

# Rental Housing Policy Options

## Rental Accommodations Regulation Study



Maclaren Municipal Consulting Inc.  
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# 1. Introduction

## Review Mandate

The City of Ottawa retained Maclaren Municipal Consulting to complete a comprehensive analysis of Ottawa's rental accommodation regulations for the Emergency and Protective Services Department. Maclaren produced Discussion Papers on Student Housing and Rental Housing Conditions and conducted an extensive consultation process. Following the consultation process, this document outlines Policy Options that can be considered to deal with the issues identified. Neither Maclaren nor the City of Ottawa endorse any of these options. They are put forward to seek additional input and comment before Maclaren submits their final report, which will include recommendations.

A second policy options document deals with short term rental (STRs) of residential properties. STRs are considered to be rentals of residential accommodation for periods of less than one month. Both policy options documents are available at [Ottawa.ca](http://Ottawa.ca).

For information on how you can contribute to this process, please see the final chapter of this document.

# 2. Consultation Process

A number of processes were undertaken in May and June of 2019 to gain input to the preparation of this report:

- Discussion Papers were prepared and published on the City of Ottawa website, along with a description of the process and the key issues. The site also provided access to three surveys that were completed over 4,200 times.
- The Discussion Papers, or links to them, were distributed to community associations on the City list, and to stakeholders thought to have an interest in the issue.
- The website and emails invited people to send comments to [rentalhousingreview@gmail.com](mailto:rentalhousingreview@gmail.com) and to register for, and then attend, Workshops to discuss the issues. Registration was limited to 25 persons per workshop to ensure everyone had ample opportunity to participate. Additional workshops were organized as required to accommodate all seeking to participate. A total of 12 workshops were held with about 325 participants (some included unregistered participants).
- The project team met with key stakeholders, including attending meetings organized by stakeholders.
- Comments to the email address, provided as part of the surveys, were reviewed, and the survey results were analyzed.

### 3. What We Heard

This chapter details the feedback received from the consultation process described above. The workshops and written submissions afforded the opportunity to hear detailed stories and analysis from the principal stakeholder groups. The consultation results are summarized around the following themes:

- Housing Conditions
- Rooming Houses
- Student Housing

**Note that this section outlines what people said during the consultations. It does not endorse or refute comments, and where statements of fact are presented, there is no attempt to prove or disprove the facts presented in this section. In many cases contrary positions were presented, and they are all reflected in this section. Neither Maclaren Municipal Consulting nor the City of Ottawa endorse the opinions presented in this section.**

#### Housing Conditions

The workshop on housing conditions was well attended and included a wide range of viewpoints including those of current tenants, landlords and community support organizations. Feedback was also obtained from interviews with and submissions from stakeholders, as well as from the online survey results which will be summarized at the end of this section.

**Mixed opinions on licensing rental properties:** Participants were split on whether to license rental buildings. The majority of attendees at the workshop were not in favour of a universal licensing regime for rental properties. Individuals representing the private sector, as well as social housing providers, noted that there are already existing regulations at the City and provincial levels that need to be better enforced instead of adding another layer of bureaucracy. Many of the issues faced by property owners and tenants could be addressed by better enforcing existing regulations, rather than adding more.

It was also argued that licensing may discourage investment in rental buildings at a time when more rental construction is needed to meet demand. Licensing may also result in other unintended results, such as increased rents or potential loss in rental units if more marginal buildings are required to undertake major repairs and upgrades to meet today's buildings standards. The Eastern Ontario Landlord Organization (EOLo) noted that municipal inspections and enforcement tend to be primarily initiated by complaints, and enforcement often appears to be largely ineffective against persistent or repeat offenders.

Some participants indicated that municipal licensing is rarely self-financing – i.e. that the costs of enforcing by-laws are more than the revenue collected from fees or penalties which may then limit the amount of proactive enforcement that can be undertaken.

The Ottawa chapter of the Association of Community Organizations for Reform Now (ACORN), representing low- and moderate-income renters, strongly advocated for licensing of all

landlords/owners of properties with three units or more and with required annual inspections. ACORN members described having experienced living conditions in some rental facilities that were substandard, and also related that some landlords are negligent in addressing tenant problems. ACORN takes the position that licensing of all rental properties is required to make landlords accountable for providing decent, liveable housing to those most in need of affordable accommodation. ACORN supports the recent City of Toronto registration and inspection regime as the model that the City of Ottawa should emulate. Toronto's approach is examined in more detail in the Policy Options chapter.

**No disagreement that there are serious Issues associated with marginal rental properties and some landlords:** We heard many examples of the significant problems and challenges faced by tenants, especially low and moderate income households: cockroaches, bed bugs and other pest infestations; lack of heating in the winter; flooding; mould; unsafe conditions related to electrical installations including smoke detectors; complaints about needed repairs that go unnoticed or take an extraordinary time to complete; un-cooperative and threatening landlords; among other problems. We also heard that tenants often will not issue formal complaints for fear of landlord retaliation including possible eviction.

These issues are not just with small landlords but also with some larger corporations, particularly pest problems, or problems associated with properties that are nearing the end of their useful life and require a major renovation or demolition and replacement. ACORN members noted that many of these problems were also found in Ottawa Community Housing buildings and expressed dissatisfaction that the study excluded involvement from OCH.

**Property maintenance of rental buildings and enforcement are major concerns:** There was overall agreement that the lack of property maintenance was a significant overriding problem in rental accommodations. A common criticism that was made by several participants is that there is a need for more rigorous, proactive enforcement of the City's property standards and property maintenance by-laws. Participants claimed that landlords themselves rarely do any inspections of their building or rental units and, when they do, they often tend to use unqualified people. One participant noted that before the City's amalgamation and several subsequent reorganizations, the City seemed to work more closely with landlords to address problems but that this close working relationship does not seem to be as apparent now.

Participants also stated that the City should do more in issuing penalties against landlords for non-compliance to existing regulations and going after owners that have multiple infractions.

**There are also many good landlords who should be supported by the City:** Notwithstanding the serious problems described above, it was generally recognized that the majority of landlords do provide quality rental accommodation in a highly regulated and often challenging market. Participants in the workshop expressed the need to create a positive environment for rental providers by providing incentives rather than just imposing more regulations.

**Current regulatory environment (City and Provincial) and associated notification and follow-up processes are not working:** A common concern expressed by participants is that tenants do not have

the resources to fight landlords when issues arise at the Landlord and Tenant Board, especially for tenants with mental health challenges, the working poor, the elderly, and new Canadians. Participants stated that hearings at the Board require considerable expense and time commitments and it ends up easier for tenants to just move and find another place even though that can be difficult to do when there are few vacant units that are also affordable. Many tenants also simply did not know or understand their rights.

There were also complaints about the lack of response after tenants call 3-1-1 or contact the City's By-law and Regulatory Services. There is a need for some type of follow-up reporting system so people know if complaints are being acted upon or when work orders are issued and completed. Participants noted that effective lines of communication between landlords, City staff, and tenants appear to be non-existent.

**Education and tenant/landlord outreach Initiatives are very important to addressing rental housing issues:** There was wide support to developing education and outreach programs to assist both tenants and small landlords through collaborative partnerships involving the City, community support groups, private industry/landlords and tenants. One example provided was offering City-sponsored courses like the planning primers. These initiatives would be aimed at improving understanding of tenant and landlord rights and how to address these through the complaint process. A survey completed by ACORN of their members, for example, found that 22% of those surveyed did not know about 3-1-1, and another 29% said that they didn't think it would help so they didn't call.

Community-based agencies as well as ACORN and the EOLO all stated that they would support outreach efforts with respect to various tasks such as conflict resolution and problem remediation, providing resources when requiring assistance in dealing with tenants with mental health or other challenges, including language barriers.

**Physical deterioration of older rental buildings and 'renovictions' is a growing problem:** While it was recognized that old buildings do eventually reach the end of their life cycle and may need to be demolished, participants also thought that, in some cases, these older buildings are often deliberately neglected in terms of maintenance, leading to an accelerated decline in their physical condition in order to facilitate redevelopment. Comments were made that investors are "flipping" properties to rent to high-end tenants, and that rental properties are being treated more as a commodity by investors/REITs (Real Estate Income Trusts) for profit, being less concerned over the rights of tenants. The experience of tenants living in the Timbercreek property at Heron Gate was often cited as an example of rental housing units being allowed to deteriorate with many tenants losing their homes when they were demolished.

A related problem involves moving tenants out of rental units under the guise that extensive renovation work is needed, and then relisting the unit at higher rents to other tenants without allowing previous tenants to move back, often referred to as "renoviction". Even though this is not allowed under the Ontario Residential Tenancies Act, participants believe that landlords are able to use loopholes to get around the legislation or are not deterred by potential financial penalties since the costs of such fines would be quickly recovered from the higher rents being charged.

This introduces a problem resulting from rent control that was discussed. The rent of units that have been occupied by the same tenant for many years can be significantly below the market rent. It may be even further below the market rent that could be achieved following some improvements to the property. Tenants noted that rents can rise significantly when tenants move out, and renoviction is sometimes used as a vehicle to encourage or force the tenants to move.

**Increasing the supply of affordable housing is the overriding priority in addressing rental housing issues:** All participants agreed that there is a critical need to increase the supply of affordable housing and, in particular, affordable rental housing in the city as well as preventing existing rental properties from experiencing unnecessary deterioration. Such a strategy requires a more comprehensive approach and cannot be addressed by just strengthening the City's rental accommodation regulations. A comment was made that all the housing providers and regulators, as well as advocacy and service support agencies, tend to operate in silos. Other participants pointed out that it is important that the private sector try to emulate neighbourhoods of liveable spaces and the sense of belonging to a community that is often found in low income housing areas, by supporting a mix of incomes and housing options. Participants also expressed a concern over the loss of rental units to short-term rental platforms like Airbnb.

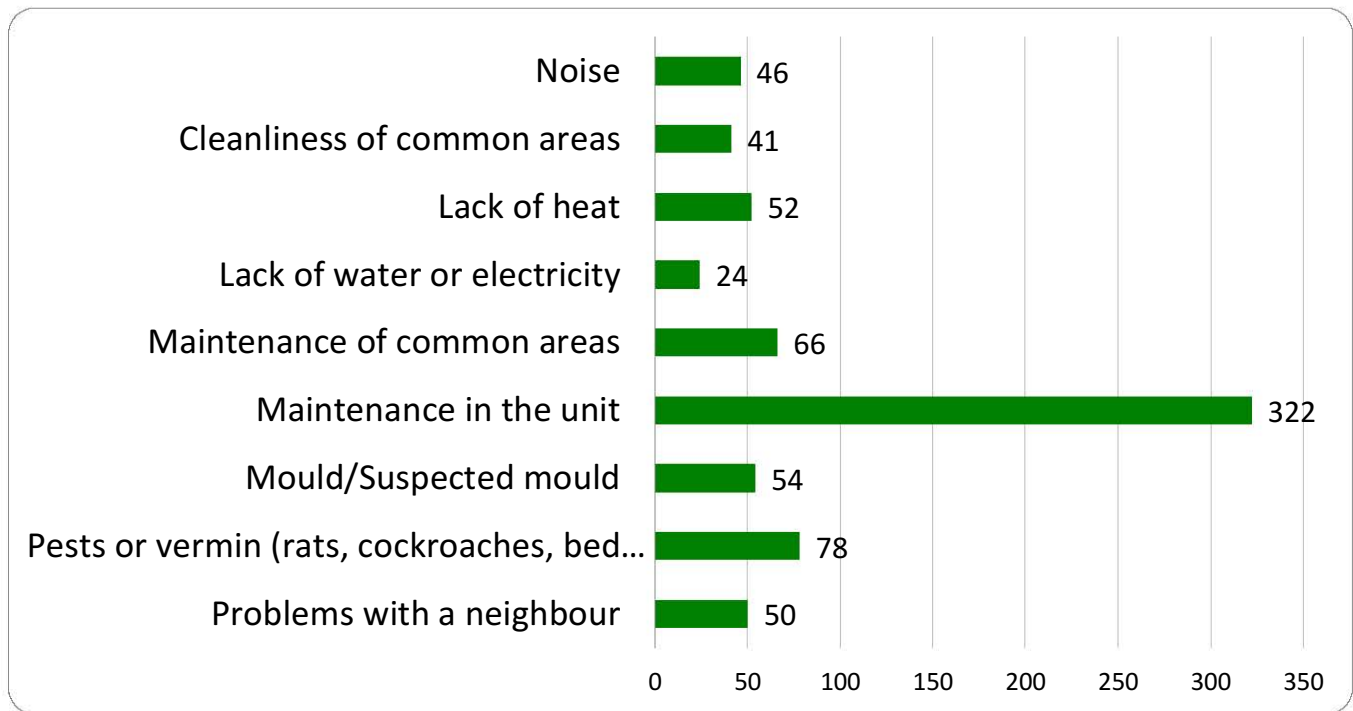
### **Web Survey**

There were a total of 2,258 completed responses to the on-line survey on Rental Housing Conditions. As noted earlier, the survey responses do not represent the views of city residents as a whole, only those of the people who completed the survey. Some questionnaires were completed very quickly and appear to result from an automated process, possibly with one source completing multiple surveys. The surveys completed in less than 60 seconds were therefore excluded from the results reported here, leaving 2,132 valid survey results.

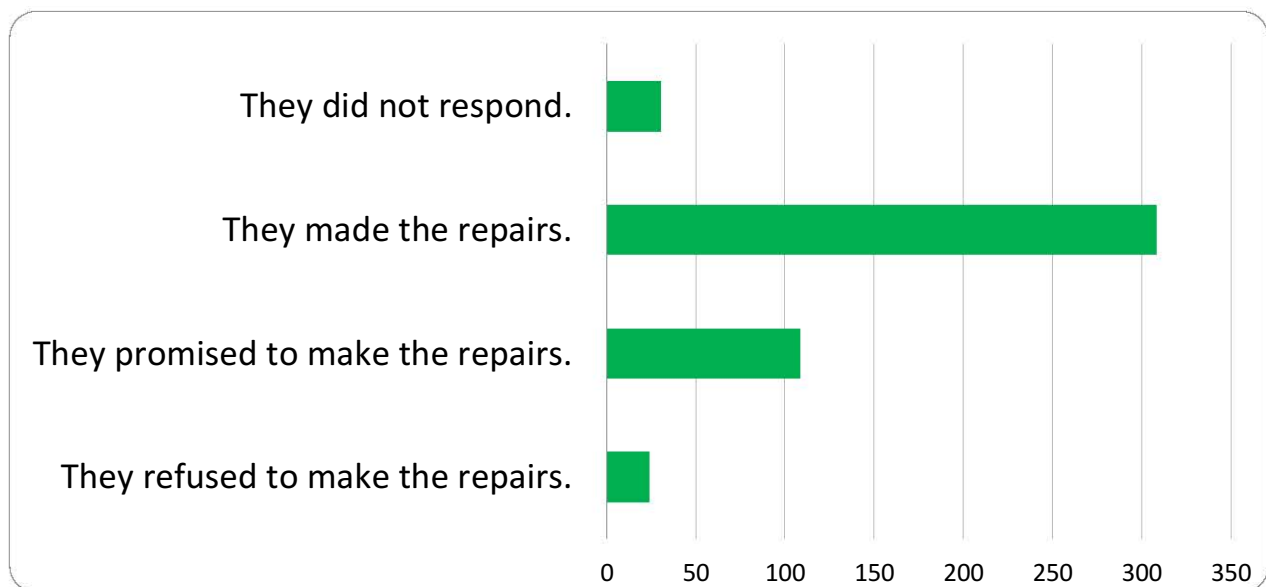
Of the total responses, 61% owned their home while the rest rented. There is a significant landlord voice among survey respondents as 41% own a rental property. 47% lived at their current address two years or less. Of the total 665 renters who responded, 65% rented from an individual or small company, 28% from a large corporation, and 3% from a social housing provider. When asked if they would consider adding a secondary suite or a coach house to their primary residence, 75% said no.

Based on responses from renters, 71% had asked their landlord to make repairs to their unit. The majority of complaints related to maintenance in the unit, but other factors were important, particularly mould and vermin issues.



Table 1 - **Nature of Tenant Complaints**

In 88% of cases, the landlord carried out the requested repair, or promised to do so. There were 7% who did not get a response from the landlord and 5% had their landlord refuse to do the repairs.

Table 2 - **Landlord Response to Request for Repairs**

Only three of the tenants indicated they had followed up and filed a complaint with By-Law Services.



69% indicated that they are satisfied with their current rent while 26% of the renter responses said they struggle paying the rent.

The following table summarizes the survey results on questions about what the City can do to address problems related to enforcement of property standards.

**Table 3 - What steps should the City take to deal with these problems?**

	Percentage of All Homeowner			Percentage of Total Tenant Responders		
	Yes	No	Undecided	Yes	No	Undecided
Nothing – it's a small problem	56	28	16	26	54	20
Regulate all rentals + annual inspections even if rents increase	20	70	10	24	54	22
Regulate only large buildings + annual inspections	30	57	13	26	47	20
Regulate only smaller / older buildings + annual inspections	8	79	14	17	58	25
Proactive Inspections focussing on problem buildings / landlords	51	41	8	75	18	6
Provide inspection history to public	64	29	7	83	13	4

There are some interesting differences between the responses of homeowners (many of whom are also landlords) and the responses of tenants. Among homeowners, the majority indicated building conditions are a small problem, and nothing needs to be done. However, 54% of the tenant responders indicated that there are real problems and doing nothing is not an option. Interestingly, 55% of renters did not support regulation/licensing for all rental buildings as did 70% of homeowners. Regulation limited to large buildings or to smaller, older buildings was not supported either, by renters or by homeowners.

However, when it comes to problem buildings and owners, 75% of tenant responders supported proactive inspections and 83% supported making the results public. The majority of homeowners also supported these steps.

ACORN also completed a survey of its members for this study on rental regulations. The following summarizes the highlights from the 172 responses received, as reported by ACORN:

- 63% of the respondents rented from large corporations and 12% from individuals or small companies.
- During the last 12 months, 72% requested repairs from their landlord; almost one-half did not have their repairs done (51% were completed and 34% were promised they would be completed) and another 10% did not even receive a response.
- 80% disagreed that the problems with property standards enforcement were insignificant.
- 91% of ACORN's respondents want to see all rental accommodations regulated with annual inspections.

- 94% agreed that inspection history of buildings should be made public.

These results are different than those recorded in the on-line survey.

### Rooming Houses

Since rooming houses are a part of the total rental housing supply, many of the issues raised in the workshop and interviews are very similar to those raised under the previous Housing Conditions section. Rather than repeating most of what was heard about rental housing conditions, the following sections focus on the issues which are more particular to rooming houses.

Unlike the other types of rental housing, the City licenses rooming houses. There are very similar issues with student housing which is covered in the next section. Bunkhouses generally catering to students, are effectively unlicensed rooming houses. The one big difference is the demographics of the tenants.

Workshop participants and other stakeholders indicated licensed rooming houses tend to be occupied by persons on some form of social assistance or with very low earned income. Many have mental health issues, and many have addiction and substance abuse issues. The licensed rooming houses tend to be the first step out of the shelter for the homeless as the waiting lines for social housing or assisted housing is very long. While they make the move to housing, they do not receive the support they would if they moved into social or assisted housing. The student populations are evidently much younger, have fewer social and health issues, and are in a situation they expect will be temporary.

**Licensing Rooming Houses is necessary:** There was a common understanding amongst the participants that existing regulations, including licensing, are necessary to protect the health and safety of tenants living in rooming houses and to minimize negative impacts on surrounding properties.

**Licensing is not enough:** Some participants stated that licensing still has not solved all the problems – we still have bad landlords and appalling living conditions in some rooming houses in addition to illegal rooming houses, especially in neighbourhoods with student concentrations. Workshop participants and other stakeholders indicated the tenants who are most affected by sub-standard accommodation tend to be the most vulnerable and those who do not have a voice. The number of rooming houses has been declining, giving fewer options to the potentially homeless.

**There are good landlords running rooming houses, but the bad landlords are really bad:** Workshop participants and other stakeholders indicated there are good landlords and bad landlords, but the quality of life and physical conditions of bad rooming houses are very much substandard. There are rooming houses where the density of occupants exceeds the capacity of the dwelling to provide healthy and safe accommodations. Concerns over exploitive and absent landlords were also expressed.

**Economics of managing rooming houses is a major threat to preserving the existing supply:** Landlords attending the workshop emphasized that the increasing costs of managing rooming houses is far exceeding the rate of increase in revenues. Growing costs are reflected by significant increases in property taxes, water rates etc. while most tenants depend on social assistance or work at minimum

wages. Rooming houses have also faced gradually increasing property standards and fire codes to meet which adds to the cost of upgrades. The long-term potential impacts are continued physical deterioration and ultimately demolition, sale of properties to bad rooming house operators or sale/conversion of the property to other uses. Several participants recommended that rooming houses should be managed by non-profit organizations whenever feasible. It was also noted that large rooming houses, over ten rooms, are difficult to manage but the economics is less attractive with small buildings.

**Rooming house providers need positive incentives and supports, not just penalties:** Landlords pointed out that the City should recognize successful rooming houses/good landlords. Without positive support, rooming houses will continue to decline in number, and it will be the good not the bad landlords that will disappear first. There was a general feeling that the City does not provide support or positive recognition to good owners.

The following comments are similar to the observations made around the housing conditions and are simply listed here:

- Enforcement of regulations is important, but the City could do a better job with more staff resources. Often there is no follow-up to complaints. Suggestions for improvement include: more By-law officers, proactive enforcement, tougher fines and a more effective complaints/response process. (Note a Property Standards Officer has recently been assigned to rooming houses full-time, with a mandate to do proactive inspections. It is too soon to assess the effects.)
- There was unanimous agreement that better information and education is needed for tenants about tenant rights and how to get problems addressed. Community support groups and advocates can also assist vulnerable tenants.
- Education for landlords is also important to assist in understanding tenant needs and rights and to help in dealing with tenants with mental or physical challenges as well as language barriers.
- Rooming house issues are exacerbated by the severe shortage of affordable rental units and historical low vacancy rates as well as long waiting times for social housing. Rooming house tenants are often left in a desperate situation which may make them more likely to accept sub-standard accommodations, to end up homeless or to live in shelters.
- Immigrants or newcomers face additional challenges related to language barriers and available space/facilities in rooming houses because this population tends to look for accommodation for families, not individuals.
- Tenants should be able to complain about problems without fear of eviction or landlord retaliation.
- Problems are not always with landlords – they are also among tenants. Issues arise about maintenance of the common spaces (kitchens and bathrooms) and about tenants, often hoarders, who do not respond adequately to pest infections.
- Limiting washrooms and kitchens to being shared by not more than four rooms was raised as a way to improve living conditions. Similarly, providing separate washrooms for each room would reduce tenant conflicts and improve privacy. However, some noted that imposing regulations to these effects would likely result in the closure of yet more rooming houses.

- One tenant noted that having poor quality housing is better than having no housing at all, with the implicit comment that closing all poor-quality housing is not a solution, if no alternative is available for those displaced.

### Student Housing

The public consultations on student housing drew large numbers — primarily neighbours, passionately concerned about the impact on communities of what they see as a growing (over)concentration of student housing.

No one raised concerns about a family next door taking in a student or two as a boarder. And no one expressed concern about purpose-built high-density student housing developments such as Envie or Théo — though, as with university residences, some were dismayed at the high rents.

But there is deep distress reported among non-student residents of certain neighbourhoods about the recent “bunkhouse” phenomenon. This term is used to refer to low-rise multi-unit residential buildings that have been renovated or constructed to maximize the number of bedrooms. A “Bunkhouse” is a term used colloquially to refer to excessive-bedroom residential buildings with densities far exceeding what the typology was intended to support. The bedrooms in these bunkhouses are then typically rented out separately to individual students. Residents from R3 and R4 zones in proximity to the university campuses identified bunkhouses as those developments containing somewhere under 16 to over 24 bedrooms. By contrast, some residents in lower-density zones along the O-train line and around Algonquin College identified 6+ bedroom homes occupied by students as part of the problem, especially where those homes have been renovated to add multiple new bedrooms

The overriding concern? Too many people living next door — and, as a result, too much noise, waste, traffic and disruption.

We heard complaints of excessive waste: too much garbage, not properly stored, attracting rats; trash put out on the wrong day and recycling brought to the curb on the wrong week; post-party debris strewn about front lawns, and furniture and trash abandoned at term-end.

And we heard complaints of excessive noise: whether nightly or on weekends, or from parties celebrating the Panda Game, St. Patrick’s Day, Canada Day or graduation.

There are safety concerns about parked cars blocking access for emergency vehicles and increasing the risk of accidents and injuries as children play along residential streets; about people trespassing through private yards.

And there were disturbing examples of disrespectful behaviour: speeding through residential neighbourhoods; intimidating presence on streets and in parks; vandalism and graffiti; vulgar language; public urination and fornication.

But as often as not, the concerns were not tied to the students — or young people who were assumed to be students — but rather to landlords and the overall impact of what is seen as too much student housing, with too little direct supervision and management, changing the nature of host neighbourhoods.

### **Living Conditions**

There were concerns too about living conditions of students: fire hazards and unsafe egress from basement rooms; lack of light and ventilation, with increased risk of mould; and a lack of common areas, as living rooms, dining rooms and dens are converted to additional bedrooms, although these generally arose from assumptions about conditions inside the bunkhouses, as most participants had not actually seen the conditions.

Many were troubled that students seemed to lack the knowledge or leverage to protect themselves: students who don't know their rights or lack the confidence or capacity to hold landlords to account; students advised by landlords not to open the door to by-law enforcement officers; students faced with limited options, knowing if they don't rent the unit, another student will, limiting the consequences for bad landlords.

In describing the impact on neighbourhoods of high concentrations of student housing, the most common lament is that families, with their greater engagement in and attachment to the community, are displaced. As properties are converted, fewer homes are available to young families, leaving schools, playgrounds and community infrastructure un-used or under-used. This effect is amplified by empty-nesters who remain in most mature neighbourhoods, also contributing to declining enrolment and school closures.

Attendees at the public consultations were distressed at the loss of a critical mass of invested households — and in the downtown neighbourhoods, the reduced diversity of their neighbourhoods. Rather than a vibrant mix of families, students and older singles, they fear an increasingly homogenous — and transient — population. They spoke of the destabilizing impact of accelerating turnover and a tipping point as the number of bunkhouses increase.

Some cited examples where bunkhouse owners look to purchase adjacent properties at bargain prices, not just to achieve efficiencies but because they know they have created conditions that drive out long-term residents — and discourage other prospective buyers.

This “block-busting” is deeply resented as it undermines property values as well as community cohesion. With student churn and absentee landlords, it's the long-term residents who bear the brunt of neighbourhoods that become the “student ghetto” or “party central”.

### **Institutional Role**

Many expressed concern that the universities and colleges are not doing enough to ease the pressure — by building adequate suitable and affordable housing on campus. There were complaints the post-

secondary institutions don't show respect for the neighbours and don't seek support from surrounding communities before proceeding with plans. We heard that Algonquin College changed parking rules, without due consideration for, or notice to, adjacent neighbours. Sandy Hill residents are offended that the University of Ottawa recently cited a bunkhouse developer seen as problematic by the community, with an Entrepreneur of the Year award. And Carleton neighbours ask why the university, with ample land, is not building a graduate and faculty residence on campus.

Universities indicated that most students prefer not to live in residences, at least after their first year, partly because residences must cover their own costs, and tend to be expensive. They noted enrolment growth is expected to be modest, though international and Indigenous students will make up a larger portion of enrolment, resulting in a growing need for student housing.

### **Enforcement**

But the deepest concern — and frustration — is directed to the City and what is seen as a lack of response and respect for long-term residents. Many reported they have been complaining for years but see no evidence that effective action is taken. They pay their taxes and follow the rules but believe others — bunkhouse developers, absentee landlords, unruly tenants — are not held to the same standards. They claim the City discounts their concerns and deflects their calls for a coherent, comprehensive student housing policy.

Some participants indicated that their experience with By-law enforcement was lamentably poor. Many relate late night calls to report noise violations, only to be told the City cannot respond — or can only follow up in a few days, by which time the party has ended. Neighbours can't file a complaint without the exact address, so they find themselves out at night checking the number of the house behind them, or down a few doors, concerned at times they are exposing themselves to risk.

If and when By-law officers do arrive, neighbours report they appear reticent to intervene, discounting the complaint and discouraging the complainant rather than addressing clear violations of the By-law. When parties get out of hand, By-law officers won't approach large groups, yet most often won't call the police to assist.

The hands of By-law officers often appear tied. They can't enter a property without permission of the owner and/or tenant. Yet they often can't contact the owner or assure quick compliance and often don't levy fines.

Neighbours report lots of bunkhouses — de-facto rooming houses — that aren't licensed (and subject to the regulations governing rooming houses). They report inadequate follow up on building permits and site plan approvals, which allow unscrupulous developers to change the internal layout to create extra and illegal bedrooms. Most residents in Sandy Hill identify this issue as first emerging a little over five years ago.

Participants are calling for strong enforcement of zoning, property standards, noise and other By-laws. They point out the City is much more diligent and assertive when it comes to parking violations and

want the same proactive approach to the issues they see. They assert it is only through active enforcement, higher fines and escalating consequences, that landlords will take seriously their responsibility to comply with By-laws and respect neighbours' rights.

The City has recently undertaken two measures in response to these concerns. We heard at the consultations that zoning changes enacted last June as a result of the R4 Review Phase 1, intended to restrict bunkhouse development, are not sufficient. Some neighbours are frustrated with those projects that were approved under the old provisions and are only being built now. More information on this is provided later in the report.

The perception among those interviewed is that developers are successful in skirting the rules, riding roughshod over the Committee of Adjustment process and raising the question "why should I follow the rules when no one else does?" They feel that bedrooms without closets, and twenty-bedroom bunkhouses without parking, undermine confidence in the system.

### **City-wide Trends**

Broader trends form the backdrop to student housing issues. City-wide there is increased intensification, and pressures are highest in highly desirable neighbourhoods adjacent to post-secondary institutions. There are challenges of generational renewal, where older buildings reach their end-of-life and are most often replaced by denser development.

Mixed in with, and adding to the pressures, are the growth of absentee landlords and the "commodification" of the housing market. Investment properties were often cited as problematic. As well, traditionally student housing may now be converted to — or used in the summer season for — short-term rentals.

Non-student residents of neighbourhoods that host large concentrations of student housing are concerned that as the balance shifts, the pattern accelerates — degrading housing, attracting more landlords looking to offer rooms, and discouraging families and owners who will upgrade housing and maintain quality. Action Sandy Hill reports that since 2012 more than 2,900 bedrooms have been added to the neighbourhood, virtually all of them for students. It is not clear what they have included in this calculation.

The same concerns arise in neighbourhoods adjacent to other universities and colleges — residents feeling themselves forced out of their communities as the character of their neighbourhoods is distorted, in their view, putting the interests of bunkhouse owners above those of long-term residents — and students.

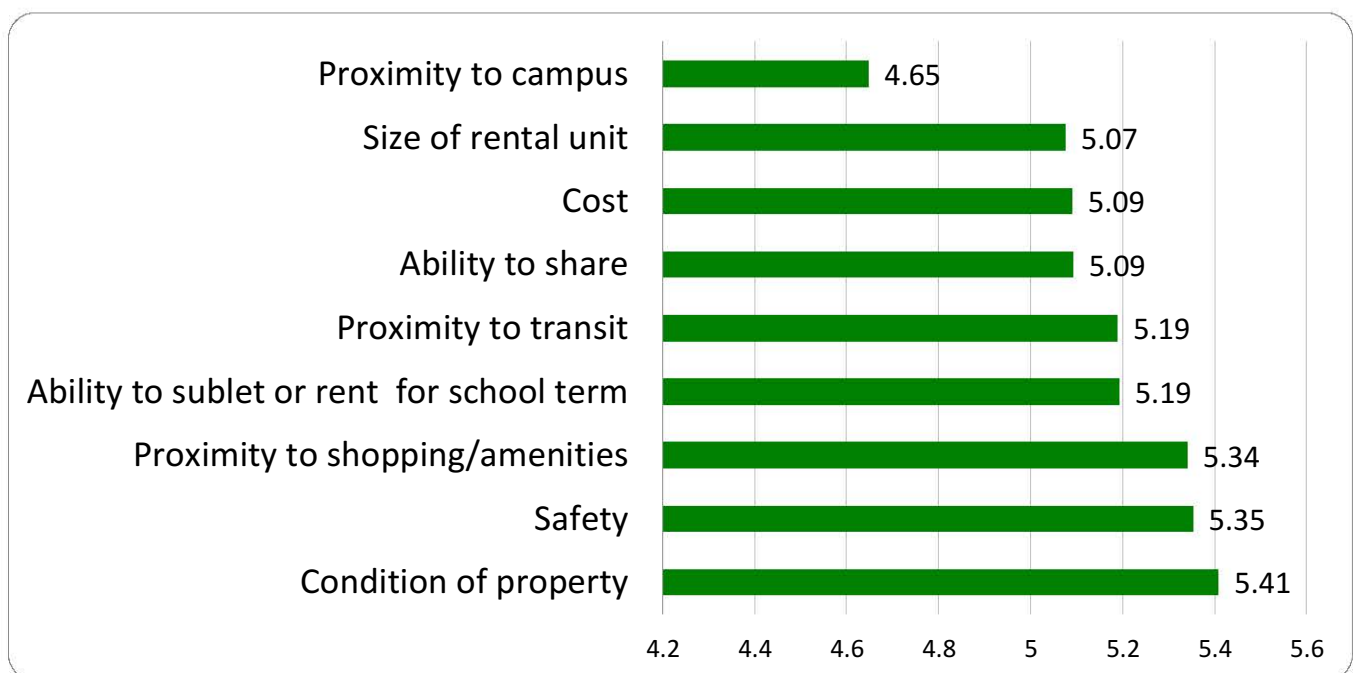
In each of three public meetings there were one or two attendees who identified themselves as landlords, investors or realtors. They argued licensing wasn't the appropriate response to the problems neighbourhoods were experiencing, advocating instead for increased enforcement of existing by-laws — and increased education for students.



Very few students attended the public meetings, but an online survey — and consultation with student organizations — has helped bring students' perspectives to the fore. Students are very concerned about affordability and access, and many expressed concerns about slum landlords taking advantage of students, charging high rents for small, dingy and drafty rooms.

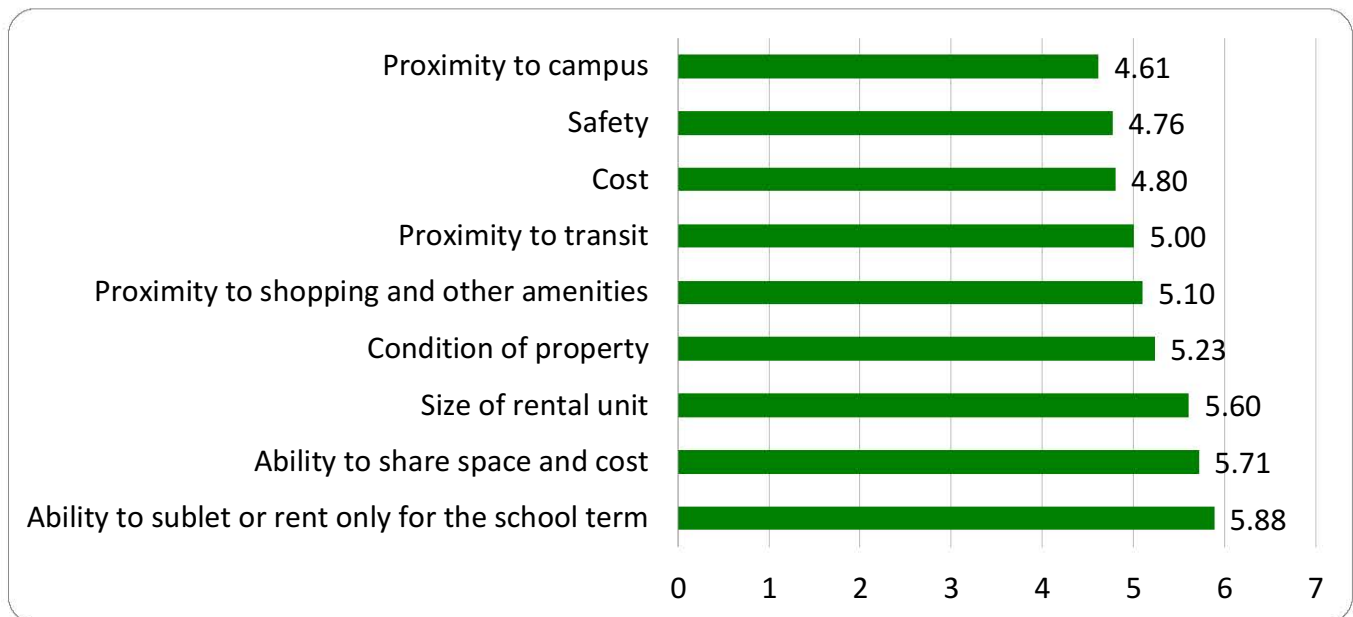
A total of 665 individuals completed the survey. Post-secondary students made up 18% of the respondents, of which 94% lived off-campus, 74% of them living with other students. There were many factors which influenced where they looked for accommodation. The table below shows the average weight of the factors reported by students who live off-campus. Proximity to campus was the most important factor (low score indicates it was chosen earlier by most students), and the size, total cost and ability to share accommodation and costs were all important criteria. Safety and the condition of the property were, on average, much lower priorities.

**Table 4 - Student Choice of Off-Campus Housing – Importance of Factors**

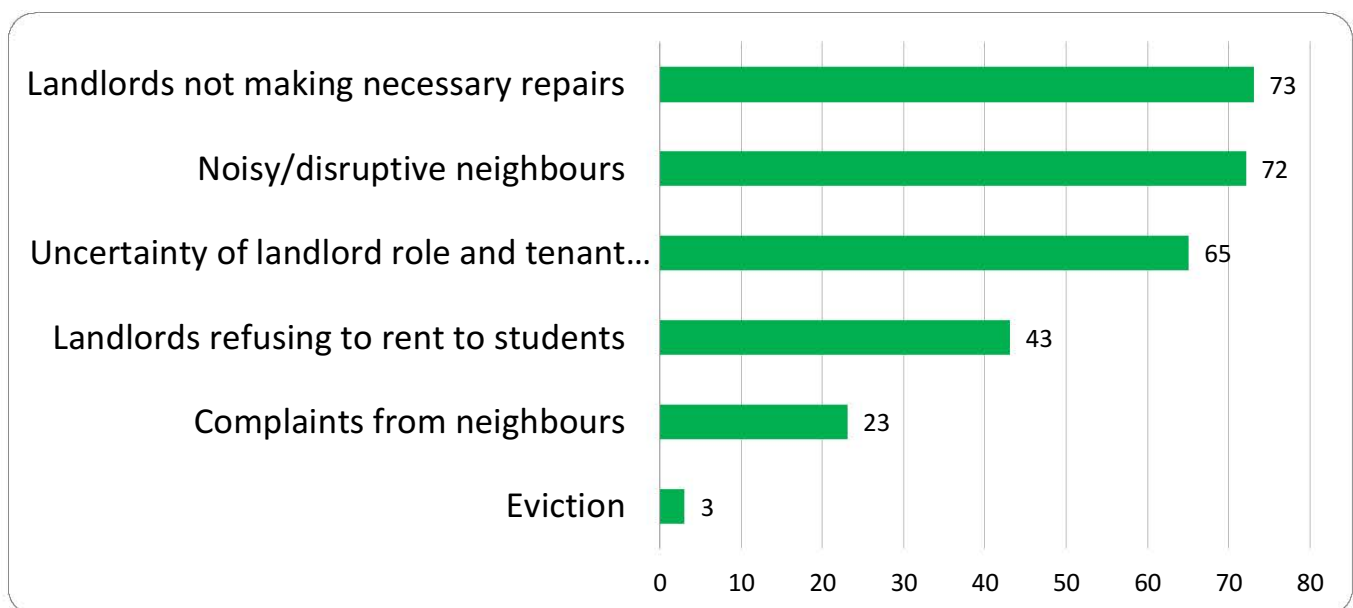


Note that lowest score represents the highest priority.

Respondents who had been students in the last three years were asked the same questions. While the results were similar, some factors, such as safety, ranked much higher.

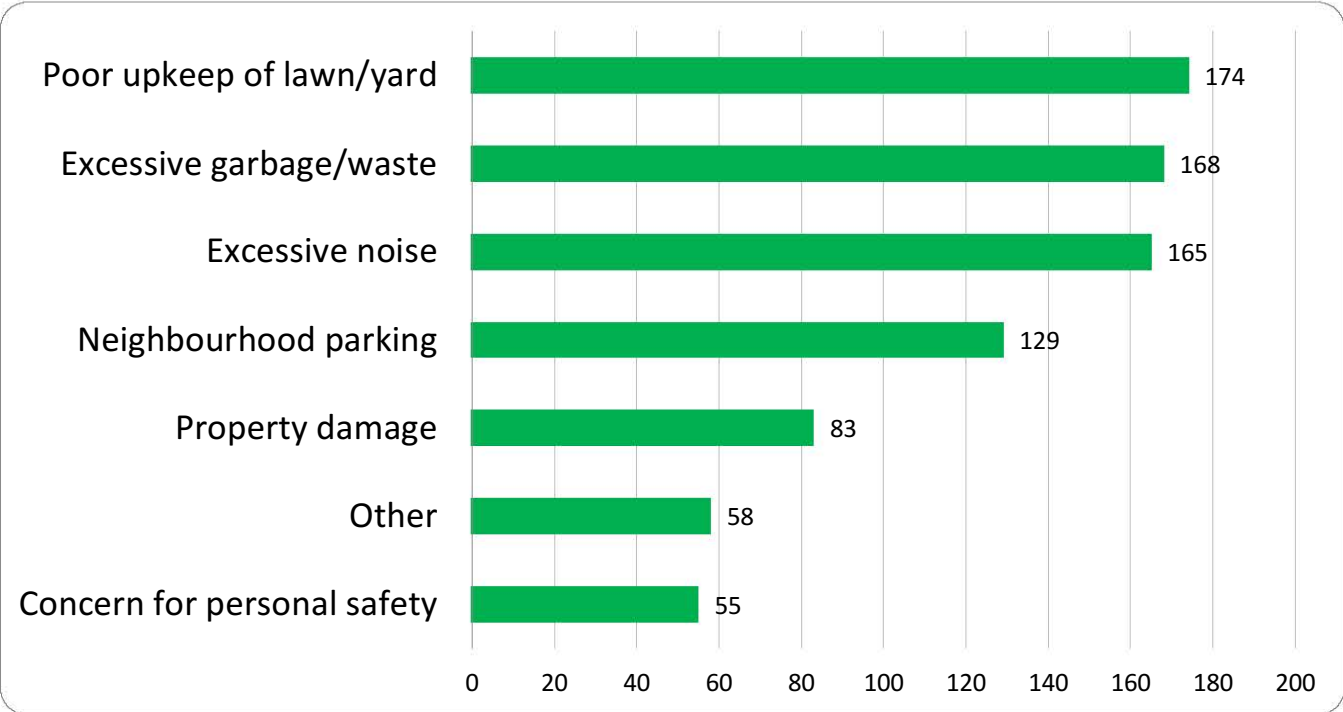
**Table 5 - Recent Student Choice of Off-Campus Housing – Importance of Factors**

About 63% of students reported problems getting landlords to perform needed repairs, and concerns with noisy and disruptive neighbours. 57% said they had had problems because of confusion between the landlord and tenant responsibility for waste (putting out garbage, returning bins after collection), maintaining lawns and handling snow removal. A few reported their neighbours had complained. Three were evicted.

**Table 6 - Housing Related Problems Experienced by Students**

Most of the non-student respondents echoed the experience and views of those who attended the public meetings, rating the condition of lawns, the handling of garbage, and excessive noise as the most frequent aggravations.

Table 7 - Non-student Concerns



**Solutions Suggested by Consultation Participants**

There was broad consensus that more could and should be done to assure an adequate supply of affordable, suitable and accessible housing for students. In the first instance, people are looking to the universities and colleges to provide more — and more affordable — housing choices, especially given the growing number of out-of-town, international and Indigenous students. Ways should be found to increase the number and variety of residence rooms, reduce fees, and, in some cases, de-couple the requirement to purchase full-meal plans. Some argued government funds should be used to support new construction or subsidize residence fees. Others called for increased support for student co-op housing, community non-profits and other non-market actors who could expand the pool of affordable housing suitable for students. Others lauded the co-operative ventures between universities and private developers that have resulted in large, supervised and managed, off-campus student housing buildings.

Building on this base and feeding in to the Official Plan and R4 reviews, some identified the need for a coherent and distinct student housing policy as an integral part of a comprehensive affordable housing strategy. If the City is to prosper as a centre of excellence and learning, they argue Ottawa needs such

a plan to garner support and participation from senior governments and community actors. They note other cities have offered incentives — deferring assessment increases or reducing development charges — to promote suitable, affordable student housing. Others argued the need for a comprehensive planning process for Sandy Hill, a plan that would consider the requirements for a viable, mixed neighbourhood, and one that would set out how students could/should fit into the neighbourhood.

Among both those who attended the public meetings and non-student survey respondents, there is broad support for building more student housing on campus, in private high-rise developments and dispersed across the City near LRT stations. Students are more reticent about private high-rise student housing — perhaps because of its high cost — and on-campus residences, preferring low-rise housing options close to campus.

### **New Regulations**

Non-students expressed strong support for regulating student accommodation. Many stated that the City should ban bunkhouses, or at least, regulate their size or the number in a given street or neighbourhood. People also called for proactive inspections and compliance with municipal By-laws and provincial legislation.

There is recognition that some owners, if required to pay a license fee and comply with changing by-law requirements, will opt instead to remove the unit from the market — or convert it to a short-term rental — further reducing the student housing supply.

But neighbouring residents argue that good planning should not be sacrificed to increase the supply of bunkhouse units. Moreover, neighbours have no confidence in the current measures restricting the growth of bunkhouses will have the desired effect — and grave doubts that if they were regulated, the rules would be enforced.

Among those interviewed, there's a great deal of confusion about current regulations. For example, Algonquin College neighbours believe there is a ban on rooming houses within a two-kilometre radius of campus — but there is no such provision in the by-law. Rather rooming houses are not a permitted use in most R1 and R2 zones.

There is keen interest in the experience of Oshawa, which regulates rental housing near Durham College, and Waterloo, which regulates all low-rise rental housing. Action Sandy Hill has called for a pilot project modeled after Oshawa's by-law that would license all rental units in their neighbourhood that are not owner-occupied and any owner-occupied housing with more than four bedrooms. Algonquin College neighbours are calling for a similar by-law that would limit the number of rooms that can be rented in their area to three.

The Planning, Infrastructure and Economic Development (PIED) notes that the City amended multiple by-laws to address bunkhouses and rooming houses in June 2018:

- These were developed by PIED in close cooperation with Emergency and Protective Services, the Fire Department, Rooming House Services and Building Code Services. They represent a coordinated and multidisciplinary response to the bunkhouse issue.
- The amendments included not just a four-bedroom cap on individual dwelling units: it also included revised definitions of numerous terms, including that of a rooming house in both the zoning and the licensing by-law, informed by case law on what has been tested and upheld in the past, and designed specifically to remove the previous “gray area” exploited by bunkhouse builders and to close the gaps that frustrated enforcement.
- The definition of rooming house and the maximum bedroom count were established specifically to align with the threshold for being considered a “lodging house” under the Fire Code, and this, specifically so that a suspected such lodging house CAN be entered by officials (on the grounds of fire safety) without the resident’s permission and verify the interior.
- These changes introduced zoning standards requiring garbage storage and path of travel specifically for the scale of infill building that would pose a risk of becoming a bunkhouse on the sly, specifically to ensure that the garbage effects from any future conversion of rooms could be mitigated.
- The R4 Phase 1 staff report prepared at the time of adoption goes into detail about how a rooming house would be distinguishable from a dwelling unit, specifically to provide guidance for enforcement.
- The R4 Phase 1 report includes extensive analysis of how the amendments are intended to work, including a Frequently Asked Questions document as well as responses to concerns raised by community associations.
- The resulting amendments were adopted one year ago, and a monitoring report was submitted to Council earlier this year having found that in fact (to the extent that a program can be evaluated after less than one year) it appears to be successfully discouraging bunkhouse development.
- The confusion likely arises as the new rules have been in place for a short period of time, and the experience residents are having is with buildings built under earlier rules which would not be permitted today.

Despite this work, bunkhouses built prior to the changes have not been incorporated into the rooming house licensing framework. Additional consideration must be given to how these properties are regulated in order to manage ongoing community impacts and health and safety concerns.

## **Enforcement**

Regulation is only useful if enforced, and there was a strong call for Ottawa to change its By-law enforcement regime to a pro-active, pre-emptive model. This would entail not only require more By-law enforcement officers but more authority for those officers, and strategic collaboration among Ottawa Fire Service, Ottawa Public Health and By-law and Regulatory Services.

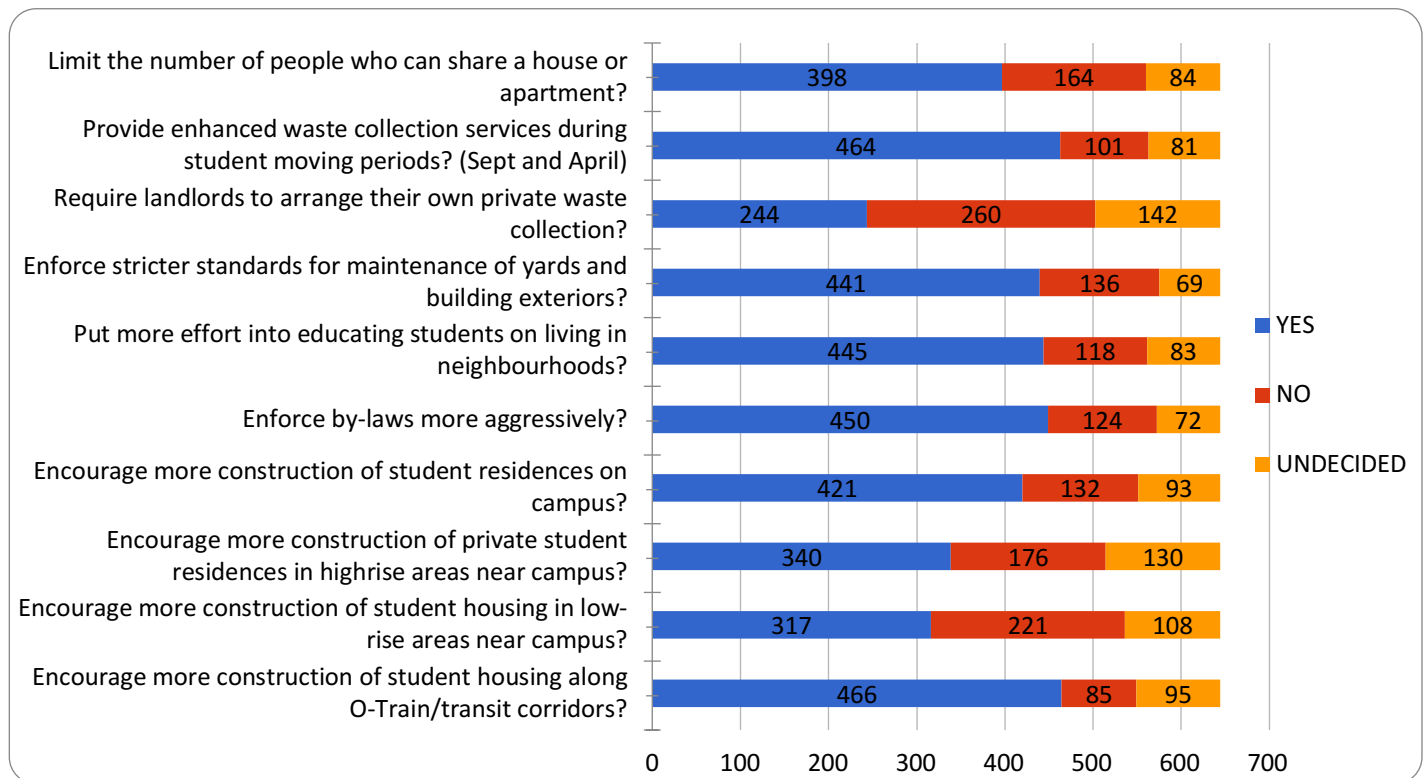
Rather than responding only to complaints, neighbours are asking why rental housing isn’t treated like restaurants, where Public Health periodically inspect and issue Pass, Notice of Violation or Close notices — and follow up with persistent violators. Or they cite the parking control model where there

is more proactive enforcement. Not only do Parking Control Officers respond to complaints, they also spot check and proactively monitor problem areas.

### Survey Results

The table below provides the results of the on-line survey and shows that enforcing the by-laws more aggressively was one of the actions that received the most support.

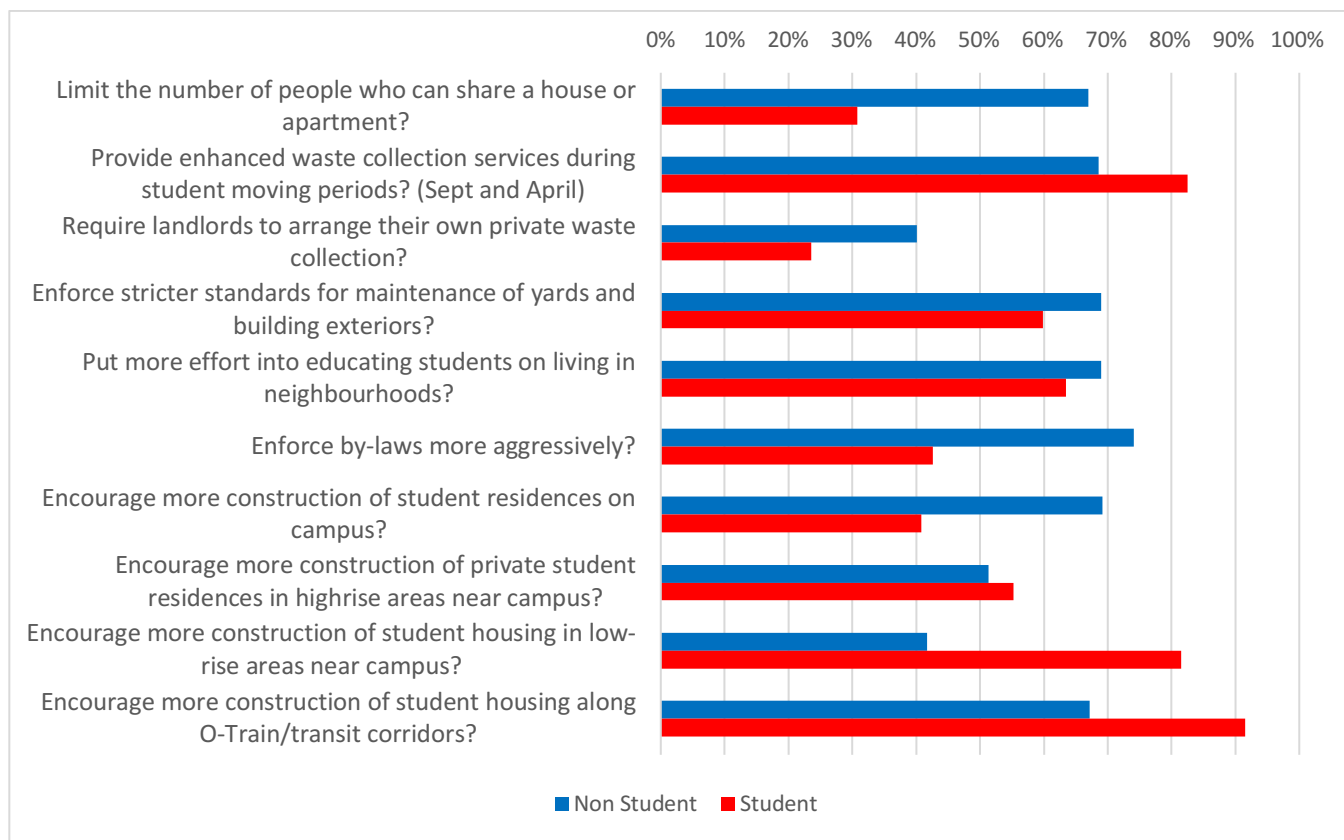
**Table 8 - Survey Support for Various Possible Actions**



Residents are calling for more speedy enforcement, where the City moves rapidly to clear rubbish, treat weeds, trap vermin or do needed repairs, charging the owner for the costs. As well, they want to see increased and escalating fines. Some found the Oshawa approach of issuing fines, suspending or revoking licenses based on the number of “demerit points” (assigned for by-law breaches) an attractive concept.

However, this is also one of the areas where the students who responded to the survey had distinctly different responses than non-students. While 75% of non-students supported enforcing the By-laws more aggressively, only 43% of students held the same view.

Table 9 - Student and Non-Student Views



The move to bi-weekly garbage pick-up has aggravated waste problems, especially in relation to bunkhouses and more densely populated streets. The survey shows only mixed support for requiring owners to arrange their own waste disposal, but strong support for extra waste collection during student moving periods.

In addition, we heard calls for a public registry of by-law violations that would inform prospective tenants and neighbours of problematic properties and owners, increasing transparency and aiding accountability. Some expressed the view that landlords' contact information should be posted for tenants and neighbours who have concerns, but others suggested it was more appropriate to work through the City than address owners directly.

Some advocate that student tenants should sign a code of conduct — and some universities enter into contracts with landlords to increase protection to students while also playing a role in dealing with problematic tenants. In Kingston, university authorities ensure there are added consequences for Queens' students who engage in nuisance behaviour.

### Enhanced Education

There is also strong support for more education for students on their rights and responsibilities. Most are living on their own for the first time. Some are new to the City or to Canada. Many are unclear about avenues and remedies for redress. A public awareness campaign at the outset of each term with



a targeted City of Ottawa portal for students providing a full range of information and links to resources could go a long way to avert future problems. The Town and Gown Committee at the University of Ottawa works with the Eastern Ontario Landlord Association to distribute pamphlets to students living in the communities, but more could be done.

For the most part, the neighbours' message is that students have always been part of their community and are most welcome. They share students' concerns about the cost and quality of the housing options available to them. But they are concerned that universities and colleges are dropping the ball, while developers and speculators are taking advantage of the tight market, offering low-quality, high-cost housing to students in a form that maximizes return but undermines neighbourhoods.

They are frustrated that the City seems unable or unwilling to prevent the construction and operation of bunkhouses and effectively enforce its by-laws assuring safety, quality and community standards. And so, they are looking for new approaches and greater commitment to redress these concerns and promote an adequate supply of affordable, suitable and compatible, student housing.

## 4. Rental Housing Policy Options

The focus of this review is the regulation of rental accommodation in the City of Ottawa. Our mandate is to propose an effective, enforceable and sustainable regulatory framework that protects and promotes an adequate supply of quality rental housing. This section outlines some options that might achieve these goals, to differing extents.

A number of factors have come together to create the tight rental market in Ottawa, with low vacancy rates, rents increasing more quickly than inflation and tenant incomes (especially for those dependent on social assistance), individuals working at or near minimum wage, and seniors on fixed incomes.

Population growth and demographic shifts; national, provincial and municipal housing policy; land use economics, market forces and speculation; zoning and land-use policies; an aging housing stock, high density redevelopment around LRT stations and gentrification of inner city neighbourhoods; disruptive technologies, new lodging platforms like Airbnb and the expanded use of residential properties for short-term rentals and changing consumer preferences; increased international students — and investment; all these factors and more have come together to shape supply and demand in the local rental market.

There was widespread agreement at the workshops and in interviews that more must be done to increase the supply of affordable housing in Ottawa, and that pressures on individual segments of the rental market — rooming houses, student housing, aging apartments and short-term rentals — will only be substantively reduced by a multifaceted strategy engaging governments at all levels with the private sector, community-based service providers, non-profit housing providers and neighbourhoods.

### Problems to Address

The consultations, research and analysis have identified some specific problems with long-term rental housing:

- Rooming houses have been licensed for decades, but the number of rooming houses has declined; some feel that rooming houses still offer poor quality housing and many de facto rooming houses are not licensed, particularly those providing student accommodation.
- A view that student housing creates considerable conflict with neighbours in low profile neighbourhoods.
- Some buildings offering long-term housing are in poor shape, and some landlords are not responsive to tenant needs, but this appears to be a small minority of rental housing.
- There was a construction boom in the 1950's through the 1970's which produced large volumes of rental housing that are now 40 to 70 years old and, in many cases, due for a facelift, or replacement. While the renewal process is necessary, the process displaces tenants, who face a challenge finding alternatives they can afford.

In the course of public consultations, it was clear that the current approach to by-law enforcement, namely responding to complaints, is not seen to be effective, and is not acceptable by some as a way to resolve problems.

There was considerable debate around possible benefits and risks of regulating rental accommodation.

- Would it make a difference for tenants, improving housing quality – or would it end up increasing rents?
- Would it deter landlords from providing rental housing?
- Would more regulations discourage new investment in rental buildings at a time when more affordable housing supply is desperately needed?
- Would it facilitate by-law enforcement or become just another measure that isn't effectively enforced?
- Would bad landlords continue to provide sub-standard rental units and to mistreat tenants if landlord licensing was applied?
- Can issues around the quality of units be resolved through more proactive enforcement of existing regulations, such as property standards?

There were also suggestions that “pro-active enforcement”, meaning enforcement that looks for problems rather than waiting for complaints, could also improve the current situation.

### Policy Considerations

For tenants, both regulation and enhanced enforcement regimes may improve standards and compliance, resulting in safer, cleaner, and healthier housing where there are currently problems in these areas. Regulation can also clarify the owner's and tenant's responsibility for upkeep, or at least require the parties to clarify the roles. Regulated or licensed units in better repair may well be more expensive to rent. Even with regulation or licensing regimes, sub-standard units will still likely be found, especially if there is no enhanced enforcement, including proactive inspections. Hence the two approaches can be used together.

For owners, licensing or regulation regimes can constrain profitability by raising costs, both administrative and by requiring ongoing investments in maintaining properties, and by ensuring they comply with changing code requirements. Increased costs will be reflected in increased rents – and if the market does not allow recovery of increased costs, new construction of rental units, and upgrades or renovations of existing units, will be constrained.

For neighbours, landlord regulation won't have much of an impact on noise complaints, but it can have a significant impact on waste, parking on the property (not the street), lawn upkeep and – most importantly for many – the number of occupants. Owners that are subject to regulation could be required to allow inspections of the interior. If they do not register or obtain a licence, or permit an inspection, they can be charged with an offence.

Enhanced enforcement, without landlord regulation, could address outside issues (waste, lawns, parking, etc.) but would not address interior issues, such as pest infestations or the number of bedrooms/occupants, without the co-operation of the tenant.

The Rooming House Licensing By-law indicates the importance of a definition of what is to be licensed or regulated that is clear and enforceable with regards to the type of properties targeted. The definition of a rooming house could be revised to cover a much broader range of shared accommodation.

However, it is important to note that the City of Ottawa has already taken action to prevent further “bunkhouse” development. The Residential Fourth Density (R4) Zoning Review (Phase 1) passed by Council in June 2018 brought sweeping change to the Zoning regulations, resulting in a set of changes to definitions and standards around dwelling units and rooming houses. Taken together, the changes have the effect of:

- Limiting any dwelling unit, including secondary dwelling units, to a maximum of four bedrooms, unless they are located in a detached dwelling;
- Limiting all dwelling units on a lot containing a detached dwelling to a cumulative maximum of eight bedrooms;
- Treating any dwelling with more than eight bedrooms as a rooming house;
- Treating any residential unit as a rooming house (by default) if it does not meet the definition of any other residential unit type; and
- Providing minimum garbage requirements for low-rise multi-unit buildings with between three and six units.

As a result of these changes, City Staff have noted a complete halt in the development of these oversized, excessive bedroom developments and a change in industry practice towards proper forms of housing that are more appropriate in a residential context. However, the problems associated with previously developed bunkhouses remain, as well as the challenges of enforcing occupancy standards within rental properties in general.

As regulations in Oshawa demonstrate, it is possible to apply regulation or a licensing by-law to the entire City, or only to a portion of the City. For example, the City might determine the application of a city-wide rental regulation regime may not be warranted but a more targeted program – covering communities within a given distance of Ottawa’s universities and colleges, where student housing demand is highest, or just covering neighbourhoods where problems have emerged – would best serve the City’s interests, as has occurred in other jurisdictions.

## **Human Rights**

While the Canadian *Charter of Rights and Freedoms* does not explicitly provide for a right to adequate housing, it is important to note the application of Section 15 as it applies to housing regulation. This section prohibits provincial and municipal governments from passing laws that attempt to discriminate

on the basis of an enumerated ground, such as race, ethnic origin, religion, sex, age, mental or physical disability.

It is also important to note that, as a signatory to the *International Covenant on Economic, Social and Cultural Rights (ICESCR)*, the Government of Canada has acknowledged the principal that “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.”<sup>1</sup>

Within Ontario, Section 35(2) of the *Planning Act* further restricts municipalities from passing by-laws that discriminate on the basis of whether persons in a residential unit are related or unrelated. Therefore, whether units are rented or owned, or whether they are occupied by unrelated persons or families, the rights of the occupant are equally protected and must be considered carefully in any regulation.

It is equally important to consider the unintended consequences of regulations. Even if a regulation is written and adopted without bias, it may be invalidated if it can be shown that it disproportionately impacts a protected class.

As an example, the “Room for Everyone” report by the Ontario Human Rights commission highlights the human rights risks associated with specifically targeting students with housing regulation. Rental regulation cannot have unfair effects on the ability of groups protected by the Ontario Human Rights Code to find housing. Because students are often assumed to be young and single, the Commission has argued these are proxies for protected categories under the Code. While the Courts have not been persuaded by this reasoning, the City is committed to respecting the spirit of the Commission’s intent. However, this Options Paper considers a campus-radius option for several reasons:

- i. Increasing post-secondary enrollment has created specific development and housing pressures and issues in these areas;
- ii. Residents of these areas have identified clear land use and property standards issues associated with particular types of housing typologies that generally emerge only in proximity to post-secondary campuses;
- iii. Campus-radius options are one way to target licensing by-laws so they address the identified issues, and to minimize unintended negative effects on the retention and creation of rental housing throughout the City, which may have broader negative impacts on other Code-protected groups.

Notwithstanding the valid reasons for considering a campus-radius option for regulation, or other options which implicitly or explicitly address student housing, any regulatory option must be carefully

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<sup>1</sup> UN General Assembly, *International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights and Optional Protocol to the International Covenant on Civil and Political Rights*, 16 December 1966, A/RES/2200, available at: <https://www.refworld.org/docid/3b00f47924.html> [accessed 15 May 2019]

considered to not only evaluate its impacts on housing for students and any other groups that may be protected by the Code, but also to consider any potential legal issues with the resulting regulations. Part of this is being clear that the regulations target problematic types of development, property management and landlord and tenant behaviour, not the demographics of the people living in a neighbourhood.

Residents and stakeholder groups are encouraged to undertake the same consideration of human rights implications when evaluating the policy options presented in this paper.

### Registration and Licensing Approaches

Most Canadian municipalities do not license or otherwise regulate rental accommodation, other than rooming houses. Cities like Hamilton, Windsor, and Guelph, for example, have decided not to implement a rental licensing regime, supporting instead a more proactive inspection process and rigorous enforcement of existing regulations pertaining to property standards, fire and building codes etc. Hamilton did however follow the Oshawa example (see below) and approved a two-year licensing pilot project for the wards surrounding McMaster University and Mohawk College.

On the other hand, some larger Ontario municipalities do license rooming houses since they tend to be high risk dwellings in terms of tenant safety and health and overcrowding and nuisance to surrounding properties. Licensing rooming houses is considered later in this section.

Those that do have rental housing regulation or licensing by-laws concluded that by-laws alone do not give adequate assurance to tenants or to neighbours that standards are being enforced, at least in certain circumstances. And these municipalities have taken different approaches, focusing on different segments of the rental housing market – with different objectives and consequences.

The following summarizes three approaches to rental licence or registration regimes – Toronto, Waterloo and Oshawa.

#### **The Toronto Approach**

Since 2008, the City of Toronto has had a proactive inspection program for multi-residential rental properties city-wide. In 2017 Toronto approved a new Apartment Building Standards Program called *RentSafeTO*.

##### *What is covered?*

All rental apartment buildings with three or more stories *and* ten or more residential units.

##### *What is required?*

The By-law requires rental property owners to register the building and prepare a waste management, cleaning, and a state of good repair capital plan. All buildings (not individual apartments) are subject to a high-level assessment of building condition at least once every three years, with a view to ensuring compliance with city by-laws, promoting preventive maintenance, and enhancing tenant engagement.

Although often referred to as a licensing program, it is actually a regulatory program requiring registration of rental properties, not licensing.

If assessment scores are below a defined threshold after initial high-level inspections, follow-up is risk-based, focusing on buildings and owners that are repeat offenders.

The By-law also sets a required schedule for pest management. The owner or operator is required first to inspect common areas of the property at least every 30 days. If the owner receives any information indicating the presence of pests, an inspection of the area is required within 72 hours. If the presence of pests is confirmed, the By-law outlines the required steps to prevent the spread and eliminate the pests.

As well, the program sets minimum standards for communication with tenants and requires the documentation of complaints.

*What are the applicable fees?*

Owners are charged an annual fee of \$10.80 per unit. If significant issues are uncovered, an audit will be conducted at a cost of \$1,833.66 (+HST) plus an inspection fee of \$110.83 (+HST) per hour. Social housing is exempt from the fees, but the regulation rules do apply.

*What has been the impact?*

RentSafeTO covers 30% of Toronto residents, living in about 3,500 apartment buildings.

Tenants are encouraged to raise matters first with building owners/operators, but to call 3-1-1 and submit a service request if problems persist. By-law officers then follow up, issuing orders and charges as required. The City makes audit information public, giving prospective tenants and neighbours the opportunity to inform themselves of any issues.

The registration and regulatory regime for owner and operators of apartment buildings substantially increased fines for violations of by-laws and standards. As well, it authorizes the City to undertake required work and recover costs by applying them to the property tax bill (already permitted in Ottawa under current regulations).

In 2017 City of Toronto staff estimated 65% of the anticipated cost of RentSafeTO would be covered by licence fees and inspection charges, with the balance recovered from general tax revenues. Note that social housing is covered by the program, but not subject to the fees, accounting for some of the costs covered by tax revenues.

**...The Waterloo Approach**

The City of Waterloo introduced a system for licensing and regulating low-rise rental housing in 2011.



*What is covered?*

All low-rise buildings with three or fewer units, including singles, duplexes and townhouses. [Waterloo exempts apartment buildings, with the rationale they are required to meet zoning, site plan approval, building code and other provisions intended to assure safety and standards.]

*What is required?*

Licensed rental units have a maximum of four bedrooms (five, if owner-occupied) and bedrooms cannot occupy more than 40% of the unit (50% when owner-occupied).

Proof of ownership, zoning compliance, \$2 million insurance and a criminal record check are required. Electrical, heat and air conditioning systems must be certified, and the unit must pass a fire and building inspection. Smoke alarms and carbon monoxide detectors are mandatory.

Licensing holds the owner responsible to ensure the grass is cut, the property is free of waste, and snow and ice are cleared within 24 hours. Owners must register – and comply with – a parking plan and a storage plan for waste and snow.

*What is the licence fee?*

Annual fees vary. For owner-occupied units, they range from \$380 for one rental bedroom to \$440 for four. For properties not occupied by the owner, fees range from \$440 for one to \$500 for four bedrooms. For boarding or rooming houses, fees are \$600 - \$650. For town houses and small walk-ups, fees range from \$400 to \$500, depending on the number of bedrooms. Annual renewal fees range from \$218 to \$340.

*What has been the impact?*

Between 2012 and 2016, inspections revealed more than 700 fire code violations and 1,200 electrical system deficiencies; and resulted in 350 by-law convictions. In 2017, 3,680 rental units were licensed.

Landlords have expressed concern the licensing regime has boosted rents and red tape, and the courts have ruled licence fees qualify as “extraordinary” costs and allowed owners to pass them along to tenants in the form of rent increases above the threshold permitted under rent control legislation. According to local media, tenants have generally expressed support for the system.

**...The Oshawa Approach**

In 2005, the City of Oshawa became the first municipality in Ontario to license rental housing, requiring landlords in the vicinity of Durham College and the University of Ontario Tech University to obtain a business licence.

*What is covered?*

Rental accommodation in a 28km<sup>2</sup> area surrounding the Durham College campus – *except* owner-occupied dwellings where no more than two bedrooms are rented to tenants.

*What is required?*

Licensed rental units have a limit of four bedrooms which cannot occupy more than 40% of the house – five bedrooms, along one higher-density artery. Owners must submit floor plans, clearly showing bedrooms. No bedrooms are allowed other than approved bedrooms.

Owners are also required to submit proof of ownership and affirm, after receiving legal advice, that they are in compliance with all municipal by-laws and provincial legislation. They must submit – and comply with – property upkeep and parking plans; and have at least \$2 million insurance. Fire extinguishers are required, as are smoke and carbon monoxide detectors. Floor plans and escape plans must be posted.

Licensing regulates the number and location of permitted parking spaces, storage of waste and recycling, the time bins can be placed at the curb and by which bins must be removed.

Applicants must register the number of occupants and confirm that each tenant is party to the lease. Information is solicited on house rules, who assigns rooms, the owner's rights of access, and any restrictions on the access of tenants to any part of the building.

*What is the licence fee?*

Landlords pay an initial \$75 submission fee and an annual \$500 licence fee which can be reduced in subsequent years to \$360 if the application for renewal is submitted 60 days before expiry. They pay an additional \$75 inspection fee after the initial and one follow-up inspection.

*What has been the impact?*

Licence holders receive demerit points for violations and lose their licence if they accumulate too many points. For example, illegal uses result in three demerit points; noise, nuisance or poor lot maintenance in two; illegal parking or waste cost one. After seven demerit points, the owner receives a warning; after 15 they lose their licence.

As well, Oshawa publishes a list of licensed accommodation with expiry dates, assuring prospective tenants – and neighbours – licences are valid. There are currently about 600 licensed properties near the Durham College campus.

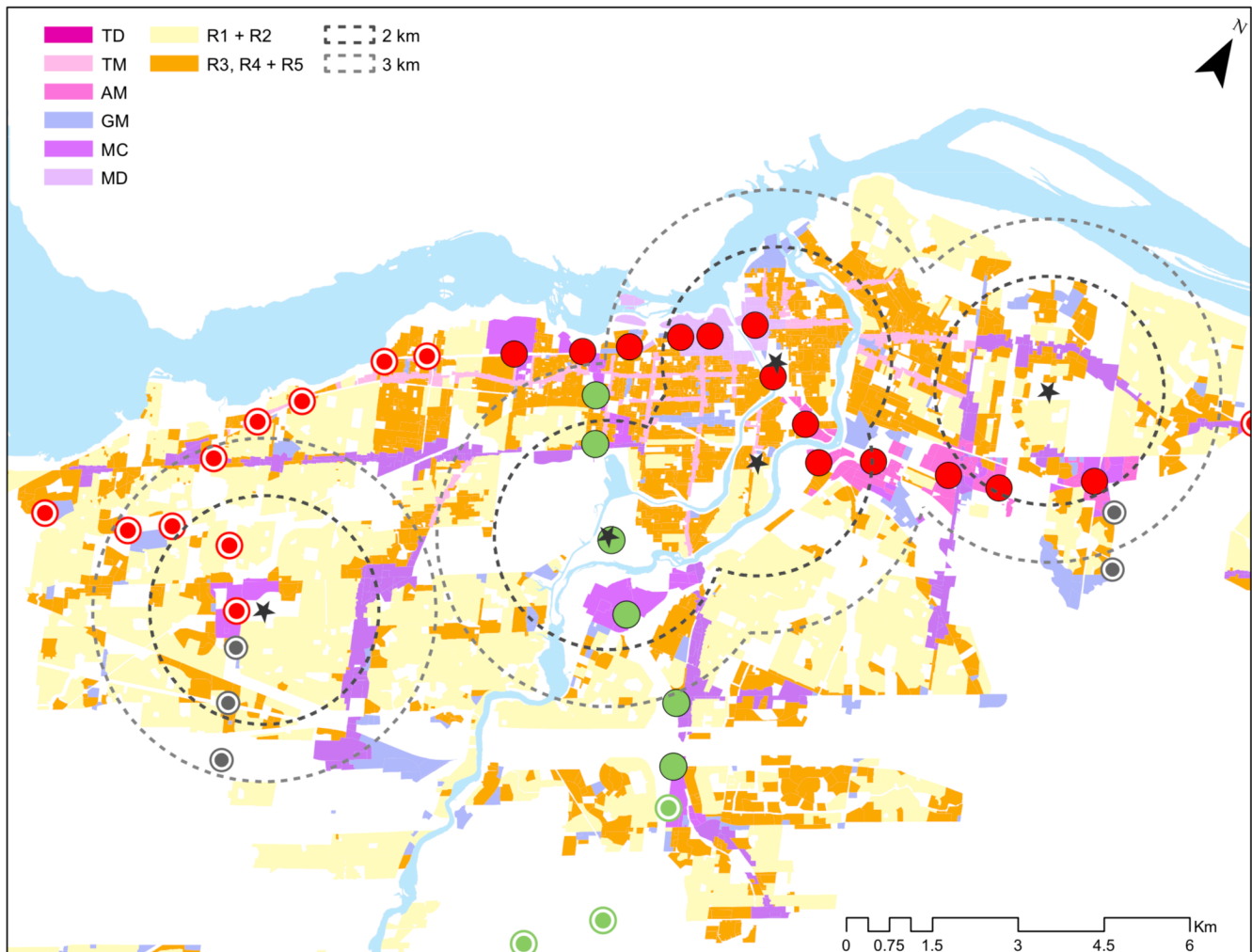
Oshawa recently considered expanding the By-law to cover the entire city but chose not to after staff indicated they lacked the resources to establish a city-wide licensing program. Instead Council decided to undertake an annual building audit of a sample of rental units.

*How would this approach apply to Ottawa?*

The map below shows the areas that are within a 2 km or 3 km reach from the universities and colleges. A 2 km reach would cover specific neighbourhoods near Algonquin and La Cite, and the downtown neighbourhoods. If a 3 km radius was used, the areas around each of the institutions tend to merge, including most of the area inside the greenbelt. However, the 2 km radius would appear to catch the prime student residence areas. The 2 and 3 km radii are only intended as illustrative. There

would not be a need to follow the distance precisely; more likely identifying the specific neighbourhoods that are impacted, which may change from time to time.

**Table 10 - Map of Areas Close to Universities and Colleges**



\* Please note that this Zoning may not be up-to-date. For specific zoning information, please contact a Development Information Officer

It is also clear from the consultation that the issues around suburban community colleges are quite different than those in more central neighbourhoods, largely because the nature of the development is quite different. In the map above, many of the areas around Algonquin and La Cité are primarily single family and semi-detached dwellings, as reflected by the R1 and R2 zoning. In the central neighbourhoods, there is a wider variety of housing types, also recognized with both low-rise and high-rise apartment zones; the R3, R4 and R5 zones shown on the map. It may be that different regulations should apply in these different areas, reflecting the nature of the communities.

## Analysis

These different approaches present different opportunities and risks. The Toronto and Waterloo by-laws provide for registration and licensing (respectively) on a city-wide basis, though one covers only higher-density rental housing and the other, only low-density units. Oshawa's by-law, targeting housing for students, applies only to the neighbourhoods closest to campus, generally suburban single-family areas. In the case of Waterloo, the emphasis on lower density dwellings is partly due to issues around the increasing number of off-campus student rental housing.

Toronto's annual fee per unit is relatively low, counting on economies of scale, the three-year high-level inspection regime and additional fees if subsequent inspections are required to recover a fair portion of the costs of inspections and follow up. Note that Toronto does not do annual inspections and does not inspect individual units unless the initial high-level inspection identifies the building as a priority. Waterloo and Oshawa charge higher fees but carry out annual inspections and operate on a full cost-recovery basis.

Those higher fees potentially have a greater impact on tenants' rents. In Oshawa, for example, first-year licence fees amount to almost \$50 per month – or \$12 per bedroom. In subsequent years, that falls to \$7.50 per month per bedroom. In Waterloo, fees are almost as high. In Toronto the licensing fee is less than \$1/month, but subsequent inspection fees could be substantial.

What we don't know is how many units have been taken out of the market in Oshawa or Waterloo because owners cannot or choose not to comply with the licensing requirements. It is clear that the number of bedrooms per unit has been restricted, but it is less clear as to how many potential landlords have been discouraged from offering units for rent.

## Rooming House Licensing

Turning to rooming houses, Ottawa, like many cities, licenses rooming houses. Rooming houses are generally considered to be high-risk properties in terms of the health and safety of tenants. The factors contributing to this high-risk context are further discussed in the Discussion Paper on rooming houses. In many ways, the issues associated with rooming houses are similar to those experienced by low income tenants in rental buildings run by bad landlords – sub-standard quality, poor pest control, fear of eviction and intimidation, etc.

### *What is covered?*

In Ottawa, rooming houses must be licensed. A rooming house is a dwelling unit with more than three bedrooms that is not occupied by "a household", or more than eight bedrooms, regardless of who occupies it. A household is any group of people living together who share aspects of household operation, such as cleaning up, doing chores, etc. By-law inspectors look for a common lease, an absence of locks on the bedroom doors, and the sharing of food, and items like toilet paper, to try to determine if shared accommodation is a rooming house, or a sharing household. Most student

accommodation has avoided being defined as a rooming house by claiming the students are a household, and this is difficult to disprove.

*What is required?*

Schedule 26 of the City's Licensing By-law No. 2002-189 (as amended) requires that every owner of a rooming house obtain a licence which meets the following conditions:

- The premises comply with zoning, building and property standards, requirements of the City.
- The Chief Building Official has confirmed there are no outstanding orders related to the building.
- The Fire Chief has reported in writing that the premises are suitable and comply with all applicable fire regulations.
- The Medical Officer of Health has reported in writing that the premises are suitable, comply with all applicable health regulations, and are in a sanitary condition.
- A Police Records Check for Service with the Vulnerable Sector is acceptable.
- Proof of insurance is provided.
- Name and telephone number of the agent of the rooming house owner is provided.

Licences must be renewed annually (on April 30) subject to the following conditions being met:

- Premises comply with the property standards requirements.
- If deemed necessary by the Chief Licence Inspector (Director of By-law & Regulatory Services), the Fire Chief has reported in writing that the premises are suitable and comply with fire regulations.
- If deemed necessary by the Chief Licence Inspector, the Medical Officer of Health has reported that the premises are suitable.
- Proof of insurance.
- Name and telephone number of the agent of the rooming house owner.

The Chief Licence Inspector may impose additional conditions if deemed necessary to ensure public and tenant safety and may refuse issuance or renewal. The licensee or applicant may request a review hearing with the Property Standards and License Appeals Committee if issuance or renewal is refused.

The City's Licensing By-law also requires an emergency evacuation plan posted on each floor and that new tenants are provided with relevant printed information regarding their rights and responsibilities. The licence must also be posted in a prominent location.

*What is the licensing fee?*

Licensing fees range from \$247 to \$601 annually based on number of rooming units. Fines for convictions of offences under the By-law are up to a maximum of \$25,000 for individuals and \$50,000 for corporations as set in the *Municipal Act, 2001*.

*What has been the impact?*

The number of licensed rooming houses has declined steadily since licensing was put in place. There were thought to be 400 rooming houses before licensing. There are only 90 licensed rooming houses now, although there are many more that are not licensed. Most rooming houses seem to provide decent accommodation, but a few have very poor conditions and unresponsive landlords.

The Fire and Building Codes have been particularly challenging as they change from time to time to incorporate new requirements. When landlords are required to meet the new code, the costs can be significant, and some simply stop providing rooming houses, either selling or converting to apartments.

*What do other municipalities do?*

Looking at other municipalities, the terms used to describe this type of housing differ. Most municipalities use lodging houses in their by-law definitions. Toronto describes rooming houses as multi-tenant homes whereas Winnipeg uses “converted residential dwellings with shared facilities and Vancouver as “single room accommodation”.

In general, most of the rooming house licensing by-laws from other municipalities contain similar requirements related to compliance with other regulations such as Fire Code, Property Standards, Zoning By-law, Building Code and Health Protection and Promotion Code. Oshawa also requires electrical and heating inspection certificates. All municipalities have licence and renewal application fees as well as fines for by-law violations. For Ontario, the fines are all consistent with the Provincial Municipal Act requirements, the same as Ottawa’s. Most by-laws also require annual inspections undertaken by municipal staff, or require applicants to provide required proof. Only Vancouver limits its rooming house by-law to a specific neighbourhood, the downtown core. Some municipalities require consent by the owner to permit inspection of any portion of the rooming house that is not actually used as a dwelling unit.

Municipalities do differ somewhat in the types of information required or collected from landlords, such as floor plans, waste management plan, parking plan etc., to ensure maximum safety standards and to control overcrowding. Vancouver and Toronto include positive incentives. Some also require tenant registries. Some of these plans are also requirements in licensing regimes that include all rental buildings.

In Toronto, licensed rooming house owners located in the former city (prior to the 1998 amalgamation) are responsible for having a fire safety plan using the model plan prepared by the Fire Chief. The City is currently undertaking a review of multi-tenant homes (rooming houses) to identify potential changes to existing regulations and enforcement strategies. A report to Council is anticipated for the fourth quarter of 2019. The following is the list of proposed additional licensing requirements:

- Zoning Review
- Property Maintenance Plan
- Site/floor plans
- Waste Management Plan
- Parking Plan

- Applicable building permits to be cleared to ensure minimum building standards are met
- Confirmation on maximum number of lodgers to be accommodated

City of Toronto staff is also proposing improvements to the transparency of the licence review process, including improved public access to information, and hearings to be held at local venues. The proposed licensing strategy also includes incentives related to the City's Toronto Renovates program, development charges and park levies; promoting and strengthening external partnerships, and, providing educational resources for operators.

### Enhanced Enforcement

Improving the effectiveness of By-law enforcement could be an alternative to a licensing regime, or it could be seen as a component of a licensing program, as in Toronto.

Ottawa uses a complaint-driven model for enforcing compliance with property standards and property maintenance. By-law officers respond to specific service requests received from local residents through 3-1-1 or their councillor. Response is address and incident-specific, with priority given to calls deemed more urgent. Given current staffing levels and service standards, many have expressed concern that follow up or response time must be significantly improved, and consequences for non-compliance strengthened, including increased penalties.

Some have advocated the City take the same approach to property standards that it does to parking violations — proactively patrolling and issuing tickets when they identify infractions. In addition to responding to complaints (parking officers also respond to complaints), By-law enforcement officers would develop a plan for regular patrol and inspection of buildings and properties where violations are most likely. The plan could take into account past complaints and work orders issued, the age of buildings, and the knowledge of the property standards officers, councillors and, perhaps, others who have knowledge of where problems are most likely to be identified. The use of enhanced data analysis could assist in identifying patterns and targeting problematic properties, owners and tenants. Changes to allow e-mail notice of violations, and facilitate reporting and follow up through apps, could also improve responsiveness.

As part of this process, they would engage in pro-active enforcement, following up on issues as they become aware of them, issuing tickets in the first instance rather than warnings and, deal infractions as they see them, rather than moving past the infraction to deal with a complaint. There are limits to how this can be conducted. The Property Standards By-law is based on the Ontario Building Code which generally requires that a notice first be served, and a charge only be laid if the problem has not been corrected within 14 days of receipt of the notice (assumed to take five days by registered mail). However, the Property Maintenance By-Law, the Noise By-law and the Licensing By-law are adopted pursuant to powers under the *Municipal Act*, which do allow tickets to be issued when an offense is determined — just like parking tickets. So, some of the issues that cause the greatest concern to neighbours — those on the property outside the building (garbage, weeds, snow and ice maintenance, parking on the property but outside the permitted areas) — could result in immediate fines, which might improve the compliance rate.

For Property Standards offences the process takes longer, requiring the notice period before a charge can be laid – or the City can undertake the work itself (or both). By-law Services generally doesn't contract the work if the landlord is making reasonable efforts to complete it, but the work may take longer because of its nature or because contractors are in short supply. This past year, the City of Ottawa undertook \$275,000 in preemptive repairs and upkeep, charging these costs to the tax roll to be recovered from delinquent owners. However, some landlords do have a reputation of delaying work as long as possible and issuing charges and/or issuing contracts to do the work may help improve performance.

Ottawa operates by-law enforcement on a cost-recovery basis. By-law officers have an average 'caseload' of 800 properties, significantly higher than Toronto, Hamilton or other benchmark cities. Dedicated officers are assigned to high demand neighbourhoods, but with current staffing levels, a proactive approach to By-law enforcement may not be feasible.

At present By-Law and Regulatory Services spends about \$1.4M per year to fund 17 Property Standards Officers (who also enforce the Property Maintenance By-law and Zoning By-law). There is no breakdown of the revenue these officers bring in; however, the entire Enforcement Group they are part of, recovers about 70% of its' costs. Conversely, parking enforcement brings in approximately \$21M in revenue, more than twice its' \$9.3M in costs.

There were only 13 Property Standards Officers until last year, when four were added. Of the 17 officers, one is dedicated to support the task force on Heritage matters (largely dealing with preserving vacant buildings), and one is dedicated to rooming houses.

To add additional officers and strengthen enforcement, Ottawa could:

- Increase tax funding,
- Increase revenues from fines,
- Charge for inspections after the second (e.g. the first results in the order, the second sees if it has been complied with and, if not, charge for subsequent inspections) and/or
- Add licensing revenues.

In Toronto, for example, one-third of enforcement costs are funded by the taxpayer – about the same as Ottawa – but the new RentSafeTO program calls for substantial revenue from fines and inspections fees. This has given Toronto the flexibility to double the number of By-law enforcement officers inspecting apartment buildings, from 38 in 2017 to 74 in 2019. Toronto has very modest licensing revenues under RentSafeTO, and these are largely covering the cost of licensing administration.

Inspection fees would accrue directly to the Property Standards group, but most By-law violations are levied under the Provincial Offences Act — and revenues do not show up in the By-law and Regulatory Services budget. However, this could be changed, and the revenues should be considered in any case when determining whether the Property Standards group is meeting its costs.



Many of the concerns raised in the public consultations could be addressed with adequate staffing assuring timely responses and consistent follow up. The approach will generate some negative response, as do parking tickets; however, it may also change behaviour, reducing violations and hence the need for property standards enforcement.

Licensing and registration fees are a further potential revenue source that would allow the City to increase By-law enforcement. Different municipalities have taken different approaches (see above), with some charging higher license fees which fully recover costs, while others have set more modest fees but charge a higher rate for inspections; in particular, follow up inspections.

Fines and escalating penalties for non-compliance could be significantly increased for repeat offenders, compelling property owners to comply more quickly and be more vigilant in the future — and shifting more of the burden of enforcement costs to recalcitrant and repeat offenders.

### Options for Single Family Areas

For example, in R1 (single family and secondary units permitted) and R2 zones (single family, duplex and semi-detached homes with an option for a secondary unit permitted), prevalent in the neighbourhoods surrounding Algonquin College or La Cité, rooming houses are not a permitted use and there are limits on the size of homes (normally 4 bedrooms for a dwelling unit, with the potential to add a secondary unit with 4 bedrooms).

Yet we heard concerns that homes were being converted to student housing, often with rooms rented to individual students, and with living rooms, dining rooms, basements and dens being converted to bedrooms, giving rise to complaints about over-crowding and increasing friction with neighbouring single-family homes. Inspectors often cannot gain access to these units to determine if there are more than four bedrooms. It is also important to note that a group of students who are true roommates (a 'single housekeeping unit') must be treated the same as a nuclear family from a zoning and regulation perspective.

For the most part, problems relate to unkempt lawns with weeds and waste, excess parking and rowdy behaviour.

These are options that could be employed:

1. A "parking model" of enhanced enforcement. Inspectors would cruise the neighbourhoods where issues emerge and issue tickets whenever unkempt lawns or waste by-laws are violated (bins not taken back from the curb, waste left on front lawns, etc.), illegal off-street parking or noise violations are detected. The immediate issuance of tickets and fines, and the inclusion of increasing penalties for repeat offences could change behaviours. The effect on the number of rooms within the units would be minimal, but the outcomes would be addressed.
2. Regulation of all rental accommodation in areas near the community colleges, where problems have emerged. Given the some of the challenges experienced with

enforcement of current rooming house regulations, this option could consider all rental properties. There might be an exception for owner-occupied houses with three or fewer rooms rented, as these do not appear to be a problem. The regulation could require an inspection to determine the number of rooms and ensure the building meets property standards and fire requirements. It could also require a plan for parking, and a plan for handling garbage, snow and ice, and lawn maintenance, providing further opportunity for enforcement and fines if the plans are not followed.

3. Extend the regulation of all rental accommodation to R1 and R2 zones across the City.
4. The regulation approach could include a demerit points system similar to Oshawa's, leading to a suspension or revocation of the licence if problems continue. Revocation could be a challenge as the only choice that would leave would be owner occupation – or sale of the unit to a new landlord who could start the demerit process again – but it would be a way to deal with an unresponsive owner.
5. The regulation approach could include a limit on the number of bedrooms or the percent of each dwelling unit that can be used for bedrooms, to further limit the conversion of common spaces to additional bedrooms. The Zoning By-law currently limits the number of bedrooms, but other cities have used the percent of each dwelling unit. Either approach could work, although the percentage of the dwelling units helps ensure some common space remains. The limitation in the Zoning By-law and the regulation process do not need to be the same. The Zoning by-law applies to all uses in a zone, while the regulations would only apply to the regulated uses, in this case, the rental units. When both apply, the more restrictive rules would govern.

**Table 11 - Option Evaluation – Single Family Areas**

<b>Policy Options</b>	<b>Notes</b>
<b>“Parking Model” of enhanced enforcement</b>	Pro-active enforcement of garbage, on-property parking, lawn cutting, with “tickets” issued for first offenses, and levying fines
<b>Regulate all rental accommodation in R1 and R2 zones near community colleges, or where problems emerge</b>	Regulate all rentals, requiring registration and inspection, limits on number of rooms, parking, waste, maintenance plans (like Oshawa). Could be combined with enhanced enforcement.
<b>Regulate rental accommodation in R1 and R2 areas city-wide</b>	Applies regulations where they are not required.
<b>Use a demerit system – or “three strikes”</b>	Fines increase as points accumulate; licence could be revoked – but would preventing any sort of rental be reasonable?
<b>Limit the number of bedrooms or the percent of each dwelling unit that can be bedrooms</b>	Helps constrain the creation of additional bedrooms by converting common spaces to bedrooms

### Options for More Central Areas –

The “bunkhouse” problem is most commonly a concern in low-rise neighbourhoods that are zoned R3 and R4. While the problems are similar to the single-family areas, the scale of development and rental properties is different with triplexes (R3) and low-rise apartments (R4) being permitted by these zones. With the current definition of a rooming house, bunkhouses are not being licensed, even though they appear to behave like rooming houses. Current zoning restricts all attached/multiple unit buildings to four bedrooms, but under the table conversion of common spaces to additional bedrooms may be common. Without regulation of apartments, inspectors have not been able to verify this.

For the most part, problems relate to unkempt lawns with weeds and waste, excess parking and rowdy behaviour. These can be contained with the enhanced enforcement suggested in the “parking model” – but ensuring continuing compliance with the Zoning By-law would require regulation – and there is no easy way to distinguish the “bunkhouses” from other rental properties.

These options could be employed:

1. A “parking model” of increased enforcement. (as described above under Options for Single Family Areas)
2. Regulation of all rental accommodation in R3 and R4 areas downtown. This would capture the rooming houses that are currently licensed (most of which are in R3 and R4 areas). It would also capture the bunkhouses, but it would also capture all rentals – of individual houses, of duplexes and triplexes, and of the small-scale apartment buildings in the R3 and R4 zones. Note that bunkhouse style development can occur in a range of dwelling types, from semi-detached homes with secondary unit to low-rise apartments. For this reason, apartments would have to be included to capture the bunkhouses. This is not entirely a problem. The buildings in the R3 and R4 zones downtown do tend to be older buildings and some of them serve low-income tenants, with lower rent levels, which may reflect the quality of the accommodation. Thus, regulating all rental units in these areas could capture many of the apartments with significant problems, as well as dealing with the student housing issues downtown. There could be an exception for owner-occupied houses with three or fewer rooms rented, as these do not appear to be a problem. Regulation could require an inspection to determine zoning compliance and ensure the building meets property standards and fire requirements. Note that fire requirements and building codes have evolved over the years and recognizing or grandfathering standards that were compliant at the time may be a way to avoid imposing catastrophic expenses on some buildings. Regulation could also require a plan for parking, and a plan for handling garbage, snow and ice, and lawn maintenance, providing further opportunity for enforcement and fines if the plans are not kept.
3. The rental regulatory regime could be applied just to R3 and R4 zones, or it could be applied to all low-profile rental properties (four storeys or less, and perhaps 10 units and less) in the downtown area. This would capture the older, small apartment buildings in the R5 zones, commercial areas, etc. that have not been redeveloped.
4. A further option would be to extend the regulation of small, low profile rental buildings city-wide

Table 12 - Option Evaluation – More Central Areas

Policy Options	Notes
<b>“Parking Model” of enhanced enforcement</b>	Pro-active enforcement of garbage, on-property parking, lawn cutting with “tickets” and immediate fines issued.
<b>Regulate all rental accommodation in R3 and R4 zones</b>	Would capture all bunkhouses, rooming houses and many older buildings, some with lower rents reflecting quality issues.
<b>Regulate all low-profile rental properties (4 storeys or less, 10 units or less) across the downtown</b>	Captures the remaining older buildings renting in R5 or commercial zones.
<b>Regulate all low-profile rental properties (4 storeys or less, 10 units or less) across the City</b>	Captures all small rental properties (like Waterloo), including many newer buildings that have generally not been identified as problems, but some of which may be.

### Options for Larger Apartment buildings

Toronto focuses its registration program on the larger apartment buildings. For Ottawa, these would be apartment buildings with more than 10 units (with 10 units and under to be considered under the options above). The major issues related to large apartments buildings that have been identified, relate to two factors:

- Pests (bedbugs, cockroaches, rats in the garbage areas)
- Renovations or redevelopment – which can lead to evictions (see “renovictions” below) and serious property standards violations as buildings age and maintenance tails off in anticipation of a large renovation or a renovation for replacement.

Regulating all large apartment buildings (by means of registration, licensing or other regulatory framework) might help identify some of these issues. In Toronto, the high-level inspection every three years might identify the issue, but tenant complaints are more likely to identify the on-set of issues, whether pests, which can emerge very quickly, or the neglect that accompanies planned changes in older buildings. More important would be the pro-active inspections following identification of a problem.

Toronto has built into their registration by-law, steps that must be taken when a pest infestation occurs. That would be useful and provide landlords some direction on what they are to do, and how quickly it must be addressed. Similar provisions could be built into the Ottawa by-laws without requiring registration or licensing. Similarly, the renoviction issue is dealt with outside the licensing or registration context, by provisions of the *Landlord and Tenant Act* and, in some cities, additional provisions that are covered in by-laws, but not part of a licensing or registration regime.

These are the evident options that could be employed:

1. A by-law setting out how landlords – and tenants – in large buildings and small, must act in order to deal with pest infestations; setting timeframes for their actions and outlining significant fines in the event of non-compliance, which would increase if repeat orders are required.
2. A pro-active enforcement regime that will pursue problem projects where conditions appear to be deteriorating. The expectation should be that units remain livable until it is clear a renovation or demolition will occur, and the tenants are given notice to vacate. If orders are not respected, charges should follow as soon as the notice period is completed, and repeated charges should result in increasing fines. The City should assist if the landlord and tenants choose to negotiate a transition plan.
3. A regulatory regime (registration, permits, licensing or other) of all large apartment buildings, like Toronto, would incorporate both the steps identified above, but it is not clear what additional value would accrue. Licences and permits can be suspended or revoked for bad behaviour, but that could lead to the eviction of the tenants without the compensation that would result from a renoviction. The City can (and should) charge for repeat inspections as Toronto does, but does not need a licensing By-law for that. The City could publish the orders and charges that apply to a building, but can do that in any case.

**Table 13 - Option Evaluation – Larger Apartment Buildings**

Policy Options	Notes
<b>Pass a by-law identifying the steps landlords and tenants must take to deal with pest infestations, the timeframes for action and establishing consequences</b>	Would improve clarity and set deadlines for action.
<b>Pro-active enforcement pursuing deteriorating buildings and forcing resolution</b>	Even if demolition planned, landlords expected to maintain units livable until tenants are evicted. Cooperative transition plans could be encouraged.
<b>Regulate all large apartment buildings (greater than 10 units) through registration, permits, licenses or other system</b>	Not the most efficient or cost-effective way to deal with the problems identified.

### Tenant Displacement, Renovictions and Loss of Rental Units

The Ontario *Residential Tenancies Act* allows landlords to terminate leases if the unit is to be demolished, converted to a non-residential use, or to do extensive renovations or repairs. For demolitions and conversions involving rental properties with five or more residential units, the landlord must give the tenant an amount equal to three months' rent or offer the tenant another rental unit that is acceptable to the tenant. In the case of renovations or repairs, the tenant can choose to move back into the same unit at the same rent. If the rental unit is located in a building with five or more units and the tenant decides not to move back, the landlord must give the tenant an amount equal to three months' rent or offer another rental unit that is acceptable to the tenant. If the tenant

does want to come back, the landlord must give the tenant an amount equal to the rent for three months or the period of time that unit was undergoing renovations, whichever is the lesser.

The workshops provided examples of landlords evicting tenants, doing renovations and re-listing the same unit at higher rents to different tenants – a path that is often described as “renoviction”. Often tenants are not aware of their rights and simply move when served with an eviction notice, forgoing the three months’ rent they are entitled to. Some may look at the months required to receive an order from the Board and the time off work required and decide it isn’t worth it.

A few municipalities have approved policies or regulations to address the loss of affordable housing and tenant displacement.

The City of Toronto’s Official Plan contains policies pertaining to the loss of six or more rental units as a result of new development or redevelopment. Where the existing six or more units are kept in the new development, the units will be secured as rental housing which have affordable and mid-range rents and the needed improvement and renovations should be secured without pass-through costs to tenants. New developments resulting in a loss of six or more rental units will not be approved unless: all the rental units have rents that exceed mid-range rents or (i) at least the same number, size and type of rental units are replaced with similar rents; (ii) rents for these units will be the rent at first occupancy, increased annually by not more than the Provincial Rent Increase Guideline for a period of ten years, and; (iii) an acceptable tenant relocation and assistance plan secures the right to return to a replacement unit at similar rents, and offers other assistance to lessen hardship.

According to a Toronto staff report dated May 21, 2019, since the above policy was approved in 2007 until the end of 2017, the City has secured the replacement of 2,256 rental units; 1,496 of which were affordable. It is not known how many renovations were prevented or postponed due to the limitations on recovery of renovation costs. In Ottawa, the construction of rental housing has restarted recently as market rents have reached a high enough level to allow recovery of development costs. Increasing the development costs (or reducing the potential return from the development) may well reduce or delay future rental construction.

On June 18, 2019, Toronto City Council also approved an Official Plan amendment containing policies on the loss of dwelling rooms (rooming house rooms). New developments that would result in the loss of six or more dwelling rooms will not be approved unless: all the rooms have rents that exceed dwelling-room mid-range rents, or (i) at least the same amount of residential gross floor area is replaced and maintained as dwelling rooms or rental bachelor units; (ii) any available replacement not occupied by returning tenants will be offered to eligible households; (iii) the rents for the replacement units will be similar to previous for at least 15 years with annual increases not more than the Provincial Rent Increase Guidelines, and; (iv) an acceptable tenant relocation and assistance plan addressing the right to return at similar rents, the provision of alternative accommodation at similar rents, and other assistance to lessen hardship.

The City of Mississauga approved the Rental Housing Protection By-law in 2018 for a two-year pilot. The By-law is aimed at realizing no net loss of rental units resulting from the demolition or conversion

of rental units. Applications are evaluated against two tests: (1) the City's rental vacancy rate is 3% or more, and (2) existing rents are above the affordable rate of 1.75 times the Average Market Rent. If either test measure is met, the permit application will be approved. If the tests are not met, then the application may be approved subject to certain conditions being secured:

- For conversions, the units will be retained as rental for a period of 20 years at similar rents;
- For demolitions, the units are replaced at similar rents either on or off-site;
- For both, conversions or demolitions, a cash-in-lieu contribution to a housing reserve fund where there are significant constraints associated with replacement or retention requirements.

The above by-law is a product of the City's *Making Room for the Middle* Housing Strategy addressing the need to create affordable housing for middle income earners.

The City of Vancouver's 2015 Tenant Relocation and Protection Policy is intended to protect tenants by mitigating the impacts of displacement resulting from redevelopment while recognizing that some renewal is necessary to maintain the health of the overall rental stock. Applicants seeking a rezoning or development permit are required to provide a Tenant Relocation Plan which includes several elements including financial compensation based on length of tenancy, assistance finding comparable new rental accommodation, and moving expenses and right of refusal for existing tenants. Prior to the issuance of an occupancy permit, applicants are required to submit a Final Tenant Relocation Report providing details on the results of the initial plan.

The City of Ottawa could consider developing policies aimed at preserving existing affordable rental housing and minimizing the negative impacts of displacement due to redevelopment, renovation or conversion. Such policies should be based on a more comprehensive strategic framework that clearly identifies community needs and goals. It is also important to identify potential unintended impacts of different policies while recognizing that the housing market supply and demand trends are different in Toronto and surrounding municipalities, as well as in Vancouver which is also experiencing exponential increases in housing prices. Of particular concern is the likelihood that these policies would impose additional costs on development, discouraging any renovation or upgrade of rental units, and encouraging developers to build on parcels where there are no existing rental units. The policy may well preserve the worst of existing rental accommodation by discouraging upgrades, allowing it to become more and more affordable, in worse and worse condition.

**Table 14 - Option Evaluation – Tenant Displacement and Loss of Rental Units**

Policy Options	Notes
<b>Assist tenants to achieve their entitlements under the <i>Residential Tenancies Act</i></b>	Could be combined with the Education processes described below.
<b>Adopt policies to prevent the loss of affordable rental housing units through renovation or redevelopment</b>	Could have severe unintended consequences.



## Other Options

### Tweak Rooming House Licensing

From the consultation process, we heard that there are good landlords as well as bad ones in the rental housing market, including rooming houses. Landlords stated that it is becoming increasingly difficult to maintain rooming houses because of rising costs, together with limited revenue growth with tenants with limited incomes. The challenge is likely to be the same for owners of older rental buildings. The City could consider providing incentives to good rooming house landlords, identified by the number of complaints and the results of inspections, thereby recognizing the importance of providing much needed affordable housing to low income households. Incentives may include:

- License fee forgiveness
- Requiring license renewals every three years instead of annually
- Considering property tax incentives similar to Community Improvement Plans
- Assessing the use of the Ontario Renovates program to provide grants to rooming houses; reducing or waiving development charges and park levies

The City could also enhance its licensing requirements for rooming houses to include:

- Floor plans
- Right of access to common areas
- Waste management plans
- Property maintenance plans

These additional requirements would improve City oversight of the management of rooming houses by holding landlords more accountable to maintain buildings.

The City also manages the Rooming House Response Team. Established in 1996, the Team's primary mandate was to respond to complaints and community concerns by coordinating actions with appropriate staff and/or external agencies. The Rooming House community worker also liaises with tenants, landlords, neighbours and community agencies. Over the last 20 plus years, the effectiveness of the Team has varied because of reorganizations and staff reductions. At present it seems clear that the licensed rooming house sector is largely an extension of the shelters, housing the homeless, but without the support services that the City funds when placing the same types of tenants with social housing or assisted housing. The Rooming House Response Team could become, or coordinate, the delivery of mental health and additional support services to rooming house tenants.

The City could perform the lead role in developing collaborative partnerships and outreach programs, including strengthening the role of the Rooming House Response Team and possibly looking at expanding its scope to include low income rental tenants.

### Demerit System

An approach that could further promote compliance would be to adopt a demerit point system, such as Oshawa's, as part of any regulatory system. Property owners who are not in compliance with



municipal by-laws are assigned demerit points. Those who accumulate a certain number of demerit points are given a warning. The higher the number, the greater the consequences. For example, licensed/permitted operators could be given fines or penalties, and if they do not improve their performance, they could lose their license or permit. A variation on this model would be a “three strikes and you are out” approach, which might be simpler for all to understand. Either way, some discretion would be required from the By-law officers that assign points, to ensure complaints are legitimate, and to take into account legitimate reasons for any occurrence.

## Education

Tenants — especially immigrants, students, vulnerable individuals with mental and physical health disadvantages and the elderly— are often not aware of their rights and responsibilities as lessees or as local residents.

While large property owners and managers most often have in-house expertise and legal counsel, small landlords renting a room or two may need help in understanding the legal and regulatory environment within which they are operating.

Whether it is the intricacies of the *Residential Tenancies Act*, rules governing front-yard parking or knowing which day to put out blue boxes, there is a host of information that tenants and landlords need to participate in fully in their community, comply with rules and regulations, and reduce points of friction between lessees and lessors, and with other tenants or neighbours.

Some cities offer web portals that gather all the information a tenant or landlord, or student or visitor, needs, with summaries and links to additional information and resources. Ottawa does provide some information on its Consumer Awareness pages on Ottawa.ca, but it is limited in the scope of information and advice it can provide tenants or landlords, particularly related to the *Residential Tenancies Act*.

As well, the City could offer — or increase funding to — services that educate tenants and landlords about rights and obligations, helping them navigate the regulatory and enforcement system and reach resolution on matters outside the purview of the Landlord and Tenant Board.

The City of Toronto sets minimum standards for information and notice to tenants, and the logging of complaints and their resolution.

## Residential Tenancies Act (RTA) and Landlord and Tenant Board (LTB)

The deficiencies in the RTA and the practices of the LTB were widely discussed during the consultations. While the rent control process received some attention, the biggest focus was on the timelines required to have a hearing and a decision at the LTB. Landlords find it takes far too long to evict tenants that are not paying rent or are disturbing other tenants, and tenants find it takes too long to achieve an order against a poorly performing landlord that it is generally better to move rather than claim your rights. There are also problems with the imbalance of power, with larger landlords

generally aware of their rights and having access to skilled and informed advisers, while small landlords and tenants generally have neither.

Action from the province to make the process much quicker would be the best solution, but the City could encourage “out of court” resolution of conflicts, and ensure both tenants and landlords understand their rights, and how the process works. This would also minimize the need to go through the costly, time consuming and intimidating Landlord and Tenant Board hearing process. There are many community support services and advocacy groups that assist with tenant-landlord issues in terms of conflict and dispute resolution. Expanding the capacity of these agencies would help. Community support groups can also help landlords in communicating with tenants with physical and mental health problems and other special needs, or with language barriers with immigrants. They can also play a “third-party” complaints role whereby tenants can express their complaints without fear of landlord retaliation which, in turn, can be communicated to the proper City officials.

### **Publish Inspection Outcomes**

The City could also strengthen a culture of compliance by publishing to a website, reports of by-law violations, as Vancouver does, and as Ottawa does for restaurant inspections. Public disclosure assures transparency and promotes accountability while giving current and prospective tenants — and neighbours — ready access to information on compliance. It is likely personal/identifying information could not be published pursuant to the *Municipal Freedom of Information and Protection of Privacy Act*.

### **Right of Access to Private Accommodation**

Under the Ontario *Building Code*, a By-law officer may inspect the external area or interior common areas of a rental property without a warrant, or the permission of the owner in order to determine conformity with By-laws or compliance with an issued order. Some municipalities still repeat this authority in their By-laws to minimize any misunderstanding between the inspector and the owner. However, an officer can only enter a private residential dwelling or room with the consent of the occupant, or with a search warrant. Regulation such as a licensing, permit or registry regime would not alter this legal requirement. Although Hamilton has had some success in securing search warrants, obtaining court approval is extremely difficult because of the stringent evidence requirements. EOLO has presented potential approaches in addressing this limitation: enact a by-law requiring landlords to comply with a demand from a property standards office to give notice of entry under the *Residential Tenancies Act* (which allows a landlord to gain access giving a 24-hour written notice to the tenant) and then to enter with the inspector to determine the condition of the unit (this approach is currently used with cooperative landlords), or; (2) incorporate search warrants into the enforcement program as Hamilton has, as a ‘last resort’ which may encourage voluntary compliance with access requests. Further investigation, including legal, of these alternative approaches could be undertaken.

Table 15 - **Option Evaluation – Other Options**

Policy Options	Notes
<b>Tweak Rooming House Licensing</b>	Specific improvement opportunities to make it more effective. Also, the opportunity to integrate rooming houses more closely with social housing and provide support to rooming house tenants with mental health and addiction issues.
<b>Demerit System/Three strikes</b>	System discussed under Short Term Rentals could also be applied to some licensing categories for Long-Term Rentals.
<b>Education</b>	Opportunities to support organizations that provide information and support to tenants and landlords.
<b><i>Residential Tenancies Act</i>, and the Landlord and Tenant Board</b>	Encourage the Province to make Landlord and Tenant Board resolution quicker, and support tenants and small landlords with the process.
<b>Publish Inspection Outcomes</b>	Like Public Health restaurant inspection reports, publishing property standards inspection reports would make landlords more responsive and help inform potential tenants.
<b>Inspector Access to Dwellings</b>	Be more aggressive in working with landlords when tenants refuse access and seek court orders when other approaches fail.

## 5. Next Steps

This Rental Housing Policy Options paper (along with the Short-Term Rental Housing Policy Options paper) has been posted online (at [ottawa.ca](http://ottawa.ca); search for Rental Accommodations Study) and distributed to stakeholders, including those who attended any of the workshops. There is also a survey online, at the same website, that stakeholders are invited to complete. Stakeholders may also send their comments by email to [rentalhousingreview@gmail.com](mailto:rentalhousingreview@gmail.com). Comments are invited until August 30, 2019.

Once all comments have been received, a Final Report will be prepared, including recommendations. The Report will be presented to the Public Policy Development branch of the Emergency and Protective Services department. It is anticipated that City staff will present a report on its overall Rental Accommodations Study to Committee and Council in the Fall of 2019, which will be informed by this study.