



AUGUST 27, 2008

**INTRODUCTION OF DRAFT RESIDENTIAL RENTAL UNIT
LICENCING BY-LAW**

RECOMMENDATION(S):

The General Committee recommends the following:

1. The attached draft Residential Rental Unit Licencing By-law be received for information and review.
2. That staff forward the draft By-law to the City's Town and Gown Committee for comments.
3. Staff put in place a Public Consultation process involving all stakeholders that would have an interest in the draft Residential Rental Unit Licencing By-law.
4. A report be brought back to General Committee at the end of November identifying the results of the public consultation process, recommended changes, administration processes and implementation schedule.

REPORT:

Thorold City Council directed staff to prepare a Licencing By-law to govern student rentals within the City of Thorold.

City staff in consultation with City Solicitor Sara Premi of Sullivan Mahoney have developed a first draft of a Residential Rental Unit Licencing By-law.

This by-law provides for the licencing, regulating, governing and inspecting the business of residential rental units throughout the entire municipality. Thorold's draft by-law has been modelled after Oshawa's Residential Rental Licencing By-law enacted in February 2008 and other licencing by-laws.

Purpose of Residential Rental Unit Licencing By-law

The general purpose of the licencing by-law is to take a proactive approach to protect the health, safety and welfare of tenants and provide for the maintenance of rental units and properties. This by-law will also protect the residential amenity, character and stability of residential areas. It 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 necessary and desirable for the public.

The act of renting a property is a business activity and when a unit is improperly maintained it can negatively impact the health, safety and general welfare of tenants, as well as the aesthetic value and residential amenity of the community at large.

A rental residential licensing program is a tool which will allow for a "fair playing field" within the rental housing market whereby rental units will be subject to a number of uniform 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 licence. 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. All these provisions have been built into the City's proposed Residential Rental Unit Licencing By-law.

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.

Licencing Powers

- Licencing, regulating, inspecting and prohibiting the carrying on of a business without a licence
- Ability to grant a licence, revoke a licence or suspend a licence
- Impose conditions as a requirement of obtaining, continuing to hold or renewing a licence.

Who benefits from a rental residential business licensing program?

Landlords benefit:

- Provided with a documented record of the conditions of the rental unit.
- A level playing field is created amongst all landlords; those landlords who are providing safe and suitable housing are not competing with landlords who are benefiting financially by not complying with various property standards;
- Licence ensures compliance with certain standards.

Tenants benefit:

- Provided with healthy and safe housing;
- Educated on local by-laws which may impact their livability within their rental unit;
- Substandard rental properties and poor landlords identified and hopefully eliminated.

Neighbourhood benefits:

- proper care and maintenance of residential rental properties;
- protection of residential amenities and neighbourhood stability.

It is important to note licencing is not a prohibition but a regulation which involves a technical process and enforcement which is imperative.

Public Consultation

An initial public meeting will be held near the end of September 2008 to initiate discussions on the draft Residential Rental Unit Licencing By-law, proposed regulations and associated application forms.

Staff intend to compile all the public comments and hold a second public meeting to discuss a revised amendment (based on comments from the first draft licencing bylaw consultation).

A report will be forwarded to General Committee at the end of November to provide a summary of the public consultation process, recommended amendments, administration process and implementation procedures.

Features of the Thorold proposed Residential Rental Unit Licencing By-law

- the licencing by-law will apply to the entire municipality;
- there are two (2) classes of licences proposed: A class "A" Licence applicable to 4 or less designated bedrooms and a class "B" Licence applicable to 4 or more designated bedrooms;
- there are separate Technical Standards and licencing conditions for each licencing class (outlined in Appendix 'A' to the by-law)
- Decisions on Residential Rental Licence applications will be made by the Director of Planning and Building Services Department and are subject to review by Council.

Initial Application

- Licence Applications filed with the City must comply with the requirements outlined in Part III of the By-law which includes:
 - a floor plan drawn to scale of the rental unit including dimensions and proposed use of each room;
 - a parking plan which clearly depicts the location and dimensions of all parking spaces;
 - a maintenance plan which identifies the landlord's measure to ensure compliance with the City's Clean Yards and Property Standards By-laws;
 - proof of insurance;
 - payment of \$300.00 licencing fee (non-refundable) per Rental Unit;
 - a certificate issued by the Electrical Safety Authority confirming the Rental property and its proposed use comply with the Electrical Safety Code;
 - a criminal record search filed in support of the application discloses no criminal record;
 - no outstanding fine or fee owed to the municipality by any Landlord respecting the rental property;
- The application is circulated to Planning, Building and Fire Departments for comments and a report;
- By filing an application, the Landlord consents to an inspection by City officials to review whether or not a rental unit complies with applicable legislation;
- An approved application may be subject to conditions;

- A landlord's licence issued by the Director will be forwarded to Council for ratification.

Renewal of Applications

- Application for renewal of an existing licence must be submitted to the municipality prior to the expiration of the existing licence, otherwise will be considered to be an initial application;
- A criminal record search filed discloses no criminal record;
- An inspection of the rental property and approval by the Chief Building Official;
- Renewal fee of \$150.00 per Rental Unit.

Refusal to Issue a Licence

- The applicant has an ability to have the matter heard before a Licencing Committee;
- The Licencing Committee would be a Committee of Council to which Council has delegated the responsibility of handling licencing matters regulated under this by-law;
- A Hearing before the Licencing Committee will take place within 30 days of the request for a hearing;
- The Committee will hear and consider the application, the report of the Director and any submissions of the Applicant;
- At the conclusion of the Hearing the Committee shall make a written recommendation to Council for consideration by Council;
- Council may choose to grant the licence, refuse the licence or grant the licence and impose conditions;
- Decisions of Council are final and there is no further appeal process.

Licence Document

- Each licence issued under the provisions of this by-law shall include:
 - a licence number
 - a sketch that depicts the location of each bedroom
 - name, address and telephone number of each Landlord
- A copy of the licence shall be posted and maintained prominently and visibly inside the Rental Units main entrance door.

Conditions of Licence and Review of Conditions

- All licences issued are subject to technical standards and licencing conditions;

