



TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON APRIL 8, 2013
FROM:	CATHY SAUNDERS, CITY CLERK AND GEORGE KOTSIFAS, MANAGING DIRECTOR, DEVELOPMENT & COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL
SUBJECT	AMENDMENTS TO FEES AND CHARGES BY-LAW A-46 TO INCLUDE RESIDENTIAL RENTAL UNITS LICENSING BY-LAW FEES AND PROPERTY STANDARDS ORDER FEES AND RELATED AMENDMENTS TO THE RESIDENTIAL RENTAL UNITS LICENSING BY-LAW CP-19

RECOMMENDATION

That, on the recommendation of the City Clerk and the Managing Director, Development & Compliance Services and Chief Building Official, the following actions be taken with respect to amendments to the Fees and Charges By-law A-46 and the Residential Rental Units Licensing By-law CP-19:

- a) the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting on April 16, 2013 to amend By-law No. A-46 entitled "A by-law to provide for Various Fees and Charges" in order to include and increase applications fees related to the Residential Rental Units Licensing By-law and to introduce new fees related to the registration and de-registration of Property Standards Orders on title; and,
- b) the attached proposed by-law (Appendix "B") **BE INTRODUCED** at the Municipal Council meeting on April 16, 2013 to amend By-law No. CP-19, as amended, entitled "A by-law to provide for the licensing and regulations of Residential Rental Units in the City of London", to remove references to fees and to make technical amendments resulting from recent administration title changes.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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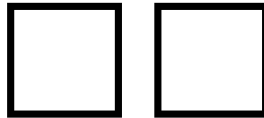
Item #5 – Strategic Priorities and Policy Committee – December 4, 2012 – Amendments to Consolidated Fees and Charges By-law

Item #9 – Planning Committee – September 14, 2009 – Residential Rental Unit Licensing By-law

BACKGROUND

Fees and Charges By-law

Section 391(1) of the *Municipal Act, 2001*, S.O. 2001, c.25, authorizes a municipality to impose fees and charges on persons,



- (a) for services or activities provided or done by or on behalf of it;
- (b) 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
- (c) for the use of its property, including property under its control.

There are a number of City of London by-laws that authorize various fees and charges related to the services or activities provided by the City of London. The Civic Administration is continuing to move towards a consolidated fees and charges by-law in order to provide a single source of information for members of the public with respect to the City of London’s fees and charges. The attached proposed by-law (Appendix “A”), reflects another step in this process through the incorporation of the fees currently contained in the Residential Rental Units Licensing By-law, By-law CP-19, as amended, into the City’s Fees and Charges By-law A-46.

Residential Rental Units Licensing Fee

The attached proposed by-law (Appendix “A”) also proposes the following inclusion and increase in fees related to the licensing of residential rental units:

	Current Fee	Proposed Fee
Licence Fee for each Rental Property	\$25.00	\$200.00
Licence Renewal Fee for each Rental Property	\$25.00	\$100.00
Appeal Fee	\$0.00	\$100.00

In September 2009, City Council approved a Residential Rental Units Licensing By-law to address sub-standard housing conditions in rental units and to protect the amenity, character and stability of residential areas. The By-law had an effective date of March 1, 2010 and applies to only rental buildings containing four or less rental units (including single detached dwellings, duplexes, triplexes, fourplexes and converted dwellings) City wide. The By-law exempts rental units in apartment buildings and townhouses. As part of the application, the applicant confirms compliance with the Zoning By-law and self-certifies compliance with the Property Standards By-law. Additionally, a recently approved fire inspection report is required to ensure the rental property complies with the *Fire Protection and Prevention Act*. As with all new by-laws, the initial protocol was focused on education and not on enforcement.

In September 2010, the by-law was appealed by the London Property Management Association (LPMA). The City’s affidavit made reference to a number of public meetings on the By-law proposal as well as a Fire Marshall’s report on fatalities in London, where buildings were converted to apartment uses and where the City was not aware of the conversions. In October 2011, the Court decision was released and the application to quash the By-law was not successful. The LPMA subsequently filed an appeal of the court decision. In December 2011, the LPMA served a “Notice of Abandonment” of its appeal. Consequently, the City began fully administering and enforcing the By-law in January 2012, once all the appeals had been dealt with.

There have been a number of comments made with respect to the subject By-law during budget discussions and through media outlets, which are not based on facts. The following are key facts with respect to the administration and enforcement of the by-law:

- As with many City programs, this By-law is not currently administered and enforced on 100% cost recovery. In fact, most of Council’s by-laws are not administered or enforced on full cost recovery. By-laws passed by Council, with a focus on health and safety, are given top priority for enforcement purposes.
- One full-time customer service representative was hired in February 2012 and one Municipal Law Enforcement Officer was hired in January 2013. These positions were approved in a previous budget year and no additional staff is being hired.



- License and inspection fee revenues were \$67,000 in 2010, \$71,800 in 2011, and \$136,300 in 2012. During the initial years, staff focused on education, rather than enforcement. The main issue during this time was the By-law appeal; most owners did not apply, as they wanted to see the outcome of the appeal.
- Approximately 3000 rental properties have been licensed and 800 additional applications are pending zoning review and/or fire inspections. The licenses apply to the rental property and not to the rental units. It is estimated that there are 7,500 – 8,000 rental properties within the applicable structure type.
- The By-law has initiated 1,750 fire prevention inspections. Of these 350 have failed inspections.
- Recent fires occurrences revealed unlicensed units containing life safety property standards violations.
- Over 60 license applications have been refused due to zoning and fire code violations.
- The administration of the program has shifted from education to enforcement. One conviction has been issued. Additional charges for unlicensed units are pending.
- A random inspection program of licensed properties began in January 2013
- A web based program is planned to be launched in mid-2013 which will allow for public review of the status of rental license applications.

A budget submission was made to increase the application fees to move towards a 100% cost recovery. The recommended fee is \$200 for new application, \$100 for license renewal, and \$100 appeal fee. The proposed license fees are well below comparable municipalities (Oshawa \$320, Waterloo \$375-\$650) which run a similar licensing programs.

Property Standards Order Fees

The following fees for the registration and de-registration of a Property Standards Order on title, is included in the attached proposed by-law (Appendix “B”)

	Current Fee	Proposed Fee
Property Standards Order – Registration of Order on Title	\$0.00	\$125.00
Property Standards Order – De-registration of Order on Title	\$0.00	\$125.00

Administration is proposing to introduce a new fee for registering and de-registering Property Standards Orders on title. Currently, Property Standards Officers issue Orders under the *Building Code Act* to address property standards issues. There are staffing and title search costs associated with registering and de-registering Orders on title and these should be invoiced to the subject property owner who is responsible for the upkeep of private property.

Amendments to the Residential Rental Units Licensing By-law

The Residential Rental Units Licensing By-law requires amendments in order to: remove the fees contained in Schedule “A” of the By-law; and amend administrative titles to reflect the recent changes to the organizational structure.

The amendments noted above, are contained in the attached proposed by-law (Appendix “B”). The following summarizes the proposed amendments to the Residential Rental Units Licensing By-law:

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- all references to the title “Director of Building Controls” are proposed to be amended to read “Manager of Licensing & Municipal Law Enforcement Services or his or her designate”;
- all references to “Manager of By-law Enforcement” are proposed to be amended to read “Manager, Municipal Law Enforcement Services”;
- all references to the fee schedule (Schedule “A”) are proposed to be deleted; and
- Schedule “A” is proposed to be deleted.

The attached proposed by-law (Appendix “A”), implements the fees and charges changes as noted above.

The attached proposed by-law (Appendix “B”), implements the required changes to the Residential Rental Units Licensing By-law as noted above.

RECOMMENDED BY:	RECOMMENDED BY:
CATHY SAUNDERS CITY CLERK	GEORGE KOTSIFAS MANAGING DIRECTOR, DEVELOPMENT & COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL

Appendix “A”
Appendix “B”