

COMMITTEE AGENDA

CONSOLIDATED AS OF JULY 12, 2013



TO **Planning & Building, Engineering and Environment Committee**

DATE July 15, 2013

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 2:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES – June 10, 2013 Open and Closed Meeting Minutes

PRESENTATIONS (Items with no accompanying report)

a) None

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Planning & Building, Engineering and Environment Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
PBEE-2013.25 Integrated Operational Review of Planning, Building, Engineering and Enterprise Services – Phase 3 – Implementation Plan & Performance Measurement Framework	<ul style="list-style-type: none">Peter Cartwright, General Manager Economic Development		√
PBEE-2013.26 Rental Housing Licensing Cost-Benefit Analysis	<ul style="list-style-type: none">Joan Jylanne, Senior Development Planner	<ul style="list-style-type: none">John Gruzleski, Old University Neighbourhood Residents	√

		<p>Association</p> <ul style="list-style-type: none"> • Lyle McNair • Dr. Stewart Schinbein • John Romeo <p><u>Correspondence:</u></p> <ul style="list-style-type: none"> - Imad Ali syed - Pierre Sandor - Bill Green - Marc Paterson - Tony Darmon - Brian and Suzanne Beattie - Michael Tamaki - Kevin O'Doherty - Anita - Dave George - Judy Self - Robert and Hilde Vrins - Philip Tian - Allan Rourke - Joseph Hoffer on behalf of Donna and Morris Haley - Kara Wagland - Lucy Lu - Barbara Hall, Chief Commissioner, Ontario Human Rights Commission - Robert Dion & Lynda Ducharme - Stephen Foti - Paul Martin - Sandro Novelli - Susan Haines - Christina Cuthbert - Liza Struzik - Dave Schenkel - Shugang Li - Paulina Coker 	
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		<ul style="list-style-type: none"> - Scott Burton - Matthew LaFontaine - Lars Sterne - Brian Laundry - Alison Zinger - John Haramule 	
PBEE-2013.27 Housing and Homelessness Plan for Guelph and Wellington			
PBEE-2013.28 Wastewater Services 2012 Annual Report			
PBEE-2013.29 Outstanding Motions of the Planning & Building, Engineering and Environment Committee			

Resolution to adopt the balance of the Planning & Building, Engineering & Environment Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

STAFF UPDATES AND ANNOUNCEMENTS

CLOSED MEETING

THAT the Planning & Building, Engineering and Environment Committee now hold a meeting that is closed to the public with respect to:

1. Water Supply Master Plan Community Liaison Committee Citizen Appointments

S. 239 (2) (b) personal matters about an identifiable individual.

ADJOURNMENT

NEXT MEETING: September 10, 2013

Dear City of Guelph

I would like to strongly oppose the new Rental Housing Licensing Program for the following reasons that refer to the City of Guelph Staff report No 13-32:

1) Page 3: BACKGROUND – (a) Issues:

6 key issues or problems are listed which all can be dealt with under the existing by-laws an expensive rental licensing program would be duplication.

2) Page 3: BACKGROUND – (b) Existing Tools and Limitations:

The Report states that current applications of existing by-laws are not effective, cumbersome and expensive. But does not give specific reasons why.

The Report states that increased by-law enforcement should be paid for by the type of rental property being licensed and not by the general taxpayer population. However there are many other by-law enforcement actions taken which the general public pays for.

Why should a small segment of rental properties be singled out to pay a fee to have existing by-laws enforced. A license fee would be just another of property tax ... or double taxation to Landlords.

The Report ignore that prior to 2012 by-law enforcement was only done on a complaint basis, not proactively. Recent Mercury reports show behavioural complaint issues have decreased after enhanced enforcement has been implemented during 2012 in the University neighbourhoods.

3) Page 4: BACKGROUND – (c) Advantages of Licensing:

a) Report states licensing would give the City “a new tool” not addressed by the current by-law “tools” that would be paid for by Landlords. Yet the Report does not specifically state how the new “licensing tool” would be used. We all want the new tool from the Hardware Store. But do we really need that tool? However if that tool was free then of course we would “buy it” if some-one else had to pay for it?

b) Report states licensing would promote health & safety of Tenants. The Report provides no evidence to support that Tenants need help to protect them. The report attempts portray tenants as helpless when in reality the license fee is a new municipal charge which, ironically, will be paid by tenants! Only Municipalities in Ontario that have Universities & Colleges adjacent to residential neighbourhoods have ever implemented licensing programs. Other Municipalities can support Tenant safety without licensing.

Why? Is it because Municipalities, like Guelph, want to impose restrictive provisions on Landlords to encourage less student housing in neighbourhoods close to the University? Tenants are protected by City zoning, property standards and other existing municipal by-laws, and are further protected under the Building Code, Fire Code and Residential

Tenancies Act. City Staff simply asking for another “tool” (licensing) to enforce existing regulations. Tenants are also protected by Provincial law such as the Residential Tenancies Act. The City is only interested in the health and safety of Tenants who occupy one & two unit houses and basement apartments, that would be subject to licensing, that are predominately rented by students. Why would the City not be interested in the health & safety of tenants renting larger properties such as 3 & 4 unit non-conforming units or single bedrooms in owner occupied houses?

c) The report incorrectly compares residential renting operations to other business operations that are required to be licensed and therefore should be licensed for “leveling” reasons. If so, then all types of rental operations from single rented bedrooms in owner occupied houses to the largest multi-unit rental should be licensed for consistency.

4) Page 6: REPORT – Costs:

a) The cost model with the three (3) Fee Options on page 18 is based on 8,700 dwelling units with 50% compliance in year one & two and 66% compliance in the subsequent three years.

No back-up information has been provided to show how 8,700 dwelling units were determined & if that number is reasonable?

No back-up was provided to support how the number of bedrooms were determined for each Option. Are those numbers reasonable?

No mention is made on how the City will locate rental properties that do not license voluntarily.

b) The cost model on page 18 shows that “program costs” increase each year a minimum of 4.6% well in excess of expected inflation. Why the high annual cost increase? That means annual license fees will consistently increase since City Staff have no incentive to control costs since they are passed on to Landlords & our Tenants.

c) We must insist the City provide immediately a detailed cost summary for all the cost items listed on pages 7 & 8 for each staffing level and overhead cost category in order to assess the reasonableness of the Cost Model. After all we live in a City whose Administration and Council prides itself on transparency to its Taxpayers.

d) The projected license costs are nothing more than additional taxation for services that should be included in a property owner’s property tax bill. It is double taxation for no additional services provided.

5) Page 8: Report – Benefits:

a) All the benefits noted can be achieved by enforcement of existing by-laws.

6) IMPACT ON AFFORDABLE HOUSING – Page 9 under “financial Implications”:

The Report flippantly notes the impact to affordable housing will be “minimal” without offering any rationale why. The referenced Table 1 is not included with the Report. License fee costs will firstly be passed on to Tenants or secondly then absorbed by Landlords. Some Landlords may cease operations & reduce rental supply. Either way Tenants will be affected negatively.

7) BEHAVIOURAL ISSUES:

The February 19 domain” issues such as property standards; intensity use of a property. By extension, licensing will not resolve behavioural issues that were the focus of previous unsuccessful licensing efforts made during 2010.

It is behavioural issues, mostly caused by a small number of Tenants that cause the vast majority of complaints from residential neighbourhoods. Behavioural issues cannot be controlled by any Landlord.

Application of existing by-laws, charging the people responsible, is the only way to control such instances. The enhanced enforcement program that commenced in 2011/2012 has materially reduced behavioural issues. This program should be given additional time to work.

Thanks

Imad Ali syed

I am a landlord in Guelph and I have read the intent of the City of Guelph to pursue rental housing licencing in order to 'level the playing field" among landlords and improve the quality of the of some properties and neighbourhoods. Admirable goals.

However,

- The report does not provide any calculations on how their budget tables were arrived at.
- Lacks an open communication plan to students and parents explaining why their rents will be going up. Utility companies banks provide an excellent example of how they 'massage' changes to fees to their clients prior to instituting them.
- Does not include an exit strategy should the program not prove itself effective in reaching its goals or staying 'in the black'. In fact, there is no review process mentioned.
- Does not provide motivation to complying landlords. Just a penalty. No 'on the ground' verification to students and parents as to which houses are compliant. Both of these could be solved by the granting of City of Guelph inspection stickers to compliant, registered housing. They would be displayed in the front windows of houses and would be a quick check for parents and students and a bonus to conforming landlords. It might even go a ways to explaining why rent is higher in some of the houses than others.....

I would like to speak to these points at the July 15th meeting. Please put me on the list to present.

Thank you,

Pierre Sandor

To: Planning & Building, Engineering and Environmental Committee:

I have read the above report & would like to offer some comments. First of all I have attached a copy of a letter that I had sent to city staff way back on March 19th of which up to the present date have had no response (111 days)... In that letter (addressed to J. Jylanne & T. Salter) I had mentioned the questions that I have personally heard amongst my office real estate colleagues. The purpose of my letter was to seek answers--the main one being why is this new proposed licensing program only addressing a very small segment of the renting population & not every Guelph tenant? Surely under the Ontario Human Rights Commission EVERY tenant should deserve to be protected for health & safety & if this is such a great way to do it--then why not everyone?

In my letter, I had asked for city statistics to prove to me that the small segment being identified as needing extra protection is really correct. If its so terribly important there must be lots of stats to back it up. As mentioned above there has been no response---not even a letter back acknowledging that they had received mine. I suspect the reason for no response is the statistics actually suggest the opposite--that tenants in old, very dated high rise buildings (almost 100% of Guelph's high rise buildings fit this category) & non-conforming 3 & 4 unit buildings are the ones statistically most vulnerable & they are the ones that should be protected.

It seems this new proposed licensing requirement is seeking to duplicate the same thing as the present city of Guelph bylaws are already doing successfully. That being said I'm wondering why this is needed--especially when the number of bylaw complaints are decreasing each year. It seems to me this is nothing more than yet another tax burden for no additional services provided..

Thank you for your time.

Yours truly:

Bill Green



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SHOWCASE OF HOMES
STONE ROAD MALL
Stone Road W., Guelph, ON



Demand the Best

Ms Joan Jylanne, Senior Policy Planner,

City of Guelph, Guelph, Ont.

March 19, 2013.

Cc. Mr Todd Salter, General Manager Planning Services.

Dear Ms Jylanne:

Re: Rental Housing Licensing Directions

I attended the meeting at Guelph city hall on February 19th in order to better understand the city's new proposed licensing bylaw & also wanted to keep our agents here at Royal Lepage up to date on what might take place.

The various discussions that I have had amongst my colleagues at both our Lepage offices have resulted in a number of questions of which I tried to note & promised I would pass on to the city for clarification.

One question that did come up over & over was why is the city restricting this new proposed bylaw to only certain segments of the renting population? At the February 19th meeting it was stressed that this bylaw was being created with a close working relationship with the Ontario Human Rights Commission. If licensing is meant to protect tenants, then why not all tenants? It almost seems like the bylaw is attempting to control the "behavior" of a certain small segment of the renting population (ie more of a zoning bylaw issue addressing students near the university) rather than to "protect"—which I would argue would not be in agreement with what the Ontario Human Rights Commission is trying to accomplish. From what I gathered from the meeting, apartment buildings, nursing homes, rest homes, palliative care homes, group homes, emergency shelters, student residences operated by a university, and social housing were examples that were to be excluded from the city's "extra" tenant protection proposal. The city felt there was no need for "extra" protection for the social type housing examples listed above since those operators were responsible to other levels of government (even though—with the exception of apartment buildings-- they are excluded from the province of Ontario's Tenant Protection Act). Unlike these social housing examples, we do find it difficult to understand why the city feels that privately owned apartment buildings with 3+ units should be exempt from this "extra" protection. Thanks to rent controls with no new buildings being built over the last 30 years or so, Guelph's apartment buildings are now quite old and certainly would not meet today's newly built multi-unit building codes. In addition there are a lot of old smaller apartment buildings (with 3,4,5, or 6 units) classified as "legal non-conforming" which we gather



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SHOWCASE OF HOMES
STONE ROAD MALL
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Demand the Best

would also be on the city's exemption list. It seems that what the city is proposing to exclude are the very tenants that need this "extra" protection. Numerous examples of this appear in Ontario newspapers almost on a daily basis. For example, two of the most recent ones here in Guelph (this month alone) are: March 2nd Guelph Mercury—a person was charged who lived at a Carden Street apartment of attempted arson which read, "charge of attempted arson with disregard to human life"; and another, Guelph Mercury March 7th—"Woolwich Street apartment fire considered suspicious". It would seem then, if anyone needs "extra" protection as tenants, it's some of the very ones the city has chosen to exclude. Surely this would be going against the Ontario Human Rights Code since their code states—and I quote from the city of Guelph's staff report, "The Human Rights Code R.S.O. 1990 provides for equal treatment and freedom from discrimination & harassment in a number of areas including housing accommodation. Landlords and tenants are bound by the Code as are government actors, e.g. municipalities. The Code provides protection from both direct discrimination and the adverse effect of discrimination. There are a number of Code grounds for discrimination including disability, age, sex, and family status".

So getting back to our question, why did the city decide that they wanted to provide this "extra" protection to only certain tenants but not to the most vulnerable tenants?? We are assuming the city must have compiled many years of statistics in coming up with such a decision as to why only a certain segment was chosen. Please provide a copy of the city's statistics as to why the 8700 dwelling units the city selected were in need of this "extra" protection, compared to those other types of accommodation mentioned above (with a poorer safety record) the city decided did not need this "extra and equal" protection.

We certainly agree with mayor Farbridge's comment at the February 19th meeting that this new proposed licensing will be an extremely contentious issue. She is correct when she said it certainly requires a lot more study and at the very least requires a very detailed cost benefit analysis.

I have also included a copy of a letter that I had previously forwarded to the Guelph Mercury (that appeared on March 7th) for your files.

We would very much appreciate a response.

Thankyou:

Bill Green

Dear Editor:

I had the opportunity to sit in on the meeting at City Hall on Feb 19th re The City of Guelph's new proposed "Rental Housing Licensing Bylaw". What I learned is as follows: This new bylaw would deal with all rentals on a "bedroom" basis. So now what is proposed is every single bedroom that is (or is to be) rented will need to be licensed, of which a license fee will need to be paid to the City. The City's sole justification to implement a licensing by-law is they feel people renting "may be less able than persons who reside in living accommodation as owners, to manage their own health, safety, & well being with respect to their living accommodation". However the City would only license 1 or 2 unit houses, basement apartments & home owners renting out a bedroom. Tenants renting larger types of private & public housing would be excluded from the City's intent for tenant protection. It seems the City feels such renters don't need any more protection than what they are already getting—but renters of a home, an apartment in a home & even a single bedroom in a home needs the City's extra protection. It would appear there is a double standard here.

So what it comes down to is anyone planning on renting even a single bedroom in their own home to a friend, a student, a sponsored church new immigrant, or even their own son or daughter will need a license. To obtain a license will be an onerous process. An application will require a detailed description of the home—including number & location of bedrooms to be rented, detailed floor plan drawings, written proof that the home owner has the appropriate property & liability insurance, the name of a person living in Guelph that the City can contact, a detailed City of Guelph building inspection to check that their home is up to the latest building codes & a visit from the fire hall.

Apparently according to the City, under the Ontario Human Rights Commission, the new bylaw can only cover the details of the bedroom to be rented but cannot state the number of people that can occupy that bedroom. So technically if a bedroom is licensed there is no maximum number of people that can occupy it. So I question what is the advantage of a licensing by-law if the number of renters within a building cannot be controlled??

I would bet that 80 to 90% of Guelph home owners have at one time or another rented a room to a friend, a relative or a student---or been a tenant in someone's home themselves. I would further suggest that I wouldn't be surprised that every one of our Councillors & even our Mayor has at one time or another either rented out a room in their own home--or been a tenant themselves in someone's home.

The City estimates that there are 8700 private homes that have a bedroom or bedrooms that would fall under licensing requirements. My guess would be far more—even as high as 50% of all the homes in Guelph that would require licensing since there is no difference between long term rentals & short term (like a week or two). The Mayor & Councillors will certainly have their job cut out for them to try to explain to the single Mom why she needs to pay the City a yet to be determined license fee & go through a massive paperwork maze just to rent a couple of rooms to help pay her high property taxes or the Grandmother charging a small room & board fee to her Grandson that just landed a job, that they must comply or face a fine of up to \$10,000.

What I do see happening from this proposed licensing by-law would be the creation of a much larger City bureaucracy that will need to be paid for by taxpayers & in fact will lead to higher rents to the very renters the City is allegedly attempting to help.

The good thing about this proposal is that Council (at the insistence of our Mayor) has requested City staff to take some extra time & prepare a report to determine if the huge costs associated with introducing & managing a license by-law would provide sufficient benefits to warrant this effort. Properly done, it is difficult to envision how such a cost/benefit study could justify a rental licensing by-law in Guelph—for only certain tenants.

Bill Green, Guelph

Dear PBEE Committee

I am writing to express my opposition to the proposed rental license by-law. As a resident and landlord I believe this to be a bad idea all around. It creates unnecessary work for the city to manage, does not accomplish any goals, and creates an extra expense that ultimately gets passed on the tenants who are primarily students and cannot afford higher rents.

Licensing will only act to deter future investors from investing in real estate in Guelph, weakening our real estate market. Studies have also shown rental licensing fee's to be ineffective at eliminating problem rental properties, and because of the extra works in creates for city workers it is an ineffective way to increase tax revenue. As both a landlord and a residence I an strongly opposed to any rental licensing!

Sincerely,

--

Marc Paterson

The proposed rental licensing will discourage people from being involved in renting which will reduce the availability and increase the cost. Most people don't like dealing with licensing and inspections and fees. With the bylaws and regulations that exist there is more than adequate protection for all concerned. This seems like it is mostly intended to discourage ownership of rental properties. It seems to discriminate against students in particular. I live in a neighbourhood with many students. The city benefits greatly economically and culturally from them. With more student complexes being built perhaps the "problem" will be lessened anyway. The main result will be of no benefit to anyone but the ones who want to get rid of renters as neighbours. This is a very intolerant attitude in a time when we need to encourage tolerance more than ever.

Tony Darmon

Subject: Licensing fees for student housing

To whom it may concern:

My wife and I own a legal student house as we are all for abiding by city by-laws and providing a safe environment for our student tenants. However, we have grave concerns over the proposed licensing fees being implemented before all student housing is legalized. We have invested many dollars conforming to all building codes and safety issues, and we don't mind paying a modest licensing fee if the proposals come through (the proposed fees per room seem very high). BUT, the main and immediate concern for the city should be identifying the illegal student housing which is now by far the majority as you know...it's pretty obvious who they are. They should be forced to either comply or stop renting to students...this is what the city's human resources should concentrate on now. However, by proposing license fees now, the illegal houses will be further discouraged to come forward on their own to legalize their premises due to costs. In the meantime, they can offer lower rental rates than landlords paying to first legalize then, in addition, pay license fees. Thus they will fill their premises easier and faster, which doesn't put us law-abiding landlords on the same playing field! Licensing fees only work if all landlords are playing under the same rules.

Please feel free to include these comments in Council's agenda package so the Councillors will be aware of our concerns.

Sincerely,
Brian and Suzanne Beattie

One additional comment:

I don't see the need for inspecting legal units annually. We have a 2-unit accessory apartment which passed the fire department's safety inspection with flying colours. On the other hand, most illegal rental houses are extremely unsafe in many regards and don't conform to the city's building codes...these are the units that need to be corrected or shut down. Rather than spend time and extra \$\$ inspecting the units that are already deemed safe and legal, available resources should concentrate on bringing all units to a level playing field. Then licensing can take effect to keep up the standards.

Cheers,
Brian

Subject: Re: Proposed Guelph rental housing licensing program

Alternate no cost solution:

As you mentioned there are several by-laws in existence to deal with rental properties. I propose a no cost alternate solution.

First, use readily available tools like the internet to identify rental properties. Rental properties are listed on several websites like: www.thecannon.ca , <http://studentlife.uoguelph.ca/ocl> , www.kijiji.ca , <http://guelph.rentershotline.ca/> , etc. They always give you contact information.

Secondly, create a database from these public websites.

Thirdly, set up inspections (use and enforce existing by-laws)

Finally, track the inspections in your database.

There is no need to spend \$0.5 M per year for a licensing program, that will not be any more effective than this no cost option.

In the private sector, businesses would not waste money like this. They would look for low cost solutions, like I proposed above.

Keep in mind some seniors rent out spare rooms as a way to supplement their limited income. They can't afford a licensing fee and this would be passed on to the student tenants, who already have a lot to pay for in tuition and school expenses.

Michael Tamaki

Good Afternoon,

I wanted to voice my opposition to a Residential Rental Licensing Program for the following reasons;

- 1) By doing so it will decrease the number of rentals available for students and thus increase the price of living for a group that is already cash strapped
- 2) By doing so it will have a negative impact on the economy. The housing prices will plummet and investors will up divest from the area.

Sincerely,

Kevin O'Doherty

TO: PBEE Committee

From: Anita – Guelph Landlord

Regarding: Cost Benefit Analysis Report July 5, 2013

PBEE Committee,

I am writing to express my concern and opposition to a license by-law. After reading the Report the City has prepared, I find that licensing will not solve the key issues the City of Guelph details and is looking to solve. I strongly believe that imposing a license by-law will create an overall negative impact on the City of Guelph.

The six key findings the City is looking to solve will not be solved by a simply license by-law. For example a \$62.00 to \$132.00 per bedroom per year license fee is not going to improve “health, safety and well-being” of rental housing. City by-laws, provincial by-laws and the Ontario Tenant Act already takes care of this. An additional fee is not all of a sudden going to improve the health and safety of rental housing. There is no direct correlation of an imposed fee to the improved health and safety of tenants. Another example of one of the six key findings is “neighbourhood destabilization and deterioration”. An imposed license by-law and an imposed fee is not going to improve neighbourhood stabilization and deterioration. There is always going to be rental housing in every community, in some neighbourhoods it will be more concentrated then others. There is always going to be deterioration of homes whether they are rented or owner occupied. A fee is not going to stop this.

I strongly believe that if the City approves a license by-law for rental housing there will be a lot of negative outcomes that the City is not considering in the long term. The supply of rental housing will be decreased due to increased costs and management of such a license by-law. Guelph will see an increase in rental rates due to increased costs and management – as a result making it difficult for tenants to find affordable housing. Guelph will no longer be known as a friendly City that welcomes University of Guelph students and helps them through their studies, rather it will be known as a City that wants to restrict and make being a student in Guelph more difficult. Students looking to go to University not only look at the University but the City as a whole. And if City takes an active role in pointing out that students are problematic then the University of Guelph may see decreased admissions which is definitely not an overall positive outcome.

I am strongly against a license by law and hope that the City can see that this solution is not truly a solution to the key issues it states.

Thank you,

Anita

Guelph Landlord

Subject: Rental Housing Licensing Program

Please let it be known that I do not support the proposed "Rental Housing Licensing Program"

It is an unwise public policy.

Dave George

Dear members of the PBEE Committee:

I am writing in response to the new Rental Property Licensing Program being considered by council of the city of Guelph. I have been a landlord for the past three years in Guelph and some of our tenants have been students from all over Canada who are attending the well-renowned University of Guelph programs.

As a landlord, I exercise due diligence in selecting tenants for our properties, whether they be students or families for very obvious reasons. I do not want to see my property demolished by disrespectful tenants who deface or damage the property inside or out; I do not want to be faced with a situation where a tenant, student or otherwise, is not paying their rent; I do not want to deal with distraught neighbours of my property due to obnoxious and disruptive behavior exhibited by the tenants. In order to avoid the above noted concerns, I pay a property management company to screen all prospective tenants prior to rental and I continue to secure and pay for the property manager to oversee my properties throughout the year to ensure that tenants are not engaging in activity that is disruptive to their neighbours or the properties. Our property manager is available to our tenants at all times if they have any concerns about issues within the residence that need addressing to maintain their comfort and safety. It has been my experience that this process has provided myself as a landlord and the tenants (and their parents, if students involved), peace of mind that we are all on the same page which is that the tenants are provided with a safe and well maintained facility to reside in and that it should be respected as such. This process works for us.

As a parent myself and in speaking with potential parents of university students, they appreciate that our properties are maintained in this manner; that we do not overcrowd our residence and that we maintain a fair and equitable rental amount for our properties. In saying this, it will be difficult to absorb another fee on the properties. As our properties are townhouses, we already pay condo fees, mortgage, city taxes, property management fees, utilities, and ongoing maintenance and incidentals. We have not increased our rent in the three years of renting our properties and hope to maintain this status quo to remain competitive within the rental market. This proposed new licensing fee will be a financial detriment to our rental properties and we encourage you not to support this new licensing program.

As a homeowner and taxpayer in the City of Guelph for the past 39 years residing in a single family dwelling, I have experienced numerous situations myself with a neighbour who has partied every weekend during the summer till all hours of the morning, has damaged our pool with broken glass from their partying guests tossing bottles anywhere; have awoken to broken glass on the sidewalks in front of and near our residence by the same neighbours yet noise bylaws did not seem to deter them from their disrespectful behavior and other neighbours and myself had to persevere. These were not students or tenants but the homeowners themselves who subjected us to this behavior. Are we going to start licensing single family residential homes as well? Where does it end? We should all feel safe and comfortable in our own home whether we are tenants or home owners.

It is my opinion that this licensing program is unnecessary and focused at a small group of irresponsible landlords that do not take responsibility in that capacity. The City of Guelph is looking to impose another tax grab from hard working, responsible individuals and it is unfair. I am not in favour of the implementation of this program.

Sincerely,

Judy Self

Subject: Opposition to a licensing program.

Dear Sirs,

I'm opposing against the program of licensing because this is not good for the City of Guelph as a University City.

As I can see, the quantity of rental units will decrease, the prices of rent will go up and the quality of rental units will decrease.

I'm sure that this will effect the good name for Guelph as a University city will be effected badley and the overal revenu what students will bring, will effect the city in many, many ways.

***Kind regards,
Robert and Hilde Vrins.***

Subject: Re: the Proposed City of Guelph Rental Housing Licensing Program

As a resident in Guelph, I strongly against this the Proposed City of Guelph Rental Housing Licensing Program. It is a very bad program. Just see our neighbor of Waterloo. Counselors who favor this proposal would be throw out of office in next election.

Philip Tian

To whom it may concern,

I am apposed to the idea of residential rental licensing in Guelph and hope the by-law does not pass.

Allan Rourke

Submissions in response to Cost/Benefit Analysis: Residential Rental Licensing

Submitted on behalf of Donna and Morris Haley by Joseph Hoffer, Cohen Highley LLP

- 1. The Staff Report fails to accurately articulate and represent to Council the real cost to tenants if any of the three licensing options are implemented.** The proposed cost in Option 3 is a direct rent increase of at least double the annual “guideline” set by the Province for 2014 (0.8%). Option1, if implemented, will be more than a 30% increase above the Provincial rent guideline. These costs occur by default and increase exponentially with each mandatory inspection imposed by a Licensing by-law as all mandatory inspection costs constitute “municipal charges” which qualify for a cost pass-through to tenants under the *Residential Tenancies Act* (RTA). Many low income tenants will face economic eviction as a consequence of Guelph’s imposition of this new municipal charge, freeing up the rental unit to move to a “market” rent, which, ironically, is most affordable for students and their guarantor parents. Evicted tenants will be forced to look to non-licensed “underground” rental units while those who do not move and pay the Guelph license fee will be forced to make cuts to their limited personal household budgets.
- 2. The Staff Report is not objective because its default assumption is that Licensing is the option for Council to consider; consequently the analysis must justify that outcome and disregard any other option.** Staff’s lack of objectivity results in a failure by staff to fairly set out considerations so that Council can make an informed decision on whether Licensing is warranted at all. The Report is rife with self-serving statements and omits facts that should be provided to Council. For example, in the executive summary, the writer asserts that Guelph is following the footsteps of other named municipalities in implementing a Licensing by-law but fails to identify major municipalities that have rejected Licensing (Toronto, Ottawa). The Report also suggests that the License is no different than those issued to other business activities (ie: Restaurants, retail); however, it is vastly different as the costs of most business licenses are spread over hundreds of consumers who choose to access the business, thus minimizing the cost to consumers. Tenants have no choice as the “per bedroom” license fee is in fact a “tenant tax” on bedroom occupants: a specific and limited consumer base with no choice but to pay the Guelph tax or move. City Staff have failed to objectively articulate the real consequences of the imposition of this tax on tenants and the rejection of a Licensing option by other major municipalities. These two examples illustrate material oversights and lack of objectivity in the Report which impair Council’s ability to make an informed decision about whether Licensing should be implemented at all.

- 3. The Staff Report fails to accurately articulate and represent to Council the compliance rate and administration costs of licensing.** As is noted in Attachment 4 to the report, the owner of a rental unit must pay all fees relative to obtaining and maintaining a license. Those fees can and will be passed on to tenants. For existing tenants, it will mean in many cases the need to move from affordable accommodation to cheaper accommodation. This frees up the rental unit to be re-rented to tenants who can afford the higher rent (students and their parents as guarantors) while the tenant who is forced to look for cheaper accommodation is more likely than not to lease from a landlord who has gone “underground”. In the City of London, after four years of operation, there is less than 50% compliance among known properties subject to licensing and in Oshawa, the municipality has yet to even conduct its mandatory inspections of the known universe of properties within a limited geographic area after more than six years of implementation of landlord licensing. The compliance rate in Waterloo is 37%. The compliance numbers used by City Staff do not reflect experience in municipalities nor do Staff accurately describe the harsh consequences of passing on the Guelph Licensing charges to tenants.
- 4. The Staff Report fails to accurately describe the ability of municipal staff to investigate and inspect existing rental operations and ignores the comprehensive regulation and enforcement of maintenance and housing standards under the provisions of existing municipal by-laws and provincial legislation.** The Staff Report downplays the existing investigative powers of zoning and fire officials; property standards officers; and by-law enforcement officers under existing municipal and provincial legislation. The Report suggests that an additional level of bureaucracy through a Licensing by-law will motivate municipal staff to exercise their inspection and investigation powers. In reality, after Council implemented a proactive inspection and enforcement program, municipal inspectors achieved positive results for the health and safety of tenants by exposing and correcting deficiencies in existing rental units. The success of the proactive inspection program reinforces our submission that an additional, costly layer of regulation is not needed. The Staff Report really just proposes that the City hire several additional staff to do what existing staff are already supposed to be doing proactively. If the hiring of additional staff is the answer then the problem is solved by hiring additional staff, not by imposing a costly new tax on tenants who are most vulnerable to these new municipal charges.
- 5. The Staff Report fails to accurately articulate and represent to Council the enforcement measures available to tenants and the municipality under the provisions of the RTA.** The RTA imposes mandatory obligations on landlords to maintain and repair rental properties and to ensure compliance with health, safety and occupancy standards. The RTA provides free information to tenants through live consultations by telephone or with staff at Social Justice Tribunal offices and provides enforcement through the Social Justice Tribunal or through the enforcement officers of the Ministry of Municipal Affairs and Housing. If tenants are concerned about maintenance or health issues, they are referred to the municipality

for by-law or *Fire Code* enforcement inspections. There is no factual basis for the Staff contention that tenants are reluctant to appear before the Tribunal or a Court in order to assert their rights; in fact, the most reluctant witnesses may well be municipal inspectors who are often reluctant to inspect, report, and testify about a landlord's compliance with health and safety standards.

6. **The Staff Report fails to provide Council with real data about the experience of other municipalities in implementation of Licensing By-laws.** In Oshawa, Licensing has been a costly failure, with municipal costs far exceeding revenues and a high proportion of rental units still uninspected. In London, in the first 3 years of operation, the City Licensing operation had a shortfall of one million dollars and found only fifteen violations (13 for zoning and two for Fire Code): each violation cost \$84,000 to uncover when they could have been uncovered by existing staff under existing zoning and Fire Code provisions. It was only after members of the public exposed the losses through a Freedom of Information request that municipal staff suddenly embarked on an inspection blitz in an effort to quell public outrage (and in their budget increase request London staff failed to inform council of the \$1.1 Million dollar shortfall while asking for two additional staff for the program). The result in London has been an 800% increase in License fee charges (from \$25.00 to \$55.00 plus a mandatory \$170.00 inspection fee). In Waterloo, of 3000 applications received for Licensing, only 2 were rejected for non-compliance with health and safety standards (1 of those was successfully appealed, so actually just one refusal). In addition, in Waterloo and London, compliance by registration is less than 50% and London, in particular, can document tenant evictions as a result of increased rents or the closure of units by Landlords unwilling or unable to demonstrate historical zoning compliance due to the cost of finding and retrieving decades-old documentation.
7. **It is submitted that if Council's primary concern is the health and safety of tenants, then the better option is to proactively encourage tenant education and enforce existing health and safety by-laws rather than impose a new "tenant tax" that will force some tenants and landlords underground or will result in the eviction of tenants who occupy registered units due to the substantial increase in rents.** City Staff characterize Licensing as another "tool" in the City's toolbox. What the Report fails to point out is what everyone with a toolbox knows: that every toolbox has expensive tools in it that are rarely, if ever, used because they provide no practical benefit.

All of the statistics used in our submission above come from information provided by the municipalities cited and we can, if requested, provide full statistics in support of the submissions above. What follows, in **bold red font**, are our submitted responses to the various questions posed in Attachment 4 of the Staff Report:

STAFF REPORT

Attachment 4

Rental Housing Questions, Answers and Key Decisions

The City is committed to working with property owners, landlords, tenants and other community members to create and maintain vibrant neighbourhoods for all residents to enjoy.

Currently, the City is working to determine if, in addition to increased enforcement of existing tools and community education, a rental housing licensing program would help address concerns about repeated by-law offences, disruptive behaviour, excessive noise, parties, litter, vandalism etc. in neighbourhoods with high concentrations of rental housing.

Questions and Answers

Q. How might a licensing program help address community concerns about repeated by-law offences including disruptive behaviour, excessive noise, parties, vandalism etc.?

A. Licensing rental housing would not directly influence people's disruptive behaviour, but a licensing program could enhance the City's ability to enforce zoning, parking, noise and property standards by-laws by requiring owners to provide contact information for a local landlord or property manager. **Such contact information is already mandatory under the provisions of s. 12 (1) and (3) of the RTA. The inspector only needs to speak to the tenant to obtain the information and/or check the property tax documents. The Staff Report gives no statistics on how much actual additional local contact information would result from implementation of a multi-million dollar licensing program.**

Q. Has the City shifted away from addressing concerns about excessive noise, parties, litter, and vandalism to focus on protecting health and safety of tenants?

A. No. The City's enhanced enforcement efforts continue to have a positive impact on neighbourhoods with high concentrations of rental housing. The City is also exploring ways to improve health and safety in rental housing to create and maintain vibrant neighbourhoods for all residents to enjoy. **In other words, existing regulations work, provided City staff are proactive in enforcing them.**

Q. How would a licensing program impact property owners/landlords?

A. Home owners intending to rent a unit on their property would require a license, must comply with its requirements, and pay any associated fees. Compliance may require making renovations and permitting ongoing inspections to ensure properties meet all required codes and standards. For detailed information about potential licensing fees and staffing levels, please refer to the July 15, 2013 Cost/Benefit Analysis Report to the

(PBEE) Committee (Report #13-32) **All properties are already required to meet “...all required codes and standards”. The Guelph license program will duplicate existing powers and laws and the Guelph fee is passed directly on to tenants, thereby reducing affordable supply; increasing rental housing values for investors; triggering vacancies for more student occupancies; and forcing some vulnerable tenants to seek “underground” accommodation.**

Q. What new or additional requirements would owners/landlords have to meet?

A. A licensing program could require owners/landlords to meet specific conditions for providing and maintaining safe housing. For example:

- Licence application would include: number of bedrooms, floor plan, property maintenance plan, contact information for local landlord/property manager
- Rental unit must pass required inspections (Fire and Building Code etc.)
- Owner must have and provide proof of adequate property insurance
- Owner may be required to meet specific conditions in order to be licensed
- Licensing fee (and penalties)

All of these costs shall be passed on to a limited number of “customers”: the existing or future tenants of the rental unit. The inspection requirements are a winfall for City staff and ensure job security for the future, the costs of which are borne by tenants and residential taxpayers because experience in other municipalities shows, consistently, that Licensing operates at a substantial loss.

Q. Would a licensing program require more enforcement?

A. The City could reassign existing staff resources to enforce new requirements included in a rental licensing program. For detailed information about potential licensing fees and staffing levels, please refer to the July 15, 2013 Cost/Benefit Analysis Report to the Planning, Building Engineering and Environment (PBEE) Committee (Report#13-32). **All options set out in the Staff Report contemplate the hiring of new staff who will duplicate existing enforcement powers. Even if the Staff response to the question was accurate, it would then beg the question: instead of introducing and implementing a multi-million dollar licensing regime which imposes financial hardship on tenants, why not just enforce existing by-laws?**

Q. Does the City plan to limit the number of bedrooms that can be rented?

A. The number of bedrooms being rented in two unit dwellings and lodging houses must comply with the City's existing Zoning By-law. Plans for a licensing program do not include further limitations. **Then you won't need a multi-million dollar licensing program to enhance the existing by-laws to address such limitations on existing bedrooms.**

Q. How well are existing rental housing regulations being enforced in Guelph?

A. Before 2007, Zoning, Property Standards, Yard Maintenance by-laws were enforced only if the City received a complaint. Since then, Guelph has increased enforcement efforts in areas with high concentrations of rental housing. The City hired a Zoning Inspector who has proactively inspected approximately 800 properties. Proactive Property Standards reviews are also performed annually, and the City continues to enforce provincial Building and Fire codes. The City has received community feedback stating that enhanced enforcement is having a positive effect, and staff feel a licensing program could further enhance the City's ability to enforce existing housing requirements. **There is no question that any additional resources (ie: staff and money) will “further enhance” enforcement. The same holds true for hiring additional police, fire, transit, etc. employees. It is clear that existing tools are effective without having to impose a new tax on tenants just because “...’staff feel’ a licensing**

program could further enhance the City's ability to enforce...". What about tenants' and taxpayers ability to pay for this?? Will any consideration be given as to how they might "feel"?

Q. Why would a rental housing licensing program exclude multi-residential properties?

A. Low-rise residential dwellings are not built or regulated the same way as apartment buildings, nursing homes, rest homes, palliative care, group homes, emergency shelters, student residences operated by universities or colleges, and social housing.

These multi-residential buildings are purpose-built with inherent fire safety measures and are already subject to various inspections protecting health and safety (eg. Owners are required to have fire safety systems tested and inspected at intervals to comply with the Ontario Fire Code).

The City's proposed rental housing licensing program is intended to apply to properties not already governed by existing licensing regulations and/or legislation administered by the City or other levels of government. **All properties proposed to be covered by Licensing are already governed by legislation administered by the City or other levels of government: Staff's response to this question is misleading and inaccurate!**

Q. Is licensing fair to landlords? Would lawful property owners be paying more fees so the City can find non-compliant owners?

A. A licensing program could increase fair competition among owners/landlords; all owners/landlords would be required to maintain the same standard of safety and quality of rental housing, and would be subject to the same licensing fees. **The short and accurate response to this question is: "No, licensing is not fair to landlords" and "yes" lawful property owners will pay more fees, although it's debatable whether the city will actually find non-compliant owners. It's more likely that the City will just pay more money to look for non-compliant owners. And what this question ignores is the impact of the increased fees on tenants: lawful property owners will have to incur unnecessary costs which will drive up rents they charge which limits their competitive position in the rental marketplace.**

Q. How did the City determine tenants are less able to protect their health and safety than property owners?

A. The Guelph Fire Department responds to many complaints each year from tenants of rental properties which do not meet safety standards or legislation. Tenants don't own the property in which they live, therefore they are generally not responsible for and/or may be unable to make repairs to plumbing, heating and electrical systems, fire separations, closures, smoke alarms, doors and windows or perform other required building maintenance. The safe and reliable operation of these systems is essential to tenant health, safety and well-being. **There is no reason why the Guelph Fire Department cannot provide tenants with a copy of deficiencies which the tenant can file with the Social Justice Tribunal in an application which will produce an order requiring landlords to comply and, at the same time, giving tenants an abatement of rent based on the landlord's non-compliance.**

Q. How might licensing affect people who need affordable housing?

A. The City is committed to ensuring safe and affordable rental housing options. If a licensing program is implemented, the City will recommend fair and reasonable licensing fees to mitigate potential rent increases. **The current options propose a minimum increase that is twice the Provinces annual guideline increase of 0.8% for 2014. City minimum increase of \$15.00 per month is 1.6% (if rent for one bedroom is \$1000 monthly to more than 10% if rent is \$500 monthly. And these amounts are exclusive of any mandatory inspection fees. Implementation of**

Options 1 or 2 proposed by staff will increase those percentage costs to tenants exponentially. Tenants will be made aware that the “rent increase” is due to the imposition of municipal charges, all of which can lawfully be passed through in an increase to lawful rent under s. 126 of the RTA. It is unacceptable that City Staff have failed to make council aware of the real impact and potential fallout of these increases on the affordability of existing rental housing for landlords who proactively comply by applying for a license. As in Waterloo, where only 2 licenses out of 3000 applications were refused due to non-compliance, will the cost of this program be worth it???

Q. How much would a licensing program cost?

A. The City has prepared a cost benefit analysis for the Planning, Building, Engineering and Environment Committee's consideration on July 15, 2013. The report includes options for possible licensing fees, potential cost to tax payers, and impacts on home owners, landlords and tenants. Please refer to the July 15, 2013 Cost/Benefit Analysis Report to the Planning, Building Engineering and Environment (PBEE) Committee (Report#13-32)

The short answer to this question is it will cost millions of dollars to administer and enforce, with virtually no practical benefit for tenants or landlords.

Q. When might a licence program be in place?

A. If approved by City Council, a rental housing licensing program could begin in year 2015 at the earliest.

Q. What is the difference between zoning and licensing?

A. Zoning provisions address the location, density and intensity of residential buildings and uses. Licensing could regulate the business of renting residential buildings and, unlike zoning, licensing can be applied to existing operations regardless of when they were established. **And unlike other business licenses, the entire cost of the license is passed on to a small number of customers who have no choice other than to pay the fee or move.**

Q. What feedback has the City received from the Ontario Human Rights Commission regarding the proposed rental housing licensing directions?

A. The City continues to work with the Commission to ensure any proposed licensing program does not inadvertently or directly discriminate against any individual or group based on disability, age, sex, or family status. The Commission also offered the following advice:

- Consider the Ontario Human Rights Code while drafting the licensing by-law, and integrate references to the code.
- Regulate the units, not the renter
- Avoid "per occupant" references
- Implement the by-law city wide and do not target a particular area
- Mitigate impact on tenants
- Avoid minimum separation distance requirements; and
- Commit to monitoring and evaluation reviews at least every five (5) years.

The city's consultation and implementation of studies and analysis are admirable. One can legitimately point out, however, that the cost of all of these studies, etc. could have been avoided if questions regarding whether Licensing should be implemented at all had first been addressed and Council and Staff. Licensing is unnecessary given the existing tools available to address health, safety and neighborhood concerns about rental housing.

Key decisions regarding rental housing

In 2009, the City began discussing options to address community concerns about repeated by-law and criminal offences including disruptive behaviour, excessive noise, parties, litter, vandalism etc. in neighbourhoods with high concentrations of rental housing.

In 2010, Council approved a comprehensive work plan to find ways to address concerns raised by residents and landlords including Zoning By-law changes and enhanced enforcement (zoning, property standards, parking and noise).

In June 2010, Council passed an interim control by-law prohibiting the establishment of any new accessory apartment units and/or lodging house units in a portion of the City while staff developed a Zoning By-law amendment to prevent further concentrations of rental housing in these neighbourhoods. That Zoning By-law amendment was passed later in 2010. (see below for information about the appeal of this by-law)

In 2011, additional zoning enforcement, by-law compliance and fire prevention officers were employed to enhance enforcement and address community concerns.

In 2012, after property-owners/landlords appealed the City's Zoning By-law amendment to the Ontario Municipal Board and the Ontario Human Rights Commission obtained party status on the matter, Council repealed the Zoning By-law amendment and the interim control by-law, and directed staff to develop a rental licensing program for Council's consideration.

In May 2012, Planning, Building Engineering and Environment (PBEE) Committee received a report (12-60, May 22, 2012) outlining the work plan for developing a proposed licensing program and, in February 2013, proposed directions for a licensing program were received by the committee (13-04, February 19, 2013). The Committee directed staff to present a cost-benefit analysis to show: potential costs/investment in licensing program, and how it would benefit neighbourhoods with high concentration of rental housing.

In July 2013, the City presented a cost benefit analysis report to the PBEE Committee (13-32, July 15, 2013), and asked City Council for approval to proceed with community consultation regarding a proposed licensing program.

A current “key decision” is whether to implement a costly program to duplicate existing programs and to impose on tenants a disproportionate expense which is more likely than not to impose hardship on tenants; cost to the municipality; and the promotion of an underground rental culture which exposes vulnerable tenants to even greater hardship.

Hi,

I wanted to write to express my concern with the recent report released encouraging the government to push through mandatory licensing for Landlords of residential properties.

I feel it is in the best interest of taxpayers that the government out-source this matter to a group that can fairly and without bias investigate this matter and provide accurate and impartial feedback about whether this is a license that should be instated or not.

Furthermore, I am concerned that the government is overlooking important issues that will be negatively affected should this licensing act come to pass. Given the current housing shortage in the City of Guelph to serve students, it seems like a simple conclusion to draw that this matter will only get worse should this licensing be forced on residential landlords. Many owners of rental properties will be forced to either sell their income properties (creating even more of a housing shortage for students) or jack up their rental fees resulting in the students being hit the hardest.

I hope that the points I have made above are seriously considered before this licensing act is pushed through and at the very least, the due diligence to have an externally-contracted company complete the report in regards to this matter.

Thank you for your time,

Sincerely,

Kara Wagland

From: Lucy Lu
Sent: July 11, 2013 11:24 AM
To: Clerks
Subject: Against the licensing rental housing of Guelph

Dear city clerk's officers,

Guelph is a safe place to live. Please just leave this way as it was. I am not agree the licensing rental housing of Guelph. Thanks.

Lucy

**Ontario Human
Rights Commission**

Office of the Chief Commissioner

180 Dundas Street West, 9th Floor
Toronto ON M7A 2R9

Courier postal code: M5G 1Z8

Tel.: (416) 314-4537

Fax.: (416) 314-7752

**Commission ontarienne
des droits de la personne**

Cabinet de la commissaire en chef

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July 11, 2013

City of Guelph

Planning, Building, Engineering and Environment Committee

Citty Hall, 1 Carden Street

Guelph, Ontario N1H 3A1

Re: Report No. 13-32, Rental Housing Licensing Cost-Benefit Analysis

Your Worship and Members of Council,

Over the past several months, City staff have been in contact with the Ontario Human Rights Commission (OHRC) as the City considers its options for licencing rental housing in Guelph. We are pleased to see that some of this discussion is reflected in references to human rights in the Rental Housing Licensing Cost-Benefit Analysis report.

We will continue to follow your progress on licensing, and offer a few suggestions for the next stages.

The current report refers to some sections of *Room for everyone*, the OHRC's new guide to human rights and rental housing licensing. We have included hard copies of this book for all Committee members for your reference. This guide contains a number of areas to consider when designing or considering licensing. Examples include:

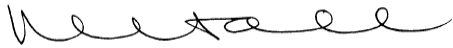
- Consult with groups protected under Ontario's *Human Rights Code* before drafting the bylaw
- Work to ensure any bylaw does not limit or reduce the availability of affordable housing
- Make sure that meetings about the bylaw focus on actual licensing issues, and not on the people who will live in the housing.

While the current cost-benefit analysis report offers some insight into what a licensing bylaw might include, we recommend that decisions on the length of licensing and renewal periods only be made after a final decision to proceed with licensing is made, and after bylaw details are more clearly defined.

We look forward to taking part in the consultation phase, and will continue to comment on ways to ensure the bylaw meets the City's health and safety needs while also respecting and advancing human rights – a critical connection for a healthy community.

For more information, contact Jacquelin Pegg, Inquiry Analyst, 416-326-9501, jacquelin.pegg@ohrc.on.ca

Yours truly,

A handwritten signature in black ink, appearing to read 'Barbara Hall', with a stylized, cursive script.

Barbara Hall, B.A, LL.B, Ph.D (hon.)
Chief Commissioner

Note: Original and copies of *Room for everyone* being forwarded via courier.

CCM #: MGT2013-000065

Response to Cost Benefit Report – Proposed Rental Housing Licensing

Submitted by Robert Dion & Lynda Ducharme

Ducharme Dion Holdings Inc.

**Owners of rental properties – 306 Cole Road, 402 & 404 Cole Road, 21
Mason Court**

July 11, 2013

We have read the report and wish to register our concerns and objection to the proposal. We completely endorse the Review produced by Morris Haley, Member of Guelph Community Landlord Association (GCLA) because we believe the comments are thoughtful, rational and should be given serious consideration.

We would like to suggest that a collaborative relationship between the City, the GCLA and University Off Campus Housing office, City Police and Bi-Law Officers would produce a much more effective means of addressing concerns from other property owners in the city, rather than imposing a licensing bi-law that is highly selective and punitive.

In a highly competitive rental market, we have not increased our rents in the 10 years that we have held the properties, yet we incur ongoing costs associated with maintenance due to damage by tenants, upgrades to ensure the buildings meet tenant expectations, and increased taxes.

As property owners, tax payers, Toronto-based landlords we believe that we are exceedingly accountable for the maintenance of the properties and responsible behaviour of our tenants. For example:

- Robert spends 2 -4 months each summer living during the week in Guelph to conduct upgrades and maintenance on the properties.
- We are on the premises of the houses on a consistent basis in response to the needs of our tenants.
- We have developed relationships with surrounding neighbours to monitor any issues with the tenants and properties and respond immediately to any concerns or requests.
- We fully complied with the onerous requirements of the Guelph Fire Department several years ago, incurring enormous cost and finding out after the fact that our properties were not required to comply with no recourse to recoup the costs.

We would like to add the following comments in response to the Report:

Tenant Wellbeing

Landlords are already heavily regulated – more than any other province or state in North America. The licensing proposed duplicates bi-laws that are already in place and will incur significant administrative and enforcement costs. Why should landlords pay for this?

Neighbourhood Destabilization

Contact information for each property currently exists on City records. We are notified within 24 hours, or less, of any issue regarding noise, garbage or property maintenance (e.g. grass or weeds). There currently exists a bi-law for no overnight parking on city streets during the school year.

Disruptive Behaviour

As previously noted, 24 hour notice to landlords is already in place. How will this improve with a licensing program?

Lack of Information

Not only are we registered with City tax records, most landlords of student housing are registered with University of Guelph Off Campus Housing in order to post available housing, as well as with the Guelph Community Landlords Association.

Enforcement Challenges

Ontario Landlords have no ability to charge damage deposits and therefore enforce obligations of the lease. How will licensing change this?

Funding Implications

The enormous projected costs of staffing and enforcing a licensing program that duplicates existing bi-laws will have to be passed on to the students in the form of increased rents. How is this protecting the well being of tenants?

As landlords, we own property, pay taxes and support all manner of local retail enterprise. By providing affordable housing that is in demand by the student population, we contribute to the infrastructure that encourages a vibrant student experience, which contributes to the ability of the University to increase enrolment. This is critical to the economic health of the City. We sincerely hope that the City is prepared to represents the interests of landlords as well as other groups.

Let us recognize that the impetus behind this initiative is to deal with the behaviour of unruly students. That problem can adequately be dealt with by enforcing current bi-laws and the criminal code (i.e. Bi-Law Officers and Police Officers). Landlords are not responsible for the behaviour of their tenants.

Thank you for reviewing our submission.

Robert Dion & Lynda Ducharme

To all Guelph taxpayers:

As a fellow taxpayer, I would like to state my objection to implement a \$7.8 million dollar licensing program within the city of Guelph. My objective of this letter is not to make comment on how or why I disagree with many of the hypotheses produced by the report and its authors, as the resulting interpretation would be weighted by my self-interest. I would like to instead, state my objection to the issues within the report that impacts me and all city of Guelph citizens as taxpayers.

The decision to implement a certain style or system of licensing should at the very least be vetted by an independent source. The current cost benefit analysis within the report cannot be viewed with any legitimacy knowing that it has been supplied by the very structure looking to install it. The report's authors are Joan Jylanne, a senior policy planner in planning services at the city of Guelph and Bill Bond, a zoning inspector in building services at the city of Guelph. Their report states that there will be a cumulative 5 year cost of just over 7.8 million taxpayer dollars. Within the report, cost was stated with certainty and revenue was stated as an expectation. My expectation as a taxpayer is for transparency. My lowest expectation prior to making a 7.8 million dollar expenditure would be that the information provided be prepared by an independent consultant and perhaps an author with a degree in economics. If the city of Guelph wishes to convey that our municipality's brand of licensing will be the very first and only municipality to be either revenue neutral or positive, as a taxpayer I would have preferred an independent consultant declare this. If I could independently claim or provide my own version of financial credibility when applying for a mortgage I might not find this report so objectionable, unfortunately, for myself and all credit seeking applicants this is not the case. Just as unrealistic as it is to think that any business would operate their lending institution upon that same criteria, I also consider this report, and the credibility of information you are willing to accept in forming a \$7.8 million decision, unrealistic and disrespectful to all Guelph taxpayers.

The current report makes no mention of the economic impact on our localized market. It took me 5 minutes to obtain information provided by CMHC that described Guelph's rental market and our 2013 projected vacancy rate of being only 1.4%. Within the cost benefit report there is no mention of how **licensing** will affect the economic factors that dictate available supply, demand, underground demand and price. Therefore there are still important questions to be asked.

What will be the impact of increased restriction with a higher barrier of entry and an elevated cost to operate, have on rental rates in an already competitive market with an inventory short fall? My educated guess is that the cost to the lower economic class will increase exponentially. As policy makers and guardians of our tax dollar, the very best of information should be sought before making a 7.8 million dollar decision, if even, just to dismay the conjecture of an internal report being produced solely to support what currently sounds as an already predetermined outcome.

Sincerely,

Stephen Foti

B. Comm. Management and Economics Industry Finance UofG

July 11,

2013

Planning Building Environment Engineering Committee (PBEE)

I currently own 4 rental properties in Guelph which I have managed for the past 25 years. Although I moved out of town 5 years ago, I currently have a local team that take care of repairs and maintain lawns etc. All my rental neighbours have been given my contact information as well as the tenants and all requests are answered and/or dealt with within 24 hrs. I have known many of my neighbours since I purchased the properties and any issues have been relatively small in nature and resolved quickly. I consider myself a "good landlord".

I believe that licensing single family rental units will be detrimental to tenants living in Guelph. It is already challenging and costly to manage rental properties - if additional requirements are added it is reasonable to assume that the supply of rental houses will shrink and this coupled with the increased licence costs will mean tenants will have to pay significantly more rent. I do not understand how City Staff figure that there will be no rent increase for Tenants. There has always been a shortage of affordable housing in Guelph and this will make the situation worse.

If compliance is difficult or impossible for some owners, forced sales could drive down property values in specific Guelph markets as well as significantly increasing monthly rents. The housing stock available for Tenants (especially low income Tenants) would be decreased.

If licensing is to be implemented, it should be applied to all Landlords to create a level playing field - not just to Landlords renting entire homes.

The problematic Landlords represent a small percentage of the whole. I suggest that it makes more sense to continue to focus enforcement of existing bylaws where it is needed. I suspect that these problematic Landlords will also be the last ones to adopt the licensing program which makes me wonder if the program will really achieve its desired goals or just cost the rest of us in the process.

Other municipalities have tried licensing in the past and have not achieved the results they were looking for. Waterloo is a good example.

I do not object to the cost of maintaining quality rental accommodation, but I do object to paying dearly for more city staff who provide no added value to my enterprise. I know this is a complex issue with some enforcement challenges - I am hoping a different solution will be found.

Thank you for receiving my comments. Sincerely,

Paul Martin

From: Sandro Novelli
Sent: July 11, 2013 8:13 PM
To: Clerks;
Subject: Rental Housing Licence Proposal

To Whom it may concern.

This is in response to your suggested proposal in regards to Rental Housing Licencing.

I hereby declare that this is nothing but a "CASH GRAB" for the city. My properties are well maintained and have a property manager who assists in maintaining it on a continuous basis.

This proposal is unconstitutional, and impedes on peoples/owners privacy.

There is no such thing as this ridiculous proposal in any other jurisdiction, which leads to the conclusion of a constructive way for the city to find ways to generate revenue.

I DO NOT SUPPORT YOUR RIDICULOUS PROPOSAL!

Thank You

Dear Sirs/Madam,

I wish to express that I do not agree with going forward with licensing and charging a fee to landlords.

It is a violation to tenants that city officials inspect their habitat, no matter how often.

The 7.8 million cost is tremendous. Much more work needs to be done before going forward with such a large expenditure.

Also, this study needs to be done by an Independent party, not the city due to the economic and social impact on the community.

I do not wish for licensing to go forward.

Respectfully,

Susan Haines

July 11, 2013

DELIVERED VIA EMAIL

The Corporation of the City of Guelph
Planning & Building, Engineering and Environment Committee
Council Chambers, City Hall
1 Carden Street
Guelph, Ontario N1H 3A1

Dear Sirs/Madames:

Re: Consideration of Staff Report - Rental Housing Licensing Cost-Benefit Analysis

Please consider this letter my submission for the Committee's consideration during its meeting on July 15, 2013 to review the above-referenced Staff Report regarding the potential implementation of a rental housing licensing program. I am personally interested in this issue as I am currently a landlord in the City of Guelph where I own two townhouses. The first townhouse is located at Roehampton Crescent that I purchased to rent to my son and a few of his friends, all students at the University of Guelph; the second being located at Katemore Drive, that I rent to other University of Guelph students. These properties are both part of registered condominium corporations so that my tenants are not only required to comply with their obligations under their rental agreements with me, but also with their obligations under the condominium corporation by-laws.

I have reviewed the Cost Benefit Report No. 13-32 dated July 15, 2013 prepared by City Staff. The Executive Summary lists six key issues that can be addressed by a rental housing licensing program. I submit that each of these issues can be dealt with under existing by-laws and provincial laws, rather than the implementation of an expensive rental licensing program which would be an unnecessary duplication, and what may be viewed by some as a "cash-grab" by the City of Guelph.

Owners of rental housing, such as myself, are already heavily regulated by provincial legislation (the *Residential Tenancies Act, 2006*) and the Landlord and Tenant Board. Additional rules are contained in the Ontario Building Code, the Ontario Fire Code and the City of Guelph property standards under the Municipal Code. Upstanding landlords are doing their best to comply with the current regulatory scheme, and do not require a rental license program to ensure compliance. The establishment of a rental housing license program, I submit, will merely promote "an underground rental system".

The Report cites “health, safety and well-being” of tenants as an issue which can be improved by the implementation of a licensing program. The Report however does not deal with the realistic results of the implementation of such a program:

- Firstly, there will be landlords who do not obtain a license, yet tenants will still exist who will rent from them - I suggest these landlords are the ones the City is trying to target, those with substandard premises who take advantage of students;
- Secondly, more upstanding landlords will obtain their license, and then merely pass these costs onto their tenants, some of who may not be able to afford the increased rent and will search for the less-desirable rental premises mentioned above.
- Tenants who are concerned with their living conditions currently have protections under the *Rental Tenancies Act, 2006*, which is a very tenant-friendly piece of legislation. Complaints can be lodged with the Landlord and Tenant Board and dealt with accordingly.
- It appears from the scope of this proposed program that the City is only interested in the health and safety of tenants who occupy one & two unit houses and basement apartments, in that only these type of units would be subject to the licensing program – these are the type of units predominately rented by students. Why would the City not be interested in the health & safety of tenants renting larger properties such as 3 & 4 units or single bedrooms in owner-occupied houses?? If health & safety is truly the objective of the proposed program, then all types of rental operations from single rented bedrooms in owner-occupied houses to the largest multi-unit rental should be licensed for consistency.

The Report states that increased by-law enforcement should be paid for by the type of rental property being licensed and not by the general taxpayer population. But consider the following:

- There are many other by-law enforcement actions taken which the general public pays for.
- It is my understanding that ***only municipalities in Ontario that have Universities & Colleges adjacent to residential neighbourhoods have ever implemented licensing programs. Other municipalities can support Tenant safety without licensing. Why can't the City of Guelph? Is it because Municipalities, like Guelph, want to impose restrictive provisions on Landlords to encourage less student housing in neighbourhoods close to the University?***
- The City of Guelph and its general population benefit economically from the fact that there is a University within its borders – thousands of students support the services and business that exist in the City of Guelph, and the entire population benefits from quality private student housing that attract students to the University of Guelph.
- A license fee charged to landlords is a form of double taxation – it is just another form of property tax!

It also appears shortsighted on the Committee's part not to fully consider the implications of the *Ontario Human Rights Code* in their Report:

- While the Report on page 5 quotes the Ontario Human Rights Commission, I am confident that the passing of a rental licensing program could be challenged as being contrary to the *Ontario Human Rights Code* – that the City's real purpose is to target student housing, and that the program is discriminatory on the basis of age and family status, contrary to the provisions of the Code.

The Report also reviews concerns regarding behavioural issues of certain tenants and suggests that a rental licensing program will improve this issue. I suggest this conclusion is unfounded:

- It is my understanding that in Guelph, rental homes amount to fewer than 10% of all property standard and noise complaints [“Why Licensing Rental Housing is Wrong” by Mike Chopowick, published in Fair Exchange September/October 2010 Magazine Issue – copy attached.]
- Behavioural issues cannot be controlled by any landlord, whether in town or otherwise.
- Stringent application of existing by-laws and charging the people responsible are the best ways to control such instances and change behaviours.
- I understand that the enhanced enforcement program in Guelph that commenced in 2011/2012 has materially reduced behavioural issues. This program should be given additional time to work.
- If student behaviour off campus is truly a major issue, I suggest that the University be involved in any efforts to change behaviours, perhaps by instituting programs and/or consequences to ensure students more responsible and accountable for behavior off-campus.

A longer term result of this program which is not considered in the Report is the resultant decrease in the number of rental properties in the City, and the potential impact on the real estate market in Guelph in general:

- The Report casually notes the impact to affordable housing will be “minimal” but does not offer any rationale why.
- From my research it appears that the direct effect of licensing is to reduce the supply and availability of housing units in a city. This should not be the policy objective of any City, let alone a University city where parents take into account such things as living conditions and the availability of good quality housing when deciding where to send their children to university.
- Why would the City of Guelph want to discourage quality rental properties from being established, when such properties are key in attracting the best students to the University of Guelph??
- If this rental license fee becomes cumbersome, I will consider selling my rental properties, and I suggest, so will many other quality landlords. This “en masse”

selling could lead to reduced property values in the City of Guelph and a depression in the residential real estate market.

In closing, I ask the Council to consider a conclusion of Mike Chopowick in his attached article:

“Like other misguided policies, such as rent control, licensing is perceived at first glance to be a good thing for tenants. Like rent control, however, licensing actually does the opposite of its stated intention. it reduces the supply of quality rental homes, forces tenants to pay higher costs and does not improve property standards.”

Thank you for your consideration of my submissions.

Yours truly

A handwritten signature in cursive script, reading "Christina Cuthbert", with a long horizontal flourish extending to the right.

Christina Cuthbert

Why Licensing Rental AND WHY MUNICIPALITIES THAT USE LICENSING

By Mike Chopowick

In a recent issue of the *Law Times*, Editor Glenn Kauth advocated for the licensing of landlords. It is first important to point out that Mr. Kauth's primary occupation is that of a journalist and reporter...not as a lawyer or housing expert. His unawareness of basic residential tenancies law and landlord-tenant issues is abundantly clear.

The first mistake people like Glenn Kauth make is believing licensing "protects tenants". This is not true.

Licensing Does Not Protect Tenants

It may shock many to learn that the primary objective of licensing is not to "protect tenants". Its main purpose is to make residential neighbourhoods purely the domain of homeowners by using onerous regulation to purge tenants and renters from communities.

Sound unbelievable? In fact in many cases, licensing is seen as an effective tool to remove student renters from residential neighbourhoods. Increasingly, municipalities have caught on that licensing can be used to remove not just student renters, but all tenants who are seen by homeowners as "destabilizing" to their neighbourhoods.

If you are still in doubt, below are the reasons just some Ontario municipalities have used to justify rental housing licensing:

"Nothing short of getting rid of all students will appease local residents,"

John Gray, Mayor of Oshawa, January 4, 2008

"Too many rental properties are concentrated in certain areas or neighbourhoods of the city"

City of Waterloo Planning Report, July 13, 2009

"The concentration of shared rental housing is leading to the deterioration & destabilization of some identified neighbourhoods"
City of Guelph Staff Report, August 2010

"The Residential Rental Units Licensing By-law has been put into place to protect the amenity, character and stability of residential areas."
City of London, Ontario, 2010

Unfortunately, according to many politicians, tenants are "bad", and homeowners are "good". Thanks to

changes made to the Municipal Act by the McGuinty government in 2007, local councils can now use licensing to legislate rental housing out of existence.

Of course, what city councils don't tell you is that licensing, in addition to ridding their neighbourhoods of tenants, is more about grabbing extra tax revenue. London will be charging a \$25 annual fee and a \$95 re-inspection fee. Oshawa will be charging a \$75 application fee, and annual \$250 license fee, and a \$75 inspection fee. Ultimately, all these fees will be paid by tenants.

Guelph is considering licensing, and recently approved a zoning by-law to separate rental housing units by at least 100 M. It is estimated that this will reduce the number of rental units by 960.

Forced Out of the Housing Business

Many Guelph landlords just own and manage a small number of properties, provided to families, students, seniors, and single professionals. They are already heavily regulated by provincial legislation and local by-laws. They are already providing housing under the strain

Housing is Wrong

SHOULD BE ASHAMED

of strict rent controls, an ineffective landlord tenant board, and a sour housing market. The new red tape and costs of licensing will simply force many of them out of the housing business altogether.

Where will tenants live? What will happen to many of Ontario's great universities once the supply of affordable rental housing for students and faculty is reduced? What will happen to large families affected by new size and bedroom number limitations imposed by licensing?

"the [Oshawa rental housing licensing] bylaw being considered raises human rights concerns. Laws that keep young people out of certain neighbourhoods would be just as discriminatory as laws that keep out families or racialized people."

Barbara Hall,
Chief Ontario Human
Rights Commissioner
February 11, 2008

If municipalities really cared about tenants (and that fact that most cities tax tenants two to three times higher than homeowners shows that they don't), they would use their existing powers to enforce property

standards on the very few landlords that don't comply. And they are few: In London in 2007, there were 617 tenant complaints related to property standards, just 1.7% of all rental units.

Licensing Provides No Benefits

Licensing, where it has been implemented, has never provided a benefit to anyone. Milwaukee, where licensing was implemented in 2003, has found that "Rental unit licensing has very uncertain benefits and can create negative effects on housing markets and the availability of affordable housing."

Toronto considered licensing, but quickly realized that it was a completely ineffective way to protect tenants. Since protecting tenants was the stated objective in Toronto, the city instead launched an intensive building inspection program, and abandoned plans for discriminatory licensing.

Landlords Siding With Tenants

According to Joe Hoffer, a member of LPMA and Chair of FRPO's Landlord Tenant Committee, one effect of licensing will be the closing

Tenants Furious About Licensing

Tenant Debra Anderson isn't convinced that a bylaw proposed by the city of Welland is meant to protect tenants of local dwellings.

"It's just a big money grab for the city of Welland. We are the poorest city in the Niagara region and we have no jobs -- the only thing we have here is Niagara College -- and these guys want to charge all of the landlords," Anderson said after a public information meeting at Welland Civic Square.

"I understand if there's bad landlords, go after them, find them," she said. "I'm a renter and I am going to end up losing my apartment. The rents are going to go up. I'm going to have to decide which curb or bridge I'm going to live under. It's going to have a major impact on this city."

Welland Tribune, June 2010
("Landlords, Tenants Furious")

Editors note: In June, Welland Council voted overwhelmingly to squash a proposal for a landlord licensing by-law, with only 2 members of Welland's 12 member council voting against rescinding rental housing licensing.

Why Rental Housing Licensing is Wrong

Discrimination

Licensing only targets citizens who choose renting over homeownership. This contravenes Ontario's Human Rights Code, especially if the renters most affected by these changes belong to a visible age group, such as young adults, families or a racial group.

Ineffective in Addressing Property Concerns

Licensing does not address residents' concerns about property standards. In Guelph, for example, rental homes amount to fewer than 10% of all property standard and noise complaints. Any property standards issues that do exist can always be easily remedied through the city's existing by-law inspection and enforcement program.

Rental Housing is Already Regulated

Owners of rental housing in Ontario already face more regulation and legislation than anywhere else in North America. Owners are already heavily regulated by provincial legislation (the Residential Tenancies Act, 2006), and the Landlord Tenant Board. Additional regulation is enforced by the Ontario Building Code, the Ontario Fire Code and municipal property standard by-laws under the Municipal Code. Licensing clearly does not add anything to the regulatory regime.

Higher Cost for All Property Taxpayers

Administering licensing programs is costly. Despite the hope for "cost-neutral" programs, licensing always costs more than expected. A report prepared for the city of Milwaukee confirmed that most licensing programs in other cities are "not financially self-sufficient". All taxpayers, including homeowners, will face a higher property tax burden due to licensing costs, not to mention higher rents for tenants from licensing fees.

Increasing the Cost and Reducing the Supply of Housing

The direct effect of licensing is to reduce the supply and availability of housing units in the city. Reducing the supply of housing, especially the most affordable type of housing found in rental accommodations, should never be the policy objective of any municipal government.

Negative Impact on Cities

The added costs of licensing will discourage rental living. This will have a harmful effect on institutions such as universities, which rely on a vibrant supply of rental housing to attract the very best students and faculty to live near them. Many housing providers will simply cease to provide accommodations and sell their properties en masse, leading to reduced property values and a depression in the residential real estate market. This will have a profound negative impact on municipal property tax revenues.

of units occupied largely by students, single parents, and people on social assistance.

"They are forcing certain people to be evicted", explains Hoffer. "The bylaw contravenes Ontario's Residential Tenancies Act by allowing the city to stop the rental of a unit if a landlord does not hold a current license, or if the license is suspended." So far, no one has said what will happen to tenants when their landlords lose their license and have to stop renting.

"It all sounds a little self-serving given that the [landlord] association is arguing for the rights of people the bylaw it's opposing aims to protect."

Glenn Kauth, Editor, The Law Times, on LPMA's fight against licensing

Like other misguided policies, such as rent control, licensing is perceived at first glance to be a good thing for tenants. Like rent control, however, licensing actually does the opposite of its stated intention. It reduces the supply of quality rental homes, forces tenants to pay higher costs and does not improve property standards.

Are landlord groups, such as the London Property Management Association (LPMA), as Mr. Kauth suggests, "self serving" for opposing licensing? Not when you look at how municipal governments are really using licensing to reduce the presence of tenants and discourage renting. No, this time landlords are the only ones truly defending tenants. ■

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From: Liz Struzik
Sent: July 11, 2013 9:11 PM
To: Clerks
Subject: proposed new licensing on rental housing

To whom it may concern,

I'm responding to your proposed new licensing on rental housing and would like to express my concerns and opposition to this proposal.

I strongly believe that we pay enough property taxes to the city of Guelph therefore a new fee is only adding and double taxing someone who is a rental owner. Proposing this licensing is nothing but discriminating against a small group. In your proposal there is no reasonable explanation as to why the city is not able to enforce their by laws (which were put in place for a reason by the city) or how this new licensing will help with successful enforcement. I suggest that the city starts using our tax payers money in a responsible manner. In place of new licences (which there is no evidence that it will work) the city needs to use the tools already in place rather than coming up with new ideas on how to make more money.

This proposal strictly discriminates against a small group of people (rental owners) everyone pays the taxes so we should be treated equally.

Thank you

To all Guelph taxpayers:

As a fellow taxpayer, I would like to state my objection to implement a \$7.8 million dollar licensing program within the city of Guelph. My objective of this letter is not to make comment on how or why I disagree with many of the hypotheses produced by the report and its authors, as the resulting interpretation would be weighted by my self-interest. I would like to instead, state my objection to the issues within the report that impacts me and all city of Guelph citizens as taxpayers.

The decision to implement a certain style or system of licensing should at the very least be vetted by an independent source. The current cost benefit analysis within the report cannot be viewed with any legitimacy knowing that it has been supplied by the very structure looking to install it. The report's authors are Joan Jylanne, a senior policy planner in planning services at the city of Guelph and Bill Bond, a zoning inspector in building services at the city of Guelph. Their report states that there will be a cumulative 5 year cost of just over 7.8 million taxpayer dollars. Within the report, cost was stated with certainty and revenue was stated as an expectation. My expectation as a taxpayer is for transparency. My lowest expectation prior to making a 7.8 million dollar expenditure would be that the information provided be prepared by an independent consultant and perhaps an author with a degree in economics. If the city of Guelph wishes to convey that our municipality's brand of licensing will be the very first and only municipality to be either revenue neutral or positive, as a taxpayer I would have preferred an independent consultant declare this. If I could independently claim or provide my own version of financial credibility when applying for a mortgage I might not find this report so objectionable, unfortunately, for myself and all credit seeking applicants this is not the case. Just as unrealistic as it is to think that any business would operate their lending institution upon that same criteria, I also consider this report, and the credibility of information you are willing to accept in forming a \$7.8 million decision, unrealistic and disrespectful to all Guelph taxpayers.

The current report makes no mention of the economic impact on our localized market. It took me 5 minutes to obtain information provided by CMHC that described Guelph's rental market and our 2013 projected vacancy rate of being only 1.4%. Within the cost benefit report there is no mention of how licensing will affect the economic factors that dictate available supply, demand, underground demand and price. Therefore there are still important questions to be asked.

What will be the impact of increased restriction with a higher barrier of entry and an elevated cost to operate, have on rental rates in an already competitive market with an inventory short fall? My educated guess is that the cost to the lower economic class will increase exponentially. As policy makers and guardians of our tax dollar, the very best of information should be sought before making a 7.8 million dollar decision, if even, just to dismay the conjecture of an internal report being produced solely to support what currently sounds as an already predetermined outcome.

Sincerely,

Dave Schenkel,
Concerned Tax Payer

Subject: Rental Housing Licensing Program

Hi there,

We were informed that City of Guelph is going to collect \$9431000 from Landlord for next few years. Is this true? As a landlord in Guelph, I would like to know why? For what reason you want this money from landlord and what would you do to use these money? Do you use these money to pay our property tax? Please let me know. I will strongly against this idea If it use for hiring some people just sit in the office to waste money.

Thank you,

Shugang Li

Dear Sir/ Madam

We are writing as a member of the GCLA to present our strong opposition to a license by- law. This by-law will only make student housing more costly and make the lives of students more difficult. I believe that this is not in the interest of our youths. From all indications, this fee will be for no additional services.

I therefore implore you not to pass this by-law in the interest of our growing generation and their parents.

Thank you

Paulina Coker

To All Citizens,

I do respect the time and efforts of city staff and council, but I am shocked to read the results of the alleged research done Licensing of rental properties.

As a former student of U of G, current landlord, and a citizen of Guelph, I am extremely concerned about the contents of the Cost/Benefit Report. I have been discouraged by the city's treatment of the rental housing issue for many years, but this document is alarming for every tax payer.

Even those citizens who have no invested interest in the rental housing debate can easily determine the claims made in the report are not consistent with any data collected from other Ontario municipalities that have attempted to implement licensing. The entire approach and revenue forecasts are simply unattainable based on historical evidence from other cities, and set unrealistic expectations for everyone involved. The benefits outlined are all attainable through enforcement of existing by-laws and cooperation with landlords, instead of implementation of a program that will inevitably operate at a loss for everyone.

The only reality that can be derived from this document, is that the City of Guelph clearly needs an independent body to assess this issue in an unbiased, logical manner. Anything less would be disrespectful to all citizens.

Thank you for the opportunity to express my opinion.

Best Regards,

Scott W burton

To Whom It may Concern,

I would like to voice my opposition to the proposed Licensing program from both an investment and realtor point of view.

As an owner of 6 properties that will be affected by this policy change I find this as another level of over regulation and red tape that Guelph unfortunately already has a reputation for. Five of these 6 properties already have "legal accessory apartment" status, thus all have already been inspected by the fire department, the ESA, and the building department. They offer very good and clean rental accommodation.

As a realtor, I am concerned about both the message and added difficulty this adds to an investment purchase thus putting a dampening effect the investment re-sale market. This will drive investors to other communities that have less regulation and better opportunity.

This proposed policy is unwise in that it may in fact drive the cost of rent up for tenants as the price if the program is passed on. Landlord's are already affected by rising costs with increased utility costs, taxes and more. I would suggest that should this proceed there also would be a high level of non-compliance!!

Sincerely,

Matthew LaFontaine, FRI

Broker, Vice President of Sales & Marketing

Honours B.B.A.

Planet Realty Inc.

806 Gordon Street Unit 202A

Guelph, Ontario

July 11, 2013

Planning, Building Engineering and Environment Committee
City of Guelph
1 Cardon Street
Guelph, ON N1H 3A1

REGARDING: COMMENTS ON REPORT 13-32 (JULY 15, 2013)

Dear Committee Members,

Report 13-32 (July 15, 2013) is quite comprehensive and covers a lot of issues related to rental housing licensing. However, I do find it curious when the report subject line is "Rental Housing Licensing *Cost-Benefit Analysis*" and yet a significant fraction of the report deals with non-financial matters including existing tools and limitations and advantages of licensing. I would suggest that this non-financial material should have been covered by other reports such as Report 13-04 (February 19, 2013) which was actually quite brief and provides few details.

I have divided my suggestions to improve the report and comments on the report into cost related and non-cost related sections.

Cost Related Suggestions and Comments

Actual Program Cost

Attachment 2 lists two costs; 1) "program costs" and 2) "total existing costs transferred to program". Since the licensing program will include both of the above, for presentation purposes in the executive summary, I would recommend replacing the incremental change with the sum of 1) and 2) above. The actual licensing cost would be presented and not just the change to the City's budget. The current presentation gives the impression that costs for licensing are lower than they actually are.

In addition, Attachment 2 indicates that the "Total Existing Costs Transferred to Program" includes the reallocation of 2 full time equivalent positions; 1 fire prevention officer and 1 zoning inspector. If these positions are transferred from an existing position, who will do the work they are currently performing? In addition, option three does not require a fire prevention officer (see Table 1 page 7) so it is unclear why the "Total existing costs transferred to Program" in Attachment 2 includes a fire prevention officer in Option 3.

Impact on Short Term Rental

Many owner occupied homes rent a room or rooms in a house for short periods of time. Near the university, these periods are often from September to April (8 months). Based on a typical room rate of \$450 per month over the 8 month period, the Option 1 cost of \$132/bedroom/year represents a significant 3.7% of the rent paid to support the licensing

program. It is suggested that the City consider these situations and provide multi-tiered cost structure.

Rates for Yearly Program Cost Increases

Based on values provided in Attachment 2 of the report, costs “program costs” and “Total Existing Costs Transferred to Program” were calculated to increase yearly by 4.6% to 5.1% for Option 1. It is assumed that these increases largely reflect annual labour cost increases and, if so, given the City’s effort to control cost increases, these values are considered high. If this is not the case, it is suggested that more disclosure be provided to indicate what assumptions were made and how the values were determined.

The Guelph Rental Universe

Licensing fees were based on a number of assumptions including 8,700 rental units. It is suggested that the method to determine the Guelph rental universe for those units being affected by the licensing bylaw be provided in the report. For example, is the rental universe based on CMHC reports, City records or from some independent report? In addition, it is suggested that the rationale for using 50% and 66% compliance be provided in the report. For example, are the values based on data from other cities and it is suggested to describe why near 100% compliance is not considered.

Non-Cost Related Suggestions and Comments

Insurance

On page 5 of the report, an insurance comparison was made between bed and breakfast and hotel establishments with rental accommodation. The report indicated that the former businesses are subject to business licenses which include proof of appropriate property and liability insurance. Since this report is intended to deal with financial issues, it is suggested that a discussion be provided on what specific insurance requirements will be made for rental accommodation. Attachment 1 (p.12) does provide an example of a potential insurance coverage providing shelter if tenants are displaced; however, more discussion should be provided on how insurance affects the health and safety of residents and how rental leases which require residents to provide insurance will affect the insurance requirements. In addition, it is suggested that a discussion be provided on why rental residential housing not covered by licensing does not require this additional insurance. After all, both provide residential rental accommodation.

Levelling Requirements With Other Business Operations

Page 5 of the report suggests that the proposed licensing program would level requirements between rental residential housing and other business operations. It is suggested that the report indicate why any “leveling” is required and what specifically is meant by “levelling”. The current logic suggests that the reason for licensing is because there is licensing; a circular argument which I suggest should not be included in the report.

Residential rental accommodation is often considered different from other ventures and even Revenue Canada considers it as a passive income as opposed to business income. In

addition to this, consideration which makes residential rental accommodation different from businesses include:

- Increases in rent are limited by the government (businesses do not have this restriction);
- Deposits held by owners are required by law to pay interest on the amount at a prescribed rate (not required by other businesses); and
- Real estate corporations with less than 5 employees have an approximate 40% tax rate (business have an approximately 15% tax rate).

Neighbourhood Destabilization and Deterioration - Licensing Advantages

One of the licensing advantages listed for this factor includes “owners could be held responsible for the operation of their business, like other business owners including bed and breakfast establishments and hotels” (Attachment 1 p.13). This erroneously suggests that Ontario law is similar for the rights of owners of these establishments to the rights of owners of residential rental accommodation. As a simple example, it is suggested that the report review the ability of owners of businesses such as hotels to have guests removed from their premises and compare that to residential rental accommodation. Currently, Ontario law provides protection to rental residents that negates some of the advantages to licensing listed in the report. It is suggested that these advantages be reviewed.

This section of Attachment 1 (p.13) also lists as a rental housing issue “Concentration and intensity of non-owner occupied rental housing”. This would imply that the City will limit the number of units issued a license in high density rental areas. It is suggested that the report include what criteria will be used to determine which units receive a license and what is an acceptable density.

If you have any questions, please feel free to contact me.

Kind regards,



Lars Sterne

To Whom It May Concern:

As a property owner and landlord at Gosling Gardens, I have reviewed the Cost Benefit Report No. 13-32 dated July 15, 2013 prepared by City Staff and present the following alternative view to the report.

Owners of rental housing, such as myself, are already heavily regulated by provincial legislation (the *Residential Tenancies Act, 2006*) and the Landlord and Tenant Board. Additional rules are contained in the Ontario Building Code, the Ontario Fire Code and the City of Guelph property standards under the Municipal Code.

The Report cites “health, safety and well-being” of tenants as an issue which can be improved by the implementation of a licensing program. The Report however does not deal with the realistic results of the implementation of such a program:

- Tenants who are concerned with their living conditions currently have protections under the *Rental Tenancies Act, 2006*, which is a very tenant-friendly piece of legislation. Complaints can be lodged with the Landlord and Tenant Board and dealt with accordingly.

The Report states that increased by-law enforcement should be paid for by the type of rental property being licensed and not by the general taxpayer population. But consider the following:

- The City of Guelph and its general population benefit economically from the fact that there is a University within its borders – thousands of students support the services and business that exist in the City of Guelph, and the entire population benefits from quality private student housing that attract students to the University of Guelph.
- A license fee charged to landlords is a double taxation and a blatant tax grab targeted at one segment of the tax paying public

It also appears shortsighted on the Committee’s part not to fully consider the implications of the *Ontario Human Rights Code* in their Report:

- While the Report on page 5 quotes the Ontario Human Rights Commission, I am confident that the passing of a rental licensing program could be challenged as being contrary to the *Ontario Human Rights Code* – that the City’s real purpose is to target student housing, and that the program is discriminatory on the basis of age and family status, contrary to the provisions of the Code.

The Report also reviews concerns regarding behavioural issues of certain tenants and suggests that a rental licensing program will improve this issue. I suggest this conclusion is unfounded:

- Behavioural issues cannot be controlled by any landlord, whether in town or otherwise, or by the fact that a residence is or is not licensed. This is absurd and illogical.
- Appropriate application of existing by-laws and charging the people responsible are the best ways to control such instances and change behaviours.

A longer term result of this program which is not considered in the Report is the resultant decrease in the number of rental properties in the City, and the potential impact on the real estate market in Guelph in general:

- The Report also notes the impact to affordable housing will be “minimal” but does not offer any rationale why.
- From my research it appears that the direct effect of licensing is to reduce the supply and availability of housing units in a city. This should not be the policy objective of any City, let alone a University city where parents take into account such things as living conditions and the availability of good quality housing when deciding where to send their children to university.
- Why would the City of Guelph want to discourage quality rental properties from being established, when such properties are key in attracting the best students to the University of Guelph??
- If this rental license fee becomes cumbersome, I will consider selling my rental properties, and I suggest, so will many other quality landlords. This “en masse” selling could lead to reduced property values in the City of Guelph and a depression in the residential real estate market.

Sincerely,
Brian Laundry

Hello,

I am a landlord with properties in the City of Guelph and wish to voice my opinion on Staff Report No. 13-32 "Rental Housing Licensing Cost-Benefit Analysis", dated July 15, 2013.

The following are my comments on the report:

1. The issues/problems listed on page 3 are all issues that be handled under existing by-laws. A rental licensing program would simply be a costly duplication.
2. There is no evidence to support that tenants need the City's assistance to protect them.
3. Other cities and municipalities support tenant safety without the need for licensing.
4. Rental supply in the city will likely decrease as a result of implementation of a licensing program such as this; not exactly something the City should be wanting to do.
5. Behavioural/noise disruptions from tenant-owned properties comprise only a small percentage of the total disruptions made in the City; why discriminate against this small group?

I think that a rental licensing program in Guelph is a bad idea and would only result in higher cost of living for those who cannot necessarily afford to buy their own and would be a large cost to the City of Guelph taxpayers who would rather see their hard-earned money being spent in other areas. The duplication of by-laws that would be in place with a program such as this is costly and unnecessary.

Thank you,

Alison Zinger

From: John Haramule
Sent: July 12, 2013 8:53 AM
To: Clerks
Subject: Apartment Licensing

City of Guelph,

I am announcing my objection to the newly proposed licensing proposal for apartment rentals, which I find extremely wasteful of tax payer dollars, unnecessary, and not to mention overly intrusive. What possible need is there to be reinspecting an already legally built and permitted apartment. I am father of three small children, trying hard to make ends meet each week, and now this city with apparently unlimited power wants to reach deeper into my pockets. Are the high taxes we already pay not enough. We should not be further penalized for trying to make safe and legal apartments in a city where there are so many illegal units. Furthermore, there has been no proper research done from a cost benefit analysis point of view, which needs to be done by an independent source. Not the city itself. Please stop wasting our tax dollars on this intrusive and unnecessary proposal, and put our money to good use in the hospital or school systems.

Sincerely,

Hard working tax payer and father.