendments to or new municipal by-laws, policies, and programs. This report was to consider communications from Mayor Morgan, Deputy Mayor Lewis, Councillor Cuddy, and Councillor Trosow, that were appended to the agendas with respect to including the potential operational value of N12-N13 filing requirements in the report back.

On March 18, 2024, Staff submitted a Renovictions Information Report to the Community and Protective Services Committee which provided information to Council regarding some of the problems facing tenants and how these issues have been and continue to be addressed in Ontario, in British Columbia, and in other parts of the world.

On April 3, 2024, Council Resolved that Civic Administration report back at a future meeting of the Community and Protective Services Committee with respect to a "Renovation License and Relocation by law" (the name of Hamilton's By-law), it being noted that a public participation meeting would be held prior to the introduction of a new by-law.

On June 10, 2024, Staff provided a draft by-law amendment called a Rental Unit Repair Licence, pertaining to the licensing of renovation-induced evictions, with a public participation by-law proposed for July 15th, and a by-law to be presented in September of 2024.

On June 25th, 2024, Council proposed an amendment to the Business Licensing by-law L.-131-16, as appended to the staff report dated June 10, 2024, for the purpose of requiring landlords to obtain a licence before requiring vacant possession to repair a under ss. 50(1)(c) of the Residential Tenancies Act, 2006, BE RECEIVED; it being noted that:

- a future public participation meeting will be held July 15, 2024, to receive comments regarding the proposed by-law;
- a future by-law amendment will be brought forward to amend the Administrative Monetary Penalties By-law No. A-54 to introduce penalties and amounts to Schedule A-4 pertaining to the Business Licensing By-law L.-131-16 and this proposed new license category; and,
- a future by-law amendment will be brought forward to amend the Fees and Charges By-law No. A-59 to introduce fees and charges associated with this proposed licence category.

2.0 Summary of Comments

Since June 10th, 2024, Staff have had a modest number of conversations with interested parties and members of the public. The following is a summary of those conversations to date. It is anticipated that much more input will be provided following the advertisement of the public participation meeting in the Londoner, and the launching of a "Get Involved" web page created with the support of Communications Staff to gather more input. This report captures comments received up to and including June 27, 2024, due to administrative requirements related to report submissions and approvals.

By-law Considerations:

- Lack of Alternate Accommodation wording, like Hamilton, is concerning. Must be there for by-law to be effective as without it just makes landlords go through some red tape but is not enough.
- City of London has not provided a rental top-up for displaced tenants who must pay more for their new short-term accommodation until their unit is repaired.
- High fees and not little direct tenant support only deters small landlords. Small landlords need to be protected and helped as they have far fewer resources than large scale landlords.
- Low application fee and high penalties is better than a high application fee.
- Charge a special, very high, price for building permits that are 'cosmetic' and an 'inconvenience to the tenant' such as \$10 000 per unit. Further, evaluate the need and reduce the fee/exempt those renovations are legitimately required for health and safety, verified by a City of London building inspector.
- Increase the fee to stop misuse of N13s.
- Require the licence application/use of N13 to include the original tenant complaint or request for repairs to the landlord. The Landlord must acknowledge receipt of that complaint prior to applying for a Rental Unit Repair Licence or issuing an N13. Otherwise, repair may not be necessary/legitimate.
- Residential Tenancies Act does not require a building permit for a landlord to issue an N13 under subsection (1)(c). Therefore, seven days to make an application after issuing an N13 may not be achievable as building permits take longer than that.
- The Landlord and Tenant Board (LTB) will not issue an order terminating the tenancy and evicting the tenant unless (a landlord) has obtained any permits or other authorizations that are required. If it is not possible to obtain the permits or other authorizations until the unit is vacant, the LTB will not issue an order terminating the tenancy and evicting the tenant unless you can show that you (the landlord) have taken all reasonable steps to obtain the permits or authorizations.
- Despite a future amendment to the Act requiring a report accompanying an N13 eviction (subsection 50(3)(b) of the RTA), there is no certainty as to what qualifications will be prescribed to the person who prepares that report. City asking for it to be prepared by specific professionals under the Building Code Act may not be appropriate.
- Need new and existing tenant information produced by the city and available at many locations in many languages.

Provincial Rules and Queens Park:

- Landlords are aware of the current rules, so (City) needs to change the rules and remove (the Landlord's) advantage until Provincial rules are fixed.
- Illegal use of the N13 will continue until the system is changed. It is being used to frighten tenants unnecessarily where only cosmetic repairs are required. Ontario cities should work together to invalidate the use of the N13 unless a building inspector confirms the need to use it.
- Problem is the vagueness of the (Residential Tenancies) Act which allows "questionable" landlords to force N13 on tenants for cosmetic issues just to try get them to leave the unit, allowing for doubling or tripling the rent on the next tenant.
- Petition Queens Park to require an inspection by a city (building) inspector to use the N13.

General Comments:

- City needs to be aware of the emotional and financial hardship put on tenants by landlords who are using N13s illegally or in bad faith.
- Has there been any proof of "bad faith" evictions at the Tribunal? Have there been any cases?

- Has the City verified the numbers previously provided by Acorn?
- A landlord is not required to compensate a tenant if they have been ordered to demolish or repair a rental unit or complex under any Act. May have implications when Order is issued under Property Standards, which is a section of the Building Code Act.
- Need to review and update the Residential Rental Unit Licensing By-law to include more and larger buildings.
- Need to use application fees, penalties, etc. to fund programs to improve the tenant situation in London more generally. Stop putting the program burden on taxpayers.
- Need to look at the suite of services and funding being provided in Hamilton, and other cities, to help tenants. This is not necessarily a licensing or compliance problem, it's bigger than that and requires a programmatic review.
- We don't need to be worried about the city being sued by the province, we need to be worried about the social fabric of the city falling apart because of bad faith and other eviction tactics that destroy affordable rental housing.

Comments Received:

Name	Position	Communication Date	Method
Wayne Quigg	Tenant	Various	Email & Phone
Michelle Jollymore	Tenant	Various	Email & Phone
Kristen Ley	London Property Management Association Board of Directors	June 17, 2024	Virtual Meeting
Lisa Smith	Executive Director - London Property Management Association	June 17, 2024	Virtual Meeting
Vonica Flear	Lead Organizer - London A.C.O.R.N.	June 20, 2024	Virtual Meeting
Jordan Smith	Volunteer - London A.C.O.R.N.	June 20, 2024	Virtual Meeting
Olivia O'Conner	Lead Organizer - Hamilton A.C.O.R.N.	June 20, 2024	Virtual Meeting

3.0 Financial Impact/Considerations

No changes or updates since June 10th Report/Discussion

4.0 Community Partners and Internal Services

Staff continue to collaborate with internal departments, including Housing Services and Legal Services, to identify service gaps and opportunities. While Municipal Compliance and Licensing play a role in informing and protecting tenants from the impacts of N13 evictions, experience from other cities indicates that a more comprehensive suite of tenant services must accompany by-laws and licensing.

The new staff positions proposed in the June 10th report are intended to meet the requirements of the by-law amendment. These positions will focus on reviewing, integrating, and improving existing processes, including application tracking and statistical analysis, enhancing customer services such as web improvements, creating better information packages, and enforcing new and existing by-laws.

Additionally, relationships with external service providers, such as Neighbourhood Legal Services London and Middlesex, the London Property Management Association, and ACORN, are being leveraged. These partnerships will facilitate discussions about

tenant and landlord needs and, if the by-law is approved, support the creation and distribution of the Tenant and Landlord Information Package, among other materials.

5.0 Next Steps:

A “Get Involved” website has been created and will go live shortly in order to provide the public with background and information pertaining to the proposed licensing by-law. Staff will continue to gather public input up to and including the July 15th public participation meeting at Community and Protective Services, using those comments to inform and shape an amended by-law.

Conclusion

Renting is a vital housing option in London, provincially, nationally, and worldwide, since for many people homeownership has become less attainable.

Following the rules set out in the Residential Tenancies Act appears to have become optional for some landlords who use “bad faith” evictions to get vacant possession of a unit, only to raise the rent.

This report summarizes the comments received to date from various individuals and organizations, as part of the public participation period that commenced following the June 10th report submission.

Following the July 15th Public Participation Meeting at the Community and Protective Services Committee, Staff will use comments received to amend the draft by-law and intend to submit a revised by-law for Council review in September of 2024.

Prepared by: Ethan Ling, MSc.
Policy and Program Analyst, Municipal Compliance

Submitted by: Nicole Musicco
Manager, Licensing, Policy, and Special Operations

**Reviewed &
Concurred by:** Wade Jeffery
Manager, Community Compliance and Animal
Services, Municipal Compliance,
(Acting) Director, Municipal Compliance

Recommended by: Scott Mathers, MPA, P. Eng
Deputy City Manager, Planning and Economic
Development

Appendix "A"

Bill No. XXX
2024

By-law No. _____

A by-law to amend the Business Licensing By-law L.-131-16, with respect to a Rental Unit Repair Licence for Landlords performing renovations or repairs on rental housing units requiring vacant possession.

WHEREAS section 8 of the *Municipal Act, 2001* states that the powers of a municipality shall be interpreted broadly so as to confer broad authority on the municipality to enable the municipality to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers, and privileges of a natural person for the purpose of exercising its authority under the *Municipal Act, 2001* or any other Act;

AND WHEREAS section 10 of the *Municipal Act, 2001* provides a single-tier municipality with the broad authority to pass by-laws respecting (i) the economic, social and environmental well-being of the municipality, (ii) the health, safety and well-being of persons, (iii) the protection of persons and property and (iv) business licensing;

AND WHEREAS subsection 151(1) of the *Municipal Act, 2001* authorizes a municipality to provide for a system of licences with respect to a business and may:

- (1) prohibit the carrying on or engaging in the business without a licence; refuse to grant a licence or to revoke or suspend a licence;
- (2) impose conditions as a requirement of obtaining, continuing to hold or renewing a licence;
- (3) impose special conditions on a business in a class that have not been imposed on all of the businesses in that class in order to obtain, continue to hold or renew a licence;
- (4) impose conditions, including special conditions, as a requirement of continuing to hold a licence at any time during the term of the licence; and,
- (5) license, regulate or govern real and personal property used for the business and the persons carrying it on or engaged in it.

AND WHEREAS subsection 151(1) of the *Municipal Act, 2001* applies with necessary modifications to a system of licences with respect to any activity, matter or thing for which a by-law may be passed under sections 9, 10 and 11 of the Act as if it were a system of licences with respect to a business;

AND WHEREAS, in accordance with subsection 23.2(4) of the *Municipal Act, 2001*, Council for the City of London is of the opinion that the delegation of the legislative powers under this by-law to the Licence Manager including, without limitation, the power to issue and impose conditions on a licence are powers of a minor nature having regard to the number of people, the size of the geographic area and the time period affected by the exercise of the power;

AND WHEREAS subsection 39(1) of the *Municipal Act, 2001* provides that a municipality may impose fees and charges on persons,

- (1) for services or activities provided or done by or on behalf of it;
- (2) for costs payable by it for services or activities provided or done by or on behalf of any other municipality or any local board; and,
- (3) for the use of its property including property under its control.

AND WHEREAS subsections 425(1) and 429(1) of the *Municipal Act, 2001* authorize a municipality to pass by-laws providing that a person who contravenes a municipal by-law is guilty of an offence and to establish a system of fines for offences under a by-law;

AND WHEREAS section 434.1 of the *Municipal Act, 2001* provides that a municipality may require a person, subject to such considerations as the municipality considers appropriate, to pay an administrative penalty if the municipality is satisfied that person has failed to comply with a by-law of the municipality passed under the *Municipal Act, 2001*;

AND WHEREAS section 436 of the *Municipal Act, 2001* provides that a municipality may pass a by-law providing that the municipality may enter on land at any reasonable time for the purpose of carrying out an inspection to determine whether a by-law of a municipality has been complied with;

AND WHEREAS sections 444 and 445 of the *Municipal Act, 2001* provides that a municipality may make an order requiring a person who contravened a by-law or who caused or permitted the contravention or the owner or occupier of the land on which the contravention occurred to discontinue the contravening activity and do work to correct the contravention;

AND WHEREAS the Province of Ontario has enacted the *Residential Tenancies Act, 2006* and such *Act* states that:

“The purposes of this Act are to provide protection for residential Tenants from unlawful rent increases and unlawful evictions, to establish a framework for the regulation of residential rents, to balance the rights and responsibilities of residential Landlords and Tenants and to provide for the adjudication of disputes and for other processes to informally resolve disputes.”

AND WHEREAS pursuant to subsection 37(1) of the *Residential Tenancies Act, 2006*, a tenancy may be terminated only in accordance with that Act.

AND WHEREAS pursuant to subsection 50(1)(c) of the *Residential Tenancies Act, 2006*, a Landlord may give notice of termination of a tenancy if the landlord requires possession of the rental unit in order to demolish it, convert it to use for a purpose other than residential premises or do repairs or renovations to it that are so extensive that they require a building permit and vacant possession of the rental unit.

AND WHEREAS subsection 50(3) of the *Residential Tenancies Act, 2006*, requires that the notice of termination given pursuant to subsection 50(1)(c) of the *Residential Tenancies Act, 2006*, shall inform the tenant that if they wish a right of first refusal to occupy the premises after the repairs or renovations they must give the Landlord notice of this in accordance with Subsection 53(2) before vacating the rental unit;

AND WHEREAS subsections 53(1), 53(2), and 53(3) of the *Residential Tenancies Act, 2006* establish that a tenant who receives notice of termination of a tenancy for the purpose of repairs or renovations pursuant to section 50(1)(c) of the *Residential Tenancies Act, 2006*, and that gives the landlord written notice of their intent to occupy the rental unit as a tenant when the repairs or renovations are complete, may reoccupy the rental unit at a rent that is no more than what the Landlord could have lawfully charged if there had been no interruption in the tenant's tenancy;

AND WHEREAS the City of London seeks to regulate, by way of licensing, any landlord who intends to do repairs or renovations to a rental unit that are so extensive that they require vacant possession of the unit;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. By-law L.-131-16 is amended by adding a new Schedule attached to this amending by-law as Schedule 23, after Schedule 22.
2. This amending by-law shall come into force and effect on, [month][day], 202_.

PASSED in Open Council on [month][day], 2024, subject to the provisions of PART VI.1 of the Municipal Act, 2001.

Josh Morgan, Mayor

Michael Schulthess, City Clerk

First, Second and Third Reading - [month][day], 2024.

SCHEDULE 23 – RENTAL UNIT REPAIR LICENCE

1.1 1.0 DEFINITIONS

1.1 Definitions

“Landlord” includes:

- (1) the owner of a rental unit or their agent, and;
- (2) the heirs, assigns, personal representatives, and successors in title of a person referred to in clause (a).

“N13 Notice” means a notice of termination pursuant to subsection 50(1)(c) of the *Residential Tenancies Act, 2006*;

“Rental Unit” means a building or part of a building:

- (1) consisting of one or more rooms,
- (2) containing toilet and cooking facilities,
- (3) designed for use as a single housekeeping establishment, and
- (4) used or intended for use as a rented residential premises;

“Residential Tenancies Act, 2006” means the *Residential Tenancies Act, 2006, S.O. 2006 c. 17*; as amended from time to time;

“Tenant” includes a person who pays rent in return for the right to occupy a Rental Unit and includes their heirs, assigns, and personal representatives;

“Tenant and Landlord Information Package” means a document produced by the City which provides information to Tenants about their rights and entitlements under the *Residential Tenancies Act, 2006*, and this Schedule of the Businesses Licensing By-law.

1.2 2.0 POWERS OF THE LICENCE MANAGER

2.1 In addition to any other power, duty or function prescribed in this By-law, the Licence Manager may, under this Schedule:

- (1) prescribe the form and content of the Tenant and Landlord Information Package;
- (2) prescribe the form and content of the notice of application referred to in section 5.7, and the manner in which it is to be posted, and;
- (3) prescribe the form and content of the licence required by this Schedule, and the manner in which it is to be posted, as required in section 5.8.

1.3 3.0 ADMINISTRATION OF THE BY-LAW

3.1 This By-law shall apply to all Rental Units within the Municipality.

3.2 This By-law shall not apply to any of the following:

- (1) a licensed hotel, motel, inn, or bed and breakfast, tourist home, licensed lodging house, licensed short-term accommodation, or licensed residential care facility;
- (2) any building to which any of the following statutes, or their regulations, apply;
 - (1) the *Homes for Special Care Act, R.S.O. 1990, c. H.12*;
 - (2) the *Innkeepers Act, R.S.O. 1990, C. 17*;
 - (3) the *Fixing Long-Term Care Act, 2021, S.O. 2021, c. 39, Sched. 1*;

- (4) the *Retirement Homes Act, 2010*, S.O. 2010, c.11;
- (5) the *Housing Services Act, 2011*, S.O. 2011, c. 6, Sched. 1;
- (6) social housing or affordable housing that is not subject to the *Housing Services Act, 2011*, but which is subject to an agreement with the City, and which has been approved for exemption by the Licence Manager.

1.4 4.0 APPLICATION FOR LICENCE

4.1 In addition to all of the requirements for an application set out in this By-law, an Applicant applying for a Rental Unit Repair Licence, and renewing a Licence, shall include all of the following in their application:

- (1) a copy of the N13 Notice given to the Tenant for that Rental Unit;
- (2) an affidavit from the person who gave the N13 Notice to the Tenant, which sets out the date the N13 Notice was given to the Tenant, the manner it was given to the Tenant, and by whom;
- (3) an affidavit from the person who gave the Tenant a Tenant and Landlord Information Package, setting out the date the Tenant and Landlord Information Package was given to the Tenant, the manner it was given to the Tenant, and by whom;
- (4) a copy of a report prepared by a person licensed in the Province of Ontario as a Professional Engineer or Architect, or by a person who possesses a current, registered Building Code Identification Number (BCIN), that states that the repairs or renovations required for each individual Rental Unit are so extensive that they require vacant possession of the Rental Unit;
- (5) a copy of the building permit issued by the City's Chief Building Official with respect to the repair or renovation of the Rental Unit;
- (6) the address and unit number of the Rental Unit for which the application is being made;
- (7) a copy of the tenancy agreement for the Rental Unit;
- (8) a copy of the written notice (if any) from the Tenant indicating they wish to exercise their right of first refusal to reoccupy the rental unit following the renovations, pursuant to subsection 53(2) of the Residential Tenancies Act, 2006, and;
- (9) any other information, affidavits, or documents as the Licence Manager may reasonably require.

1.5 5.0 REGULATIONS

5.1 A Landlord who gives an N13 Notice to a Tenant shall at the same time provide the Tenant a copy of the Tenant and Landlord Information Package.

5.2 A Landlord who has given an N13 Notice to a Tenant shall within seven (7) days of giving the N13 Notice, submit an application to the City for a Rental Unit Repair Licence pursuant to the requirements of this By-law.

5.3 A Landlord shall apply for a Rental Unit Repair Licence for each Rental Unit that requires repairs or renovations under Subsection 50(1)(c) of the *Residential Tenancies Act, 2006*.

5.4 A Rental Unit Repair Licence shall be specific to a single Rental Unit and shall apply only to the Rental Unit for which it was issued. The Rental Unit Repair Licence shall set out on its face the Rental Unit for which it was issued.

5.5 A Landlord shall not be entitled to a Rental Unit Repair Licence if they do not have all necessary permits required to carry out the repair or renovation, including a building permit under the Building Code Act, 1992.

5.6 A Landlord shall not be entitled to a Rental Unit Repair Licence if they do not comply with this By-law and Schedule.

5.7 Where a property or premises has more than one Rental Unit the Landlord shall post a notice of application stating that an application has been made to the City of London for a Rental Unit Repair Licence. This notice shall include a list of all of the unit numbers subject to application until such time as the Licences are issued, the applications are withdrawn, or they are refused. This notice shall be posted on the site of the proposed renovation in a location visible to all the tenants of the premises, to the satisfaction of the Licence Manager. Multiple notices may be required, depending on entries and common areas.

5.8 When a Rental Unit Repair Licence is issued by the City of London, the Landlord shall post a copy of the Licence on the door of the unit where the repair is taking place, or on the exterior of the building where the unit is being renovated, to the satisfaction of the of the Licence Manager, until such time as the unit is repaired.

5.9 A licence issued under this By-law shall be valid for either the period of one (1) year or the estimated date by which the Rental Unit is expected to be ready for occupancy following the repairs or renovations, whichever is earlier. If after one (1) year the Rental Unit is not ready for occupancy the Licence will need to be renewed.

1.6 6.0 PROHIBITIONS

6.1 No Landlord who gives an N13 Notice to a Tenant shall fail to give the Tenant, at the same time, a copy of the Tenant and Landlord Information Package.

6.2 No person shall fail to submit an application to the City of London for a Rental Unit Repair Licence within seven (7) days of giving an N13 Notice to a Tenant for a Rental Unit.

6.3 No Landlord shall perform, or cause to be performed, renovations or repairs to a Rental Unit which requires vacant occupancy unless the Landlord holds a Rental Unit Repair Licence for that Rental Unit.

6.4 No person shall perform, or cause to be performed, renovations or repairs to a Rental Unit which requires vacant occupancy unless the person first confirms that the Landlord holds a Rental Unit Repair Licence for that Rental Unit.

6.5 No person who holds a Rental Unit Repair Licence shall fail to comply with the conditions of the issued Licence.

6.6 No Landlord shall fail to post a notice of application as per section 5.7 of this Schedule.

6.7 No Landlord shall fail to post a copy of the Rental Unit Repair Licence as per section 5.8 of this Schedule.

6.8 No person shall advertise, or cause to be advertised, or permit the occupancy of, a Rental Unit while the Tenant has the right of first refusal under the *Residential Tenancies Act, 2006*.