

December 10, 2018

Dear Mayor Eisenberger, Councillors and Hamilton City Staff,

We represent the majority of housing providers, property managers, REALTORS® and housing advocates who work in rental housing within the City of Hamilton on a daily basis, and as such we are intimately aware of the challenges that face both housing providers and tenants. Over the last few years we have established and developed valued relationships with City departments and housing affordability agencies, such as the Social Planning and Research Council and the Housing Help Centre, in an effort to improve rental housing within the City of Hamilton.

Collectively we participated within a very challenged Rental Housing Sub-Committee (RHSC), and **cannot support the licensing recommendation being presented to the City of Hamilton Planning Committee** on December 11, 2018. The recommendation is to commence a rental property licensing pilot project in Wards 1 and 8.

Below we outline the reasons we oppose the rental licensing pilot project as recommended:

1. Failing to address zoning problems first will eliminate rental units

The implementation and enforcement of a rental licensing pilot project within Wards 1 and 8 prior to zoning by-law reform and harmonization throughout the City of Hamilton will cause a **projected loss of 30 per cent of arguably safe and affordable rental apartments** due to nothing more than zoning technicalities. With the current program, undergoing a re-zoning process that often affects older, established rental apartments (that may have existed for decades while not aligning with current zoning) is very difficult, expensive, time consuming to complete and without guarantee of success. A proposal to contend with this problem was created and included within the list of 25 recommendations made within the broad stakeholder report *Promoting Code Compliant Affordable, Safe, Clean and Healthy Rental Housing*; however no action has been taken on this front.

Under the proposed rental licensing pilot project, a current rental property operator may own perfectly safe rental units that may not comply with current zoning or the unknowns of a new rental licensing criteria. We refer you to recent news articles from the *Hamilton Spectator* (<https://www.thespec.com/news-story/9041007-woman-being-evicted-aftercity-by-law-issues-landlord-order-to-comply/>) and *CBC Hamilton* (<https://www.cbc.ca/news/canada/hamilton/acorn-protest-1.4912824>) to demonstrate how citizens of the City of Hamilton are being displaced as a result of the current antiquated zoning by-laws. As evidenced in these articles, the current re-zoning process is so cumbersome that operators would eliminate good apartment units rather than attempt to complete a re-zoning process.

2. High taxation & more regulation = fewer new rental apartments

With a current purported wait list of approximately 6,800 people waiting for affordable housing, the City of Hamilton requires more - not fewer - affordable rental units. Implementing another layer of red tape, and contemplating charges of \$200 per unit per year plus costly retrofits to comply, would act as a deterrent for citizens to operate rental units. Combining these additional costs with provincially leading property taxation will deter developing ANY new rental suites.

3. Provincial regulation and current enforcement already exist

Unlike taxis, restaurants or food trucks, the rental housing industry is already heavily regulated. The provincial Residential Tenancies Act has legislation and mechanisms available to address all matters affecting both tenants and housing providers, which can be adjudicated before local housing tribunals. Property standards are already within this legislation's purview, augmented by the current local municipal law enforcement and proactive enforcement programs. Adding redundant regulation on top of provincial legislation (often already considered over-regulated), without industry support would be a mistake.

4. Only one per cent of municipalities in Ontario have pursued licensing

There are 444 municipalities in the Province of Ontario. While some have debated, considered, implemented or abandoned this pursuit, **only five municipalities currently have adopted** some form of additional regulation of rental properties – and with mixed results.

A recent article from the *Waterloo Examiner* questions Waterloo's program's effectiveness after seven years, and notes that **licensing has caused an average of \$100 per month increase in rents** due to additional regulation (<https://www.waterloochronicle.ca/news-story/8895974-seven-years-later-is-waterloo-s-rentalhousing-bylaw-effective-/>).

The City of London has also been promoted by Hamilton City staff as having a “successful” rental licensing program; however, London only has 25 per cent of their estimated rental units complying with rental licensing since implementation in 2011.

We do not consider either program a success based on the outcomes, and question why the City of Hamilton would want to embrace a similar program.

5. Licensing based on a student demographic may be a Human Rights violation

By isolating Wards 1 and 8 for the proposed rental licensing pilot project – wards which have a significant post-secondary student population – the City is effectively segregating standard rental units from student housing. In the past, this approach has garnered a warning from the Chief Human Rights Commissioner as it could give rise to a Human Rights Violation (<https://www.durhamregion.com/news-story/3472309-student-housing-rules-could-be-humanrights-violation/>).

6. The Rental Housing Sub-Committee did not consider stakeholder recommendations

We believe the Rental Housing Sub-Committee was established with a bias from the outset: RHSC chairs steered discussions toward a licensing recommendation without consideration of the experience and recommendations of rental housing stakeholders. In spite of substantial efforts made by a broad group of stakeholders, which developed 25 logical recommendations addressing common rental housing issues within the *Promoting Code Compliant Affordable, Safe Clean and Healthy Rental Housing* report, City Staff tasked with providing options for the Planning Committee ignored all recommendations from this report.

7. The Rental Housing Sub-Committee did not follow its mandate directed by Hamilton City Council

The RHSC was formed as a result of a directive from Hamilton Council in 2012, and had great potential for bringing stakeholders together to attempt to reach some consensus and tackle common issues within the rental housing industry. Regrettably, the Rental Housing Sub-Committee, in our opinion, ran contrary to the original mandate which stated “...*To work with interested stakeholders to assist with the implementation of an approach to enforcement and legalization of appropriate rental housing, but not limited to process, fees and by-law regulations...*”

Recommendation: Re-form the Rental Housing Sub-Committee

Given the concerns we have set out, and especially our concerns over the Rental Housing Sub-Committee’s lack of attention to its original mandate and the apparent biases that existed from the beginning, it is our belief that the sub-committee’s recommendations be set aside. Further, it is our recommendation that Council re-evaluate the structure and mandate of the committee, and re-form the sub-committee with new leadership, a clearer mandate, greater oversight and more clear criteria for member selection.

Collectively, we believe that supporting the Rental Licensing Pilot Project as proposed, will devastate the rental market while failing to address the real issues. Regardless of which Wards could initiate such a program, negative repercussions of any licensing program would be felt city-wide. Greater legislation will not produce the desired effect or added benefit for either tenants or housing providers, and would only create the unintended consequences of eliminating rental units and substantially raising rents.

With these consequences in mind, and taking into consideration the knowledge and experience we offer as housing providers, we respectfully ask the Planning Committee and Councillors to consider our concerns with the Rental Housing Sub-Committee and rental licensing pilot project as proposed.

Sincerely,

