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L A W Y E R S

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March 15, 2021

**VIA EMAIL: PPMclerks@london.ca**

Council Members  
City of London  
300 Dufferin Avenue, PO Box 5035  
London, Ontario, N6A 4L9

Dear Council:

**Re: Landlord Licensing; Request for Rejection of CAPS Committee Motion to Expand Licensing**

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We are the lawyers for the London Property Management Association (“LPMA”). The LPMA is committed to promoting education, training and professionalism among its more than 550 members. The vast majority of LPMA members are builders, owners and operators of multi-residential rental properties in London. LPMA is Ontario’s oldest regional landlord association. LPMA’s mandate is to educate its members to administer and manage their rental properties to meet all statutory and professional standards, including full compliance with London’s Property Standards By-laws (the By-law) as well as the provisions of the *Residential Tenancies Act* (RTA) and the obligation to maintain rental properties in accordance with housing, health and safety standards. Throughout the current pandemic, LPMA members have been designated and permitted to provide essential property management services, including all testing, inspections and maintenance of life safety and necessary maintenance requests.

At the CAPS committee meeting, City staff informed CAPS members that of 45,000 complaints last year, only 7% involved rental housing. We have also reviewed staff’s report to the Planning Committee from May 26, 2008 (attached, see page 3 under “Housing Condition Trends”) where it was reported that of all maintenance complaints received by the City about rental properties at that time, 85% involved single family rental properties and only 5% involved rental properties with more than 4 units. Extrapolating from those numbers, 7% of 45000 complaints works out to 3150 complaints about rental housing and 5% of that number (attributable to rental properties with more than 4 units) works out to 158 complaints. It is submitted that it would be an abdication of Council’s responsibility to Londoners to create and implement the costly expansion of the current licensing by-law to all multi-res properties in London; hire the dozens of staff required to administer it; hire the additional management staff for oversight of the expanded bureaucracy; impose on all multi-res landlords in London a third layer of regulatory maintenance standards; and, ensure that the inevitable license fees (the “Tenant Tax”), will be passed through

to tenants. LPMA respectfully suggests that a more prudent approach to deal with about 158 complaints would be to hire, on a part time basis, one Property Standards By-law enforcement officer.

The numbers above also reflect another important consideration: the vast majority of purpose built apartment units in London are built, managed and operated in accordance with rigorous statutory requirements to ensure life safety and proper housing standards are in place. The statutory codes applicable to such properties require mandatory Fire, Building, Electrical and Maintenance inspections and compliance with all retrofit legislation. The numbers above bear out the fact that maintenance issues are relatively rare in purpose built multi-res developments and that where they occur, enforcement of existing City By-laws by current City staff is the most prudent, cost-effective way of dealing with them.

At the CAPS committee, LPMA provided a written submission asking that the motion for an expansion of the City's Landlord Licensing By-law be rejected; however, it has now been sent to Council for approval for a full investigation and report from staff. LPMA respectfully asks that such approval be rejected. At the CAPS committee, the public representations in support of an expanded licensing by-law came from two principal sources: 1. Tenant advocacy agencies (Toronto-based ACORN and Neighborhood Legal Services) whose operations and funding are dependent on the promotion of the appearance of conflict between landlords and tenants; and 2. Tenants who provided anecdotal accounts of their experience of maintenance issues in rental apartments. The agencies provided no particulars of why or how the creation of a third regulatory regime (the first two regimes being the *Residential Tenancies Act* and the City of London's maintenance oriented Property Standards By-law) to impose maintenance obligations on landlords was necessary. The Tenants who supported licensing were unanimous in asserting that the reason they support expanded landlord licensing is because they can't get the City to enforce its current by-law. Adding a third layer of regulations to the two already in place is not going to trigger enforcement, only clear direction from Council to staff to enforce existing By-laws will do that. It is respectfully submitted therefore, that in the absence of any substantive justification for an expansion of the landlord licensing by-law, the better option is to enforce the maintenance by-laws that the City already has in place when tenants call in with complaints.

Finally, there is always an alluring factor for a municipal Council's consideration of any licensing regime: the prospect of collecting robust licensing fees which can then be added to City coffers to fund other programs. It is submitted that such a motivation subverts the interests of tenants to those of the City and that tenants should not bear the cost of subsidizing other City programs. The simple fact is that license fees will be downloaded and paid for by tenants. In the past, Councilors have responded by saying that where that occurs it is the fault of landlords, not Council; however, landlords are no different than Council members who, when they incur expenses on City business (conferences, travel, meals, etc.) pass those expenses on to City taxpayers. Council should also be aware that licensing fees, being "municipal charges", are charges which can be passed through to all tenants in an Above Guideline Rent Increase (AGI) under the provisions of the *Residential Tenancies Act* (RTA). When Waterloo enacted its particularly expensive licensing by-law, we successfully secured an AGI increase of 6.8% under the provisions of the RTA. Prior to passage of the by-law we cautioned Waterloo council that this would be the outcome and our cautions were ignored, largely due to Waterloo's focus on the

prospect of reaping a windfall from licensing fees. The fees went to City coffers for the purchase of new cars and I-pads, and of course and expansion of staff, and the tenants suffered financial hardship, with families being hardest hit because the “Tenant Tax” increased based on the number of unit bedrooms.

LPMA asks that Council consider that there is no upside for anyone to expand landlord licensing beyond the regulatory net it already casts, and that enforcement of its current maintenance based By-law is a far more responsible and effective strategy to address legitimate maintenance concerns in rental housing. For all of these reasons, it is respectfully requested that the City reject the proposal for expansion of the Landlord Licensing By-law in London and that the City focus, instead, on enforcing the maintenance bylaws it already has in place.

Thank you, in advance, for your consideration of the submissions of LPMA.

Yours very truly,

**COHEN HIGHLEY** LLP

A handwritten signature in black ink, appearing to read "Joseph Hoffer". The signature is fluid and cursive, with the first name "Joseph" written in a larger, more prominent script than the last name "Hoffer".

Joseph Hoffer

JJH:rmh

*email: [hoffer@cohenhighley.com](mailto:hoffer@cohenhighley.com)*

Encl.

cc: LPMA

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O. KATOLYK

<b>TO:</b>	<b>CHAIR AND MEMBERS PLANNING COMMITTEE</b>
<b>FROM:</b>	<b>R. PANZER GENERAL MANAGER OF PLANNING AND DEVELOPMENT</b>
<b>SUBJECT:</b>	<b>ENFORCEMENT OPTIONS TO ADDRESS SUBSTANDARD RENTAL HOUSING MEETING ON DECEMBER 8, 2008</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the General Manager of Planning and Development, the following report outlining the pros and cons and financial impact of enforcement options designed to address substandard rental housing conditions **BE RECEIVED** for information purposes; it being noted that a public meeting will be held before the Planning Committee on March 3, 2009 to discuss a recommended enforcement approach to address substandard rental housing conditions.

<b>PREVIOUS REPORTS</b>
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Licensing of Residential Rental Units – Report to Board of Control – June 20, 2007

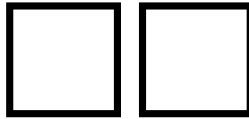
Rental Residential Business Licensing Program - Report to Planning Committee – February 25, 2008

Update - Rental Residential Business Licensing Program - Report to Planning Committee – May 26, 2008

<b>INTRODUCTION</b>
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This report provides an overview of potential enforcement options to address sub-standard housing conditions that are likely to adversely affect the residents of rental properties and negatively impact the residential amenity, character and stability of residential areas. To this end, this report provides an overview of the following enforcement options :

- Status quo – address property standards in response to complaints
- Enhanced property standards enforcement – implement an enhanced model of enforcement with City directed maintenance repairs
- Rental property registry – collect information on rental property owners and associated agents / property managers
- Targeted area property standards blitzes – analyze complaints and property standards conditions and undertake proactive enforcement blitzes
- License rental residential properties based on building structure types – focus on licensing specific types of structures ( ie. Single detached dwellings to fourplexes inclusive) and undertake proactive property standards enforcement
- License all rental residential properties on a City wide basis – license all rental accommodations and undertake proactive property standards enforcement



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In addition to providing an analysis of the pros and cons of each of the above options, a financial impact statement is presented on the costs of implementing the above options. Examples of different enforcement models employed throughout the United States and Ontario are also listed for comparative purposes.

**BACKGROUND**

On June 25<sup>th</sup>, 2007, Municipal Council requested that Civic Administration report on options for the licensing of rental units including staff implications and options specific to the type, age and location of units. Subsequently, two reports were presented to the Planning Committee outlining options on licensing programs. As a background to the discussion on the above noted six enforcement options, a summary of the public consultation undertaken, housing condition trends and examples of enforcement approaches in several North American municipalities including Ontario municipalities is provided.

**Public consultation**

A public open house was held on March 18, 2008, at Centennial Hall to discuss options for licensing rental units. Over 500 citizens were in attendance. The majority of the comments at the public open house reflected the concerns of tenants that rent increases associated with licensing fees would be passed down to tenants by their landlords. The following is a summary of the comments received categorized as pros, cons and implementation issues :

**Pros**

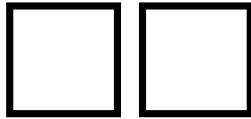
- Full support to address bad landlords and tenants
- There is a problem with absentee landlords
- Sliding scale licensing fee
- All rental units should be licensed
- All landlords should be licensed

**Cons**

- Will result in increase in rent for tenants
- City should enforce current by-laws proactively and increase fines
- Student behavior is the main reason for licensing
- Human Rights Commission will indicate that municipalities cannot target residential licensing programs (must be City wide)
- Purpose of licensing is for revenue generation
- Shouldn't penalize all landlords and tenants for problems caused by a few
- City should hire more enforcement officers for after hours enforcement issues
- It is very difficult to evict bad tenants
- Need a proactive tool that can be affordable
- No support for licensing if it is area specific (student areas)
- Property owners will not be able to afford property managers

**Implementation issues**

- Another level of administration to collect "new tax"
- Long implementation period to inspect units



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A second public open house was held on October 6, 2008 to allow for feedback on pros and cons of implementing a residential licensing program for buildings containing four or less rental units City wide. Approximately 80 persons were in attendance. Following a short presentation on the revised licensing proposal, the audience was divided into two groups and discussions continued on the costs and benefits of licensing only a specific sector or the local rental housing market. Following this breakout session, summaries of the pros and cons were presented to City staff. The comments received at the meeting were very similar to the comments received from the initial meeting held in March 2008.

In addition to the public open house sessions, staff have met with the London Housing Advisory Committee and members of the London Property Managers Association to discuss enforcement options.

**Housing Condition Trends**

As noted in the report presented to the Planning Committee in February 2008 , property standards complaints for residential properties almost doubled between 2002 and 2007 from 445 to 866 complaints. Furthermore, the increase in complaints in single detached dwellings increased from 222 to 459 annual complaints during this time period. Of the 459 complaints for single detached dwellings in 2007, 307 of the complaints were from tenants assuming that all interior and interior/exterior complaints lodged are made by tenants /occupants and not neighbours.

Further analysis of the complaints received during that time period indicated that of all property related by-law complaints received (including violations of the Clearing of Land By-law), approximately 85% were attributed to issues with single detached dwellings and only 5% related to buildings with more than 4 dwelling units.

**Enforcement Examples in North American Municipalities ( including Ontario)**

There are a number of different examples across North America of how municipalities address the issue of addressing sub-standard housing conditions.

Licensing of rental residential units has been in place in many US cities for decades. For example , Los Angeles has a very comprehensive system of mandatory housing inspections.

<http://cris.lacity.org/cris/informationcenter/code/index.htm>

The Systematic Code Enforcement Program (SCEP) is designed to routinely inspect all residential rental properties with two or more housing units on a four-year cycle and to respond to reports of property violations. Inspections are conducted to ensure the safety and habitability of all occupied rental dwelling units. If repairs are not completed within the time period specified on the Notice and Order to Comply, or Notice and Order of Abatement, the owner will be summoned to an administrative General Manager’s Hearing to explain the reason(s) for non-compliance and specify the date the repairs will be completed. If further enforcement steps become necessary, the file may be forwarded to the Office of the City Attorney as a criminal complaint. The property may also be subject to inclusion in the Rent Escrow Account Program where the city undertakes repairs via the redirection of rents.

Many other larger municipalities have also adopted a licensing system to address housing conditions including:

Minneapolis

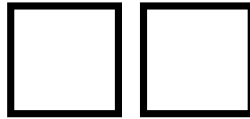
[http://www.ci.minneapolis.mn.us/Inspections/docs/rental\\_licensing.pdf](http://www.ci.minneapolis.mn.us/Inspections/docs/rental_licensing.pdf)

Boston

<http://www.cityofboston.gov/isd/housing/rental.asp>

Pittsburgh

[http://www.city.pittsburgh.pa.us/BBI/assets/pgh\\_rental\\_reg\\_fact\\_sheet.1.pdf](http://www.city.pittsburgh.pa.us/BBI/assets/pgh_rental_reg_fact_sheet.1.pdf)



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Many smaller municipalities and towns have also implemented a model of residential licensing.

Some municipalities have adopted rental registry ordinances requiring that rental properties be registered with the City to assist with making contact with property owners in emergency situations.

Buffalo

<http://www.ci.buffalo.ny.us/Home/CityServices/RentalRegistration>

The most comprehensive review of a licensing model of enforcement was undertaken by the La Follette School of Public Affairs in Wisconsin-Madison.

<http://www.lafollette.wisc.edu/publications/workshops/2002-2003/spring/PA869/domestic/MilwRental-2003.pdf> )

The report was prepared to provide Milwaukee's Department of Management and Budget and Department of Neighborhood Services with an analysis of the concept of rental unit licensing as an alternative to current rental housing inspection programs. Two types of licensing models were considered: a universal licensing model and a targeted one, in which only the more problematic units are inspected. The two models were evaluated according to the policy goals of improving the quality of rental housing, the efficiency of rental markets, the availability of affordable housing, and feasibility.

The analysis found that rental unit licensing has very uncertain benefits and can create negative effects on housing markets and the availability of affordable housing. The study concluded that Milwaukee should not implement licensing because the policy would be expensive, meet strong political opposition, and cause more problems for Milwaukee's rental markets than it would solve. The study recommended that Milwaukee increase the level of awareness of the current housing ordinances and complaint system to educate tenants of the process of the compliant driven process.

It is important to note that even though many municipalities in the United States have adopted a licensing model of enforcement, the legislative authority under which they operate is much different than the current legislation in Ontario. The following is a summary of enforcement approaches undertaken or planned to be implemented in Ontario municipalities:

Toronto

<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-16628.pdf>

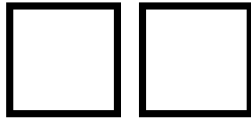
A building audit and enforcement program is planned to be launched on December 1, 2008, which will provide immediate action on the City's greatest at-need rental buildings. The program will be implemented by redeploying the current enforcement complement and making more active use of the City's available tools, including its ability to charge re-inspection fees and to bill landlords for work undertaken by the City.

Oshawa

[http://www.tqao.ca/uploaded\\_files/licensing/oshawabylaw25.pdf](http://www.tqao.ca/uploaded_files/licensing/oshawabylaw25.pdf)

[http://www.oshawa.ca/agendas/Development\\_Services/2008/10-20-Joint/DS-08-461\\_CM\\_Student\\_Housing\\_Around\\_UOIT\\_Durham\\_College.pdf](http://www.oshawa.ca/agendas/Development_Services/2008/10-20-Joint/DS-08-461_CM_Student_Housing_Around_UOIT_Durham_College.pdf)

The City of Oshawa was the first municipality to implement a licensing system focusing on a specific geographic area of the City. The second link above outlines the status of the program to date.



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Hamilton

<http://www.myhamilton.ca/NR/rdonlyres/3F2A6287-8569-4E0C-949D-555FC72A6CD6/0/Oct14PED07296a.pdf>

The City of Hamilton has directed staff to begin consultations on implementing a pilot project for a licensing program.

St. Catharines

[http://www.stcatharines.ca/cityservices/citydepartments/corpsupportsvcs/Agendas\\_Minutes/docs/Agendas/2007gaaug27.pdf](http://www.stcatharines.ca/cityservices/citydepartments/corpsupportsvcs/Agendas_Minutes/docs/Agendas/2007gaaug27.pdf)

The City of St. Catharines recommended a program of increased enforcement.

Waterloo

[http://www.city.waterloo.on.ca/Portals/57ad7180-c5e7-49f5-b282-c6475cdb7ee7/DS\\_COMMUNITYPOLICY\\_documents/RHLR\\_TofR.pdf](http://www.city.waterloo.on.ca/Portals/57ad7180-c5e7-49f5-b282-c6475cdb7ee7/DS_COMMUNITYPOLICY_documents/RHLR_TofR.pdf)

The City of Waterloo has directed staff to initiate a rental housing licensing review.

**ENFORCEMENT OPTIONS**

➤ **Option 1 - Status quo** – address property standards in response to complaints

**Program description**

Currently, housing condition complaints are initiated from three sources; tenants, neighbours or referrals from a variety of enforcement agencies. When a complaint is received from a tenant (usually dealing with the condition of the rental unit), the complainant is requested to advise the landlord in writing of the deficiencies inside the rental unit and provide the landlord reasonable time to resolve the issues. Normally, reasonable time would be two to three weeks. If compliance is not achieved, the complainant is asked to forward a copy of the letter that was submitted to the landlord or agent to the City.

The initial notice to the landlord regarding the maintenance of the rental unit adds legitimacy to a complaint since there have been some occurrences in the past where invalid complaints were made for various reasons (i.e. lease breaking).

Where the complaint involves a safety issue, such as an electrical or structural deficiency, the requirement to have the tenant advise the landlord is not followed. The property standards inspector takes prompt action to confirm an alleged unsafe situation.

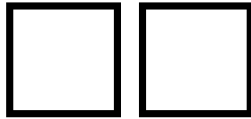
Where the complaint is made by neighbours, the issue normally involves an exterior infraction such as the condition of the exterior of the building or other exterior property maintenance deficiencies. For these types of complaints, there is no requirement for the complainant to write the landlord/agent or owner of the subject property. The City responds to these complaints on a priority basis.

Where a referral by another enforcement agency (ie. Police, Health Unit , Fire Prevention Office), the City also responds on a priority basis.

**Pros**

- Allows landlords to address issues prior to City involvement
- Allows enforcement staff to prioritize inspections based on severity of complaints
- Provides tenants assurance that City will investigate if property owners take no action in response to complaints
- Provides documentation to tenants should the matter be discussed at future landlord/tenant hearings or mediation





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**Cons**

- Program is reactionary and not proactive – no proactive inspections are undertaken
- Court action is time consuming and there are no current applicable fines

**Financial Impact**

There is no financial impact of continuing to enforce the Property Standards By-law in response to complaints.

- **Option 2 - Enhanced property standards enforcement – implement an enhanced model of enforcement with City directed maintenance repairs**

**Program Description**

Before contacting the City and filing an official complaint, tenants are requested to notify their landlord or property manager in writing outlining the possible deficiencies within their rental unit. Tenants are asked to provide a reasonable time frame to have the deficiencies corrected. If the landlord or property manager requires an extension of time to complete repairs, it is suggested to the tenants to try to accommodate extensions. If the repairs are not completed after a reasonable time, tenants are asked to send a copy of the letter that was submitted to the landlord or agent to begin enforcement actions by the City.

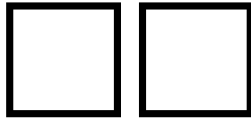
When a tenant initiates a complaint, the initial step a Property Standards Inspector calls the property owner/agent to confirm the status of the problem and when it would be corrected. If the owner/agent agrees to correct the problem, the complaint remains active and is assigned a bring-forward status for follow-up. If the work is completed, the Property Standards Inspector confirms the status of the complaint with the tenant and, if the remedial work is completed, the file is closed.

If the owner/agent has not completed the remedial work as requested, the Property Standards Inspector arranges a suitable time with the tenant for an inspection to confirm the interior unit deficiencies. After the Inspector confirms the deficiencies, the Inspector has options to call the landlord to advise of the deficiencies, send a property standards infraction notice listing the deficiencies to be repaired within a prescribed time (normally one – two weeks) or issue a Property Standards Order under the Building Code Act. In the majority of cases a property standards infraction notice is first sent listing the deficiencies. However, for repeat cases, Inspectors have the discretion to immediately issue an Order.

An inspection is made after the compliance date to confirm if the repairs have been done. If the issues have been resolved, the file is closed. In cases where the matter is not resolved after the second inspection, the City will bill the property owner for the inspection time and associated costs. Where the owner fails to resolve the deficiencies listed in the notice, the inspector has the discretion to provide an extension or to issue an Order which may be registered on the title of the property. The property owner has appeal rights to the Property Standards Committee (Committee of Adjustment) for any order issued.

Once an order is final and binding and there has been no attempt to correct the deficiencies, charges may also be laid under the Building Code Act.

Traditionally, the City has not coordinated repairs of properties which do not comply with the Property Standards By-law. Several buildings have been demolished under the direction of the City only in situations where all other enforcement options have been exhausted.



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**Pros**

- Maintenance repairs undertaken under the direction and coordination of the City (at the property owners expense) will enhance living conditions for the tenants and improve aesthetics in the surrounding neighbourhoods

**Cons**

- A system of prioritizing maintenance improvements and tendering repair proposals will need to be implemented

**Financial Impact** – there is no financial impact of directing and coordinating maintenance improvements for properties which are in violation of the Property Standards by-law.

- **Option 3 - Rental property registry** – collect information on rental property owners and associated agents / property managers

**Program Description**

Currently, the City does not require any information regarding a listing of rental property owners and any agents or property managers. Quite often, this information is valuable when responding to after hours or weekend complaints mainly dealing with vital service issues such as lack of heat. Property Standards Inspectors have information about property ownership, however, there is no contact information or information about associated property maintenance firms representing the property owner.

**Pros**

- Inspectors would have access to information within their vehicles on contacts for after hour valid complaints which require immediate attention
- Contact information could be easily inputted in to current address based information system

**Cons**

- Information would need to be inputted into computer system

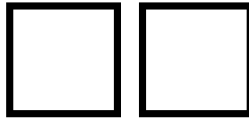
**Financial Impact** - there would be no financial impact as this data would be input in the computer system using existing staffing resources.

- **Option 4- Targeted area property standards blitzes** – analyze complaints and property standards conditions and undertake proactive enforcement blitzes

**Program Description**

Currently enforcement is mostly complaint driven except for enforcement of the Clearing of Land By-law in the areas surrounding the University of Western Ontario and Fanshawe College. Limited proactive enforcement is undertaken in the Old East Village area. Under this program, Old East Village staff have been trained in recognizing by-law violations and on a weekly basis, they email a list of possible violations to the City for future action. On December 17<sup>th</sup>, 2007, City Council resolved that:

*“a targeted proactive enforcement model be implemented in areas where there is a high propensity of valid neighbourhood complaints, it being noted that in many cases a coordinated enforcement blitz is the most cost effective and efficient method to address neighbourhood quality of life and nuisance issues”.*



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Since that time, four enforcement blitzes were undertaken in the following areas: south of Horton neighbourhood ( SOHO), Emerson Avenue area, Hilton Street area and the Quebec Street area. Proactive enforcement included visible violations of the Clearing of Land By-law and Property Standards By-law (exterior issues only) . Violators were less likely to focus on who potentially complained since the complaints were proactively filed by City enforcement staff. No internal inspections were undertaken unless tenants requested inspections due to possible Property Standards violations.

**Pros**

- Enforcement actions are targeted at specific neighbourhoods with a propensity of valid neighbourhood complaints
- Cost effective model of enforcement focusing on problem property owners

**Cons**

- Only exterior property issues addressed unless tenants initiate complaints regarding interior issues
- Proactive targeted area enforcement can only be implemented if staff resources are available to undertake proactive enforcement of problem areas

**Financial Impact**

In order to implement a proactive targeted area enforcement program, one additional property standards inspector would be required to address an increased volume of complaints. There will also be a cost of educating tenants of how to initiate complaints related to issues pertaining to the interior of their rental units. These costs will be offset by re-inspection fees (\$95) collected from property owners.

- **Option 5 - License rental residential properties based on building structure types** – focus on licensing a specific type of structure types ( ie. Single detached dwellings to fourplexes inclusive) and undertake proactive property standards enforcement

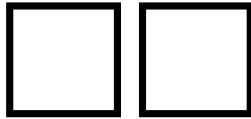
**Program Description**

On January 1, 2007, the Municipal Statute Law Amendment Act, 2006 (Bill 130) amended the Municipal Act, replacing the part of the Act dealing with business licensing. One of the main changes to the Municipal Act was the elimination of the prohibition outlined in Ontario Regulation 243/02 which prevented a municipality from licensing, regulating or governing the rental of a residential unit. Municipalities in Ontario now have the option to license, regulate and govern residential rental accommodation in a similar manner to the licensing of other local businesses.

This option is based on the premise that the offering of rental dwelling units is a business and classifying and regulating rental units as a rental residential business is desirable for the public.

Under this option, rental properties will be subject to a number of conditions applied solely for the purpose of providing and maintaining safe residential housing. Under licensing powers, a municipality may impose conditions as a requirement of obtaining, continuing to hold, or renewing a business license. Conditions may include the payment of a fee, compliance with other applicable federal or provincial legislation or regulations and by-laws of a municipality and the inspection of the property.

It is not the intention of the City to intervene or act as a mediator or advocate for either landlords or tenants or to resolve issues related to contractual agreements (leases) made between either party.



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The focus of this option is to license the following structure types on a City wide basis: single detached dwellings, semi detached dwellings, duplexes, triplexes and fourplexes. Please refer to the section in this report on property standards trends based on structure types.

A draft rental residential licensing by-law is included as appendix 1 to this report.

**Pros**

- Fair playing field for all landlords with ownership within the structure type
- Threat of license revocation may be an incentive to comply to by-laws
- Proactive inspections of interior of rental units
- Focus on specific sector of housing structures with a high propensity of complaints

**Cons**

- Inspections and collection of fees very resource intensive
- Lengthy initial roll out of program due to collection of baseline inspection data

**Financial impact**

By way of background, there are 12,500 rental units within the single, semi, duplex, triplex and fourplex structure type. Based on a 210 work days per year and six inspections per day per inspector, two PS inspectors can undertake 2,520 inspections per year. It would take 5 years to undertake only initial inspections. Should Council direct that the initial inspection cycle be reduced, additional inspection resources would be required and the license fee would be increased. It should be noted that there will be requirements for re-inspection resulting from non-compliance that will continue beyond the five-year time frame.

The cost of two PS inspectors and one customer service representative, yearly cost for inspections and administration would be \$230,000. A licensing registration fee of \$150 collected at year 1 and year 6 ( unless there is a change of ownership), will bring in a revenue stream of \$1,875,000 over the five year period.

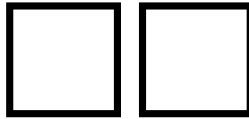
If violations are found during the initial inspection, the property owner will be given a specified time period to remedy the violations. If all violations are not corrected before the compliance date, a re-inspection fee of \$95 will be issued and the property will be required to be re - inspected the following year.

If no violations exist on the property at the time of the initial inspection or if the violations are corrected within the compliance period, the property will have future inspections waived for up to five years if they continue to comply with the licensing conditions and property standards by-law.

- **Option 6 - License all rental residential properties on a City wide basis – license all rental accommodations and undertake proactive property standards enforcement**

**Program Description**

This option is similar to option 5, however under this option all rental units are licensed on a City wide basis. This option is premised on Statistics Canada census responses related to housing conditions. Based on 2006 Census data from London, 4% of owner occupant respondents indicated that their dwelling required major repairs ( ie. defective plumbing or electric wiring, structural repairs to walls, floors or ceilings ) and 9% of tenant respondents indicated major repairs are required to their living accommodations. Eight percent of tenants residing in apartment buildings indicated major repairs are required. Although this information is based on City wide data, it is possible to identify specific census tracts where there is a high number of renters indicating major repairs are required to their living accommodations.



**O. KATOLYK**

A draft rental residential licensing by-law is included as appendix 1 to this report.

**Pros**

- Fair playing field for all landlords city wide
- Threat of license revocation may be an incentive to comply to by-laws
- Proactive inspections of interior of rental units

**Cons**

- Inspections and collection of fees very resource intensive
- Very lengthy initial roll out of program due to collection of baseline inspection data

**Financial impact**

The financial impact would be similar to that of option 5 which is based on the hiring of two additional inspectors and one customer service representative to administer the program. The main difference would be the time period of the program.

There are approximately 54, 500 rental units within the City of London. To undertake initial inspections of all rental units based on the budget request of two inspectors would take 21.6 years. These inspection times would be reduced if sample inspections were undertaken in multi unit buildings. Should this option be considered, staff would recommend additional resources to reduce the time period for initial inspections for this program.

**CONCLUSION**

This report provides an overview of potential enforcement options to address sub-standard housing conditions that are likely to adversely affect the residents of rental properties and negatively impact the residential amenity, character and stability of residential areas. To this end, this report provides an overview of the following enforcement options :

- Status quo – address property standards in response to complaints
- Enhanced property standards enforcement – implement an enhanced model of enforcement with City directed maintenance repairs
- Rental property registry – collect information on rental property owners and associated agents / property managers
- Targeted area property standards blitzes – analyze complaints and property standards conditions and undertake proactive enforcement blitzes
- License rental residential properties based on building structure types – focus on licensing a specific type of structure types ( ie. Single detached dwellings to fourplexes inclusive) and undertake proactive property standards enforcement
- License all rental residential properties on a City wide basis – license all rental accommodations and undertake proactive property standards enforcement

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In addition to providing an analysis of the pros and cons of each of the above options, a financial impact statement is presented on the costs of implemented the above options.

A public meeting will be held on March 3, 2009 before the Planning Committee to discuss a recommended enforcement approach to address substandard rental housing conditions.

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cc. Jennifer Smout, City Solicitors Office