



THE CORPORATION OF
THE CITY OF KINGSTON

LICENSING & ENFORCEMENT SERVICES DEPARTMENT

216 ONTARIO STREET
KINGSTON ON K7L 2Z3

P: 613.546.4291
F: 613.546.7816

Residential Rental Licensing Discussion Document – October 24, 2023

Background

The recent reactivation of work on the Residential Rental Licensing Program (RRLP) came as a result of a motion made (and passed) at the December 20, 2022 City Council Meeting, which stated:

***Whereas** City Council considered a draft rental licensing program for properties containing 1-3 residential rental units, boarding, rooming and lodging houses, and those containing 4 or more rental units that do not have a registered Site Plan Control agreement in 2018; and*

***Whereas** City Council deferred the consideration of the draft rental licensing program until City of Kingston completed its comprehensive zoning by-law, which was finalized in 2022; and*

***Whereas** the Province of Ontario has recently removed site plan agreement requirements for residential developments with less than 10 units; and*

***Whereas** there are concerns regarding the health and safety of rental units in the city that could adversely impact the well-being of Kingstonians;*

***Therefore Be It Resolved That** Council direct staff to review and update the 2018 draft rental licensing program to reflect provincial legislation and that as part of this update, staff consider the potential for a phased in program starting with the Districts of Sydenham (10) and Kingscourt-Rideau (7); and*

***That** Council direct staff to report back with an updated rental licensing program to Administrative Policies Committee by Q4, 2023, and that the report include the pros and cons of a rental licensing program and an analysis of other possible options for regulation of rental properties, including maintaining the status quo.*

This direction was further adopted as part of Kingston's Strategic Plan 2023-2026, which stated:

1.2.2 Evaluate need for local policy on renovations

- *Present the Rental Licensing By-Law to the Administrative Policies Committee (Q4 2023)*

Complementary direction was further given in the Strategic Plan via the following goal:

1.3.4 Enhance the maintenance standards of municipally owned affordable units and other housing units

- *Explore implementation of a proactive property standards pilot project (Q4 2023)*

Legislative Background

Section 10(2) of the *Municipal Act*, 2001, S.O. 2001, c. 25, as amended, provides that a municipality may pass By-Laws respecting:

- health, safety and well-being of persons;
- protection of persons and property, including consumer protection; and
- business licensing.

Section 151(1) of the *Municipal Act*, 2001, S.O. 2001, c. 25, as amended, provides that, without limiting Sections 9, 10 and 11 of the Act, a municipality may provide for a system of licences with respect to a business and may:

- a) prohibit the carrying on or engaging in the business without a licence;
- b) refuse to grant a licence, or revoke or suspend a licence;
- c) impose conditions as a requirement of obtaining, continuing to hold, or renewing a licence;
- d) impose special conditions on a business in a class that have not been imposed on all of the businesses in that class in order to obtain, continue to hold, or renew a licence;
- e) impose conditions, including special conditions, as a requirement of continuing to hold a licence at any time during the term of the licence; and
- f) license, regulate or govern real and personal property used for the business and the persons carrying it on or engaged in it.

Section 434.1(1) of the *Municipal Act*, 2001, S.O. 2001, c. 25 as amended from time to time, provides that a municipality may require a person, subject to such conditions as the municipality considers appropriate, to pay an administrative penalty if the municipality is satisfied that the person has failed to comply with a By-Law of the municipality passed under that Act.

Section 429(1) of the *Municipal Act*, 2001, S.O. 2001, c. 25, as amended, provides that a municipality may establish a system of fines for offences under a By-Law of the municipality passed under the Act.

What Properties Would an RRLP Apply To?

- In this iteration of the RRLP, it is suggested that it encompass properties containing 1-3 residential rental units on a lot.
- These properties constitute the greatest unknown in the City's rental inventory and, as such, pose the greatest risk.

Objectives of an RRLP

- To protect the health and safety of persons residing in rental units.
- To build an inventory of the City's existing rental housing stock.
- To achieve these objectives at the lowest cost to all participants.

How Do We Achieve These Objectives?

- Identifying Rental Units – The City currently has no reliable way of identifying the number and location of rental units on the private market. Part of any RRLP could require property owners to comply with the provision of basic information about their property to the City.
- Examination of Safety of Rental Units – Some form of “inspection” could be required to confirm the safety of licensed rental units. This could range from a signed, self-certification by a property owner, to an inspection undertaken by City Property Standards Officers, to inspections undertaken by private contractors. These inspections could also be required to happen on a cyclical basis, to ensure that property standards are maintained.
- Gaining Compliance – There both needs to be incentives developed to have property owners apply for the RRLP, as well as robust enforcement mechanisms available to deal with non-compliant property owners.

Identifying Rental Units – Residential Rental Registry (RRR)

The first step in building any program to monitor residential rentals is to gather data about the existing rental units in the City. Without accurate data about existing rental housing stock, it will be difficult to carry out any form of By-Law Enforcement/Licensing program effectively. Additionally, gathering rental housing data will give planners, housing officials and City leadership a better understanding of general trends and changes in housing conditions. The following list of information types could be included in an RRR:

- Civic Address of Rental
- Property Owner Information (Name, Address, Phone, Email)
- Contact Information for Local Agent (if Owner doesn't reside in Kingston)
- Proof Of Ownership
- Site Sketch (including parking plan)
- Floor Plan (including exits, doors, windows)
- Proof of Insurance for property damage & bodily injury

Examination of Safety of Rental Units

Given that the primary objective for an RRLP is the promotion of health and safety of persons residing in rental units, some form of examination/inspection of the rental unit may need to be undertaken. By establishing minimum standards that a landlord must comply with to operate a rental housing unit, an RRLP could serve as the basis for a multifaceted system to improve the community's rental housing stock. There are many forms that this examination/inspection could take, including:

- Completion of a Fire Safety Plan
- Completion of a signed self-certification checklist by the Property Owner/Agent
- Submission of an Electrical Safety Authority (ESA) Certificate
- Submission of an HVAC Inspection Certificate
- Submission of a Police Clearance Certificate
- Conduct of a Site Inspection by Property Standards Officers
- Submission of a Property Maintenance Plan

Gaining Compliance

- Compliance-oriented fee structure - Offering low/no-cost registration/licensing options for Property Owners who voluntarily sign up for the program(s)

- Fee structures that are oriented to generating positive outcomes and maximizing compliance rather than revenues
- Fees should not be seen as a revenue generating mechanism, but as a way of motivating landlords to affirmatively comply with by-laws as responsible owners
- Setting strict timeframes for registration/licensing submissions
- Issuance of Administrative Monetary Penalties for failure to meet timeframes or for the provision of false/inaccurate information.

Next Steps

There will be a “Get Involved Kingston” (<https://getinvolved.cityofkingston.ca/>) webpage going live in the next several weeks which will allow for you to provide further input. Paper-based options will also be available. KRPOA will be advised when this is “live”.

Further in-person engagement with residents will be undertaken through Councillor Town Halls in the next month.

A Report, as directed in the active Council motion, is due to the Administrative Policies Committee in Q4 2023