



The Corporation of the City of Cornwall
Regular Meeting of Council
Report

Department: Fire Services
Division: Fire
Report Number: 2020-221-Fire Services
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Meeting Date: June 8, 2020
Subject: Residential Rental Licensing

Purpose

The purpose of this report is to provide a concept overview of a Residential Rental Licensing program, as well the aspects which need to be considered before moving forward.

Recommendation

That Council receive this report regarding residential licensing and approve the public consultation plan. Due to COVID-19, the consultation process would be scheduled in a timeframe pending the current caseload trends.

Financial Implications

Costs up to \$9,000 are expected to implement the consultation strategy. The licensing program element would be a complementary module to an already existing municipal software that the Building and By-Law Department currently use. The expense would be built based on a cost recovery model. Costs are expected to be related to software purchases and resources required to manage the program.

Strategic Priority Implications

This project is directly linked to the City's strategic plan; "Create rental licensing registry to enable a database and adherence to applicable By-Laws and standards.

Background / Discussion

The Municipal Act, 2001, was amended in 2007 allowing municipalities to license any business or activity that is considered appropriate in pursuing the public good. Residential rental licensing bylaws regulate residential rental units by requiring that landlords operate their properties according to certain standards to ensure that the health and safety of the residents is protected. Several Ontario municipalities have since passed residential rental licensing bylaws albeit for a variety of different reasons. The City of Kingston for example, uncovered their residential licensing issues following a land use study and subsequent public consultation which outlined issues with upkeep of rental housing, particularly near campus neighbourhoods.

On November 1st, 2018, City of Cornwall administration provided a report to Council which included a letter from the Property Standards Advisory Committee (PSAC) requesting:

"That in the interest of Health and Safety, the Property Standards Advisory Committee endorses, in principle, the concept of the licensing and inspecting of rental housing and asks administration to prepare a report to council. The Chairperson shall forward this motion to Council before the end of term."

The City of Cornwall has an unusually ¹high number of rental housing. Apartment/duplex and apartment buildings with 1 to 4 stories account for nearly 30% of the city's housing stock, almost 21% higher than the provincial average. It should also be noted that many of these buildings were built prior to the existence of building codes, further increasing compliance related issues. On average, 76% of fires in the City of Cornwall occur in residential type buildings, with the majority in residential rental type accommodations. The most significant concern to consider is that *the City does not have holistic data on this issue due to the lack of a registry*. Although the primary purpose of residential licensing is to protect the residents of rental units by ensuring that the units comply with applicable regulations that relate to health, safety and welfare of residents, and to provide a mechanism to address substandard development, the biggest advantage of implementing a licensing program however, may be in creating accuracy of the data itself. While the Building Code and Fire Code exist to ensure that residential buildings are constructed and/or altered safely, proper

¹ Data collected through the 2016 census

maintenance of a building after initial approval is the responsibility of the property owner. Unlike other businesses operating within the City, there are no mechanisms to confirm residential rental business operators conform to appropriate codes. The City of Cornwall provides permits through its business licensing process for every other type of business seeking to operate in the city. The application process requires approvals from zoning, building, bylaw, police, health, or fire services to ensure that these organizations will operate within the City By-Laws and provincial requirements. Permits have an expiry date, where re-inspections must take place upon renewal applications.

The emergence of residential rental licensing bylaws enable municipalities to apply additional requirements to rental units to ensure that the health and safety of tenants is maintained (i.e. through regular inspections, requiring proof of insurance, a fire safety plan, etc.). Municipalities have begun to employ these licensing processes to ensure proactive compliance while limiting the need to increase staffing related to reactive inspection programs.

Residential rental licensing programs can also be used to complement existing tools that a municipality already have such as bylaws relating to property standards, yard maintenance, and solid waste.

Some of the listed advantages of a Residential Rental Licensing program are:

- Increased health and safety of residents;
- Accumulation of better data regarding rental units, leading to more relevant decision-making by the City;
- Provides for the creation of a priority inspection list, enabling efficient use of resources;
- Better controls over the availability of bedrooms in a particular sector of the City, leading to mechanisms to manage overcrowding and amenity planning;
- Provides greater opportunities for property standards enforcement by enabling mandatory enforcement;
- A licensing By-Law may reduce the negative impacts that a rental property may have on a surrounding neighbourhood by ensuring that the property complies with all applicable By-Laws with respect to exterior maintenance;
- Assist to eliminate the illegal basement apartments; and
- It may result in increased property values for rental properties.

Some of the concerns of a Residential Rental Licensing may be:

- Increase of illegal units to existing dwellings ratio (not wanting to register);

- Conversion of single-family homes into commercial ventures by absentee landlords;
- Possible increases in rent, due maintenance cost uploaded by landlords.
- Licensing rental housing may not be effective in addressing behavioural issues;
- Could lead to a reduction of available low cost rental properties;
- Licensing rental housing does not address the issue of conversion of single unit dwellings into rental accommodation; and
- Residential rental licensing should not be considered as an alternative to enforcement of existing By-Laws.

Ontario Human Rights Commission (OHRC) Housing Guide

Housing is a human right. International law states that Canada must work towards making sure everyone has access to adequate and affordable housing. When multiple factors intersect, the disadvantage increases and people are at even greater risk of discrimination, poverty and even homelessness. The OHRC guide assists municipalities in ensuring that rental housing regulatory practices do not create barriers and discrimination against people based on the following grounds:

- race, colour or ethnic background
- religious beliefs or practices
- ancestry, including individuals of Aboriginal descent
- place of origin
- citizenship, including refugee status
- sex (including pregnancy and gender identity)
- family status
- marital status, including those with a same-sex partner
- disability
- sexual orientation
- age, including individuals who are 16 or 17 years old and no longer living with their parents
- receipt of public assistance

The OHRC has consistently raised concerns about provisions in residential rental licensing bylaws regarding minimum separation distances, bedroom caps, gross floor area requirements and living spaces that go beyond what is required by the Building Code, and other issues that appear to target certain Code-protected groups or result in differential treatment of these groups.

Municipalities have the authority to create licensing programs, and must consider OHRC guidelines when adopting a residential rental licensing bylaw the OHRC guide directs municipalities to ensure that:

- A residential rental licensing bylaw was adopted to achieve a rational planning purpose;
- The municipality held a good faith belief that it needed to adopt the bylaw or the requirement to achieve that purpose; and
- The bylaw requirement was reasonably necessary to accomplish its purpose or goal, in the sense that other, less discriminatory alternatives would present undue hardship relating to health and safety or financial factors.

The OHRC recommends applying licensing bylaws to an entire municipality so that no groups of persons living in a specific area are subjected to differential treatment.

Activities to date.

The Property Standards Advisory Committee completed a significant amount of work in three main areas:

1. Research and analysis of various rental licensing programs implemented in other Ontario municipalities;
2. Consultation from a number of groups (primarily those present at the situation table²) who operate within the City, including the SDG Landlord Association and the Roy McMurtry Legal Clinic;
3. The development of a draft By-Law³, applicable to the City of Cornwall.

Through the consultation process, the PSAC as well as members of administration have had discussions with community groups, who's primary mission is working with the segment of the population who need rental housing in the city. Overwhelmingly, these groups have voiced their support for the need of greater controls over the safety of rental housing in the City.

² The "Situation Table" is a special meeting comprised of an intentionally chosen membership. Members collaborate to reduce the chances of community residents experiencing harm resulting from a combination of risk factors that increase the chance of imminent victimization or hardships. These are disciplined meetings that follow requisite privacy and confidentiality legislation. Members provide risk intervention, identifying persons, families, groups or places at acutely elevated risk of crime or victimization; and then mobilize the appropriate mix of resources and services needed to reduce those risks before the situation requires emergency response or recovery.

³ Draft Residential Rental Licensing By-Law is attached at Appendix A for review.

PSAC has also met with members of the SDG Landlord Association to outline the issues that exists and how a Residential Rental Licensing program would work.

The Association has been extremely clear in that it sees no benefit of such a program, and that it is nothing more than the addition of layers of bureaucracy and regulations, in which landlords will have to pay and deal with. They worry that the costs associated with this process will be passed on to the tenants, impacting the availability of affordable housing. They feel it will do little to address the illegal rental units which exist in the City, except punish good landlords. The Association expresses that the City already has the tools within the provincial Codes to address the safety issues, and it should simply find solutions to the resource shortage.

The City of Ottawa has recently undertaken a Rental Accommodations Study within their City which included the evaluation of a licensing component. Though many public consultations have taken place, the City of Ottawa benefits from input from groups representing all sides of this debate. In addition to Social Service, and landlord groups providing their inputs, ACORN, a community-based advocacy group, has taken the responsibility of representing the tenant's interests in this debate. There currently exists no known group operating within the City of Cornwall.

In order to take the next necessary steps on the issue of Residential Rental Property Licensing, a more holistic public consultation approach should be undertaken in order to confirm the positions of the various groups impacted by such a program, but to include the comments of those who are affected most by residential housing, the tenants. A public consultation strategy is included at Appendix B.

Document Title:	Residential Rental Licensing - 2020-221-Fire Services .docx
Attachments:	- APPENDIX A Cornwall Residential Licensing By-Law (Draft).docx - APPENDIX B Rental Licensing Engagement Strategy.docx
Final Approval Date:	Jun 2, 2020

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Pierre Voisine was completed by workflow administrator Debbie Caskenette

Pierre Voisine - Jun 1, 2020 - 4:40 PM

Maureen Adams - Jun 2, 2020 - 4:48 PM