

	DATE: March 17, 2008 REPORT: DS 08-19	TITLE: Rental Housing Licensing Review Terms of Reference	C.A.O.
WARD: City wide	PREPARED BY: Don Roth		
FILE:	DEPARTMENT: Development Services		
ATTACHMENTS: Appendix: 'A'	CLEARANCE: Review Team: March 20, 2008 Council: April 7, 2008		

RECOMMENDATIONS

That Council approve the attached Terms of Reference and direct staff to initiate the Rental Housing Licensing Review.

REPORT

The City of Waterloo has a long history of ensuring that there is a safe, suitable and appropriate supply of rental housing in the City. In 1986, the City initiated the Lodging House licensing program with the aim of helping to ensure that lodging houses were meeting minimum safety standards.

Recognizing the need to enhance our ability to license rental units, a study has been proposed to review the Rental Housing Licensing procedures to determine whether it is appropriate for the City to establish a new rental unit licensing program that could replace or complement our current licensing system.

In 2004, the Student Accommodation Study was approved which set out specific safety and enforcement recommendations as follows:

- Goal #1 - 'ensure the safety of all forms of student housing' and,
- Goal #2 - 'increase compliance with by-laws and regulations.'

Current legislation has resulted in limitations to the existing licensing system. However, in 2007 the Province passed amendments to the Municipal Act which may provide us with an opportunity to enhance the current licensing system through better enforcement opportunities and to achieve our goals of a safe and suitable supply of rental housing in the City.

APPROVALS

General Manager

Date

Director

Date

Legal

Date

Other

Date

The key Objectives of the Study are:

- review the powers of the Municipal Act as the authority to develop a new regulatory system which could replace or complement our current licensing system;
- apply the Rental Housing licensing program to low density housing forms including single family, duplex, semi-detached, triplex and townhouse dwellings;
- investigate opportunities for enforcement including the powers of entry for inspections;
- investigate our ability to provide encouragement or incentives for property owners to participate in a new regulatory or licensing system;
- investigate how the standards of the Building Code and Fire Code could be incorporated into the new system;
- investigate how any new regulatory or licensing system might limit the conversion of owner occupied housing in low density neighbourhoods to rental houses in keeping with the quality of life for long term, permanent residents;
- consult with the community and key stakeholders.

The review will be directed by a Steering Committee made up of staff from Development Services and Protective Services, as well as a City Legal representative.

FINANCIAL IMPLICATIONS:

<i>Project Number 060007</i>
<i>Project Description Official Plan Review</i>
<i>Funding Source DC/Operating</i>
<i>Expenditure Request \$15,000</i>
<i>Projected Account Balance \$110,000</i>

Funds totalling \$15,000 are required to undertake the Rental Housing Licensing Review specifically for legal expenses.

LEGAL CONSIDERATIONS:

A City legal representative will participate in the review and preparation of any new by-law initiatives as determined by this study.

Submitted by:

Signature

Name: Don Roth M.Sc., MCIP

Position: Policy Planner

APPENDIX 'A'

Rental Housing Licensing Review Terms of Reference

Background

The City of Waterloo has a long history of ensuring that there is a safe, suitable and appropriate supply of rental housing in the City. In 1986, the City initiated the Lodging House licensing program with the aim of helping to ensure that lodging houses were meeting minimum safety standards. The lodging house system was reviewed and updated in 1992. In 2004, Council approved the Student Accommodation Study, which among other things, confirmed the need to maintain the City's lodging house licensing system.

Goals of existing Lodging House Licensing Program

The goals of the existing Lodging House Licensing Program are to:

- promote the provision of safer and more comfortable lodging houses;
- accommodate increased enforcement of regulations pertaining to safety, health, property maintenance and zoning;
- allow for Universities to recommend and for owners to prove that they are offering approved housing;
- ensure communications between various civic government agencies and educational institutions;
- assist in monitoring of the supply of accommodation for lodgers.

Recognizing the need to enhance our ability to license rental units, the call for change to provincial legislation was identified in the Student Accommodation Study (approved by Council in November 2004). Subsequently, Council directed staff to form a committee to determine what legislative change was required and how best it could be accomplished. In March 2006, Council approved the committee's report (DS06-05) including the recommendation that staff be directed to work with the newly formed Town and Gown Association of Ontario (TGAO) to request the province make legislative changes.

Effective January 1, 2007, the Province of Ontario approved amendments to the Municipal Act. Based on preliminary review, it appears that there may be opportunity to establish a rental housing licensing system that could enhance the City's ability to achieve the same goals as the current lodging house licensing system.

Proposal

To determine whether it is appropriate for the City to establish a new rental unit licensing program.

Goals of the Review

1. to investigate the rental licensing powers in the Municipal Act with the aim of developing a new regulatory system to replace or complement the existing lodging house licensing system;
2. to undertake the review in a consultative manner engaging residents, students, landlords, tenant groups, neighbourhood associations and any other interested stakeholders;
3. to undertake the review in a timely manner.

Scope

The intent of the review is to investigate a new regulatory or licensing system for low density residential housing types such as singles, duplexes, semi-detached houses, triplexes and townhouses. It is not the intent of the review to include apartment dwelling units (defined as buildings with four or more units). The Building Code and Fire Code already have significant standards for apartment buildings. A new or revised program will not increase the requirements of the Codes but will set routine inspections that will ensure owners are adhering to those minimum requirements.

Process

The Review will be directed by a Steering Committee made up of staff from Development Services and Protective Services:

- Policy Development – Scott Nevin, Director Policy Development
– Don Roth, Senior Planner, Policy Development
- Building Services – Ralph Kaminski, Chief Building Official
- Fire Prevention – Marc Desjardins, Chief Fire Prevention Officer
- Property Standards – Mary George, (acting) Manager of By-law Enforcement
- Community Relations – Kaye Crawford, Manager, Community Relations
- City Legal Representation

Other Resources

The review will require considerable legal assistance to interpret the Municipal Act and other provincial legislation, to assist with drafting by-laws or other regulations, and to provide advice on how to craft a system that would be resilient to any future legal challenges. Staff estimate the cost of the required legal assistance to be about \$15,000.

The review requires a Project Manager to undertake the day to day work of the review, conduct the research, draft reports, and complete other necessary activities. A Policy Planner in Policy Development will manage the review.

Outcome

It is expected that this review will address several key issues related to the provision of safe rental housing and lodging houses including:

- investigation of how any new regulatory or licensing system could consider opportunities for enforcement including the powers of entry for inspections;
- investigation of our ability to provide encouragement or incentives for property owners to participate in a new regulatory or licensing system;
- investigation of how the standards within the Building Code and Fire Code could be incorporated into the new system;
- investigation of how any new regulatory or licensing system would relate to the City's established goals, policies and regulations on limiting the conversion of owner occupied housing in low density neighbourhoods to rental houses;
- investigation of the current lodging house administration system and analysis as to whether any proposed new regulatory or licensing system would require changes.

It is expected that the outcome of the review will be a recommendation to Council to proceed with the implementation of a new regulatory or licensing system or a recommendation to maintain the existing lodging house licensing system.

Work plan

1. Research and option development (March - April).
2. Community/stakeholder discussion on options (May - June).
3. Refinement of options and evaluation (July – September).
4. Final recommendations and implementation plan (October – December).