

CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Parking and By-law Services

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| Report to: Chair and Members Economic Development and Planning Committee | Submitted by: Tim McCabe General Manager Planning and Economic Development Department |
| Date: September 14, 2009 | Prepared by: Joe Xamin (905) 546-2424 Ext. 6656 |

SUBJECT: Membership for the Community Liaison Committee for City-Wide Regulation of Rental Housing (PED07296(e)) (City Wide)

RECOMMENDATION:

- a) That in accordance with the April 1, 2009 City Council direction, three (3) members of City Council be appointed to the City-wide Community Liaison Committee for regulating rental housing.
- b) That in addition to the three members of City Council, membership for the City-wide Community Liaison Committee for regulating rental housing consist of:
 - One (1) member of the Hamilton District Apartment Association;
 - One (1) landlord of a large multi-unit rental housing complex;
 - One (1) landlord of a small rental housing complex;
 - One (1) landlord/property owner of a single/semi-detached house;
 - One (1) member of the Housing Help Centre;
 - One (1) member of the Affordable Housing Flagship;
 - One (1) staff member from a Legal Clinic;
 - One (1) representative of the Realtors Association of Hamilton-Burlington;
 - One (1) member of the Neighbourhood Residential Rental Housing Community Liaison Committee;
 - Two (2) local residents affiliated with a neighbourhood association;
 - Three (3) tenants of residential rental properties.
- c) That staff be authorized and directed to advertise for membership as appropriate on the City-wide Community Liaison Committee.

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Tim McCabe
General Manager
Planning and Economic Development Department

EXECUTIVE SUMMARY:

As directed by City Council in October 2008, a comprehensive investigation into the feasibility of regulating residential rental housing in Hamilton is being undertaken through a Neighbourhood Residential Rental Housing Community Liaison Committee (NRRHCLC) for Wards 1, 8, 10 & 12 and a City-wide Residential Rental Housing Community Liaison Committee (City-wide CLC).

Further, on April 1st. 2009, Council endorsed Recommendation (a) of Report PED07296(c) directing staff to undertake a City-wide consultation process comprising two (2) Public Information Centres (PIC) for the purpose of ascertaining the issues relating to the regulation of rental housing on a City-wide basis and finalizing the membership of the City-wide CLC. In order to target key geographical areas of the City, three (3) PICs were undertaken.

The NRRHCLC for Wards 1, 8, 10 & 12 recently concluded its consultation and reported its findings to the Economic Development and Planning Committee on September 8, 2009. This NRRHCLC conceded that there is no easy solution to comprehensively address the complex issue of rental housing and therefore did not take a formal position with respect to licensing residential rental housing. The NRRHCLC did recommend that their information/findings be forwarded onto the City-wide CLC for consideration as it undertakes a review of rental housing from a City-wide perspective.

This report summarizes information obtained at the public information meetings held in June/July 2009 and recommends membership for the City-wide CLC which is to commence this Fall.

BACKGROUND:

On April 1st. 2009, Council directed staff “to undertake a City-wide consultation process comprising two (2) PIC for the purposes of ascertaining the issues relating to the regulation of rental housing on a City-wide basis; and selecting appropriate members of a Community Liaison Committee which will determine the appropriateness, potential effectiveness and the prospective extent of a strategy for regulating rental housing throughout the City.”

To provide better stakeholder consultation across geographical areas of the City, staff undertook three (3) PIC (June 3rd and 8th and July 8th). The meetings were advertised in the Hamilton Spectator and Hamilton Community Newspapers (Stoney Creek

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News and Hamilton Mountain News) as well as on the City's website under "Hot Topics" on the main page.

Over 50 people (primarily residents, tenants and landlords) attended the three (3) PIC meetings. Questionnaires were provided to all meeting attendees and were also made available on the City's website. In total, 172 questionnaires were completed by 72 tenants, 29 Landlords and Property Managers, and 67 interested citizens/residents/organizations and four others.

As turnout for the first meeting was poor, staff solicited input from members of the following neighbourhood, community and social support organizations, by attending their meetings and providing questionnaires for their groups to complete:

- Community Action Plan for Children
- Housing Help Centre
- McQueston Legal Clinic
- Robert Land Community Association
- Social Planning and Research Council
- Solutions to Housing Action Committee
- St. Joseph's Immigrant Women's Centre
- Tenant Outreach and Education Initiative
- Tenant Advisory Committee
- Urban Core Community Health Centre

From the stakeholder consultation process, it is concluded that most support the regulation of rental housing, but not necessarily a licensing program. Some support licensing rental housing while others are concerned that it may result in costs being transferred to tenants and therefore support better application/enforcement of current by-laws and legislation (i.e. Residency Tenancies Act (2006)). Others identified the option of creating a rental house registry as an alternative to licensing.

The following summarizes the general stakeholder concerns/issues:

Rental Housing Residents: Roughly a third of the respondents were satisfied overall with their rental accommodations, and a third was somewhat satisfied while the remaining third were not satisfied with rental housing.

There was a wide range of issues and concerns regarding rental housing, but the most prevalent concern was that units are in need of repairs, maintenance and upgrades and appear rundown due to the age of the buildings. Further, many are concerned about the length of time it takes the landlords/property managers to complete the necessary repairs and maintenance. Some noted that the common areas of multi-residential buildings are not cleaned and some stated that their landlords (i.e. superintendents/property managers) were unapproachable and were not interested in hearing concerns related to repairs/maintenance/upgrades. Other common complaints from tenants include noise and tenant behavioural issues, as well as infestation/pest issues such as mice, rats, bed bugs, cockroaches etc..

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Residents of “geared to income” units expressed concerns that their landlords do not provide an adequate level of attention to maintenance and repairs with one respondent quoting his landlord as saying, “don't expect quality housing when you're paying not for profit prices... we can only maintain what our budget allows for.”

Landlords: Landlords continue to raise similar concerns such as those raised in the recently completed NRRHCLC such as:

- landlords do not have many rights,
- the rental industry is currently well regulated,
- any costs associated with the program will be passed onto the tenant,
- it is very difficult and a lengthy process to evict problem tenants,
- there is a lot of work involved in dealing with tenants who default in rent,
- regulation will result in further work and/or potential cost impact,
- that there should be a registry of problem tenants.

Residents living in close proximity to rental buildings: These stakeholders expressed concern that many buildings are rife with garbage, graffiti, long grass and weeds, and that this will negatively affect their own property values. Many expressed their concern and frustration of the illegal conversions of single family homes into multiple units and the impact this is having on existing residential neighbourhoods. Others expressed concern about tenant behaviour issues (e.g. noise, drug use, violence, profanity, threats, etc), and some feel that landlords need to be held accountable for the upkeep of their properties both inside and outside.

ANALYSIS/RATIONALE:

City Council directed staff to undertake a City-wide consultation process comprising two (2) Public Information Centres for the purposes of ascertaining the issues relating to the regulation of rental housing on a City-wide basis and finalizing the membership of the City-wide CLC.

In Report PED07296 (c), the draft Terms of Reference identified the membership of the City-wide CLC as follows:

- Three (3) members of Council to be appointed by Council;
- Six (6) local residents each representing the former municipalities of Hamilton, Flamborough, Dundas, Ancaster, Stoney Creek, and Glanbrook, or in the absence of a local resident another resident from any of the six former municipalities, through an application process at the City-wide Public Information Centres;
- One (1) member of the Hamilton District Apartment Association;
- One (1) landlord of a large multi-unit rental housing complex;
- One (1) landlord of a small rental housing complex;
- One (1) member of the Housing Help Centre;
- One (1) member of the Affordable Housing Flagship;
- One (1) staff member from a Legal Clinic;
- One (1) representative of the Realtors Association of Hamilton-Burlington;

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- Such other members as are to be determined through an application process at the City-wide Public Information Centres.

However, based on the issues identified through the recent PIC and stakeholder consultation, staff is recommending additional members as outlined below in order to address the various issues pertaining to residential rental housing in a balanced manner.

- One (1) member of the NRRHCLC
- One (1) landlord/property owner of a single/semi-detached housing.

Staff also recommends that the six (6) local residents be deleted and replaced by two (2) local residents affiliated with a neighbourhood association and three (3) tenants of residential rental properties. These recommended changes to the membership will provide a more balanced committee of landlords, tenants/tenant advocates, and residents.

On March 14, 2009 the Economic Development and Planning Committee agreed that recommendations (b) and (c) of Report PED07296(c) be put into abeyance until the conclusion of the Public Information Centres. However, at Council's meeting on April 1, 2009 the two recommendations were reversed and not held in abeyance. At that time, the three (3) members of Council (Recommendation (c) of Report PED07296(c)) were not selected and as a result this remains an outstanding issue which has been re-addressed in this Report.

In Report PED07296(c), Council directed staff "to report back to Council on the recommended final Terms of Reference upon the complete membership of the City – wide Community Liaison Committee being finalized", and staff intends to do that once the City-wide CLC has been established and had its first meeting.

ALTERNATIVES FOR CONSIDERATION:

City Council has directed that a comprehensive investigation into the feasibility of regulating residential rental housing in Hamilton be undertaken through the formation of the NRRHCLC for Wards 1, 8, 10 & 12 and a City-wide CLC. The NRRHCLC, as noted, has recently concluded its work and has presented its findings to Economic Development and Planning Committee. The City-wide CLC is slated to commence this Fall.

One alternative would be to not proceed with the City-wide CLC, and to not complete the investigation into licensing rental housing. This would result in issues such as those raised by recent stakeholder consultation continuing to be addressed on an ad-hoc and reactive basis.

Another alternative would be to develop a proactive enforcement effort using current by-laws in an attempt to better address the issues. The NRRHCLC has recommended that "staff be directed to investigate and report to Economic

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Development and Planning Committee with costing and an implementation plan for an 18-month proactive by-law enforcement pilot program to focus on problem properties/landlords in Wards 1 and 8, and that such a program include an educational component for landlords and tenants”.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial: There are no funds budgeted for the consultation process (i.e. City-wide CLC). Such costs will be absorbed in the Parking and By-law Services Division operating budget.

Staffing: The consultation process will be carried out using current staff resources.

Legal: The Human Rights Commission has expressed the opinion that licensing based on a geographical area could be construed as a potential violation of the Human Rights Code. Therefore, a City-wide consultation process would assist in negating any potential issues in this regard.

POLICIES AFFECTING PROPOSAL:

N/A

RELEVANT CONSULTATION:

In addition to the stakeholder consultation process noted in this report all City departments and affected agencies are being consulted with as necessary. In addition to the staff involved in the NRRHCLC, representative of the City’s Housing Division and the Health Protection Section of Public Health will be resources to the City-wide CLC.

CITY STRATEGIC COMMITMENT:

By evaluating the “**Triple Bottom Line**”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. Yes No

The implementation strategies for regulating rental housing in other Ontario municipalities will be monitored to ensure that the best strategy is implemented on a City-wide basis for Hamilton.

Environmental Well-Being is enhanced. Yes No

Health, safety and property standards will be addressed in the development of a strategy to regulate rental housing City-wide.

Economic Well-Being is enhanced. Yes No

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Investment in Hamilton is supported and enhanced by preserving neighbourhood character and ensuring adequate health, safety and property maintenance.

Does the option you are recommending create value across all three bottom lines?

Yes No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?

Yes No

N/A

MH/JX/dt