



Report
Staff Report
The Corporation of the City of Brampton
3/20/2024

Date: 2024-03-13

Subject: **Residential Rental Licensing Pilot Program Update in Wards 1, 3, 4, 5, and 7**

Contact: Mirella Palermo, Policy Planner, Integrated City Planning
Jeffrey Humble, Policy Manager, Integrated City Planning

Report number: Planning, Bld & Growth Mgt-2024-207

RECOMMENDATIONS:

1. That the report from Mirella Palermo, Policy Planner, Integrated City Planning to the Committee of Council Meeting of March 20, 2024, re: **Residential Rental Licensing Pilot Program**, be received:
2. That Committee of Council continue to support and endorse the Residential Rental Licensing (RRL) Pilot Program to require applicants of registered additional residential units and single house-keeping units to obtain a business license through the revised streamlined application process:
 - I. Application form providing property owner information, acknowledgement/declarations of adherence to the pilot program. **This will create a database of the business licenses to expedite annual renewals;**
 - II. Completion of an easy fillable PDF form with details of the self-contained rental unit related to number of sleeping areas, kitchen(s) and bathrooms, **only required if a second additional unit has been added or an existing unit has been modified since the original permit issuance;** and,
 - III. Copy of insurance certificate to confirm general liability coverage.
3. That Committee of Council adopt the proposed amendments to the Residential Rental Licensing Pilot Program as outlined above and eliminate the following application requirements, **to facilitate rapid approval without additional expenses or burden incurred;**
 - I. Proof of ownership;
 - II. Corporate ownership;
 - III. Electrical/gas inspections;
 - IV. Criminal record check;

- V. Floor plans; and,
 - VI. Parking and storage plan.
4. That Committee of Council direct staff to relaunch the Residential Rental Licensing (RRL) Pilot Program for the end of March 2024 and no later than April 19, 2024, with the above-noted changes to the application process;
 5. That the full fee waiver be extended for a three-month period pending launch date, targeting from March 30, 2024, to June 30, 2024 and include eliminating the renewal fee for applicants registering by June 30th; 2024; and,
 6. That staff bring forward amendments to the Residential Rental Licensing By-Law 216-2024 at the next City Council meeting.

OVERVIEW:

- **On January 1, 2024, the Residential Rental Licensing (RRL) Pilot Program was implemented. The program requires rentals of four units or less in Wards 1,3,4,5 and 7 to obtain a business license. This includes additional residential units (ARU) as defined by the City's [ARU Program](#).**
- **The RRL Pilot Program was temporarily paused on January 25, 2024, as per the direction of the Residential Rental Licensing Task Force following public input/feedback received.**
- **[Council directed](#) staff at the January 31, 2024, Committee of Council meeting to host a Tele Town Hall, which was held on February 22, 2024.**
- **Following the public input received since the launch of the pilot program staff are recommending a number of refinements to the improve the RRL Pilot Program, including streamlining the application process, eliminating the submission of unnecessary documents/information and improving the online user interface.**
- **Registered ARUs and single house-keeping units will have the license fee of \$300 waived when the business license application is received by June 30th, 2024, and will be exempt from the renewal fee. The renewal process will only require the applicant to confirm property owner details and declare property is still in compliance with the program.**
- **It is recommended that the program:**
 - a) **Be relaunched for the end of March 2024 and no later than April 19, 2024, to accommodate any technical issues and allow time for outreach.**

b) That the fee waiver timelines be extended to reflect the temporary pause of the pilot program.

- **Staff will move forward with the proposed amendments to the RRL By-law (216-2023) to reflect the revisions noted in this report following Committee of Council's endorsement.**
- **Staff have included the cost of the two-year pilot program in the 2024 budget with \$625,000 approved in 2024 and \$750,000 forecasted in 2025, for a total cost of \$1,375,000. Sufficient funding is available for the first year of the pilot program in capital project #247936-001.**

BACKGROUND:

Overview of the RRL Pilot Program

On November 29, 2023, staff brought forward a [recommendation report](#) of the proposed framework for the RRL pilot program. The RRL pilot program requires rentals of four units or less in Wards 1,3,4,5 and 7 to obtain a business licence. This includes additional residential units (ARU) as defined by the City's [ARU Program](#) (second/third unit self-contained residential unit located within a principal dwelling and/or garden suites - ancillary to a single detached, semi-detached, or townhouse, that is located in a building detached from the principal dwelling and located on the property). Convertible dwellings (detached residential building containing one primary dwelling unit and one secondary dwelling unit while retaining the exterior appearance of a single detached dwelling) will also be included in the program.

Over the past few years (2021-2023) the subject area has seen an increase in the number of complaints for property standards, municipal licensing, and parking. The pilot program focuses on Additional Residential Units (ARU) and single house-keeping units that currently do not have any regulatory oversight to ensure compliance with the City's municipal property standards.

The recommendation report brought forward on November 29, 2023, included the proposed [RRL By-law](#) for the pilot program that was endorsed by Council on December 6, 2023, with the pilot program being implemented on January 1, 2024.

The proposed annual licensing fee of \$300 for the pilot program includes administration and inspections costs. To increase the number of business licences issued for the pilot program, Council endorsed a fee waiver structure for the initial launch of the program. The fee waiver included: one hundred percent (100%) of the 2024 fee being waived if applications are received within the first three months (March 30, 2024) and fifty percent (50%) of the fee being waived for applications received within three to six months (June 30, 2024). After the six-month period, the full cost (\$300) of the licensing fee would be

applied. A renewal fee of \$300 was approved for all applicants to be administered January 2025.

A [Residential Rental Licensing Task Force](#) was established at the September 20, 2023, Committee of Council meeting to include Councillor Keenan, Councillor Santos and Council Power.

The RRL pilot program is being administrated by the City Clerk's Office. Enforcement and By-Law Services will be responsible for education and compliance of the program.

CURRENT SITUATION:

Implementation of the RRL Pilot Program

The RRL pilot program launched on January 1, 2024, with the online application intake available. From January 1 to January 26, 2024, the City Clerk's Office received twenty-nine (29) applications for review and processing. During that time, a high number of inquiries were received by various departments (311, Clerk's Office and Planning) about the application process and requirements.

The majority of inquiries were regarding registered ARUs requiring a licence and the duplication of documents required for obtaining a residential rental licence. The need for a criminal record check, electrical and gas inspections and associated costs were also frequently noted. In addition, with the process of conducting inspections and obtaining access to rental units by enforcement and concerns related to the fee associated with the licensing pilot program was also noted as either being, too low or too high.

On January 25, 2024, the RRL Task Force requested the pilot program be temporarily paused to address the feedback from the residents and recommend refinements to the pilot program.

Public Feedback Received

A number of delegates presented at various Committee of Council meetings (December 7, 2022, June 7, 2023, September 20, 2023, and January 31, 2024) to provide input on the pilot program (refer to attachment 1). At the January 31, 2024, Committee of Council meeting, Council directed staff to host a Tele Town Hall to receive additional input from the residents of Brampton.

The Tele Town Hall was held on February 22, 2024, with over 7,000 households joining to provide input and ask questions about the pilot program. The main items discussed related to how the City would be conducting inspections, enforcement resources to target illegal units, streamlining the licence application process, landlord responsibility

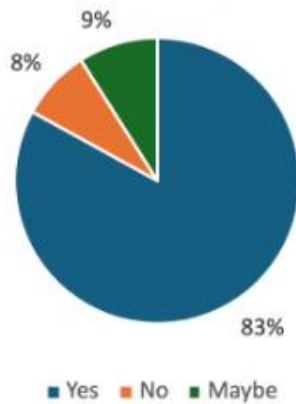
for the upkeep of the rental property, and whether registered ARUs are required to be licensed (refer to attachment 2).

During the Tele Town Hall attendees were asked the following three polling questions regarding the pilot program with the results shown below.

Should the City crack down on illegal Additional Residential Units (ARU)?

Yes 83%
No 8%
Maybe 9%

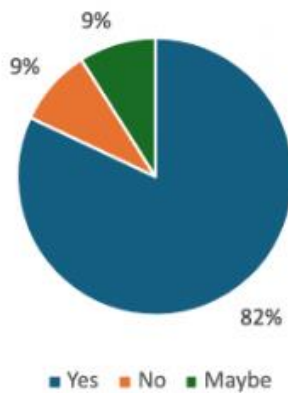
Should the City crack down on illegal Additional Residential Units (ARU)



Should the City increase fines and penalties for illegal secondary units if public safety is at risk?

Yes 82%
No 9%
Maybe 9%

Should the City increase fines and penalties for illegal secondary units if public safety is at risk?



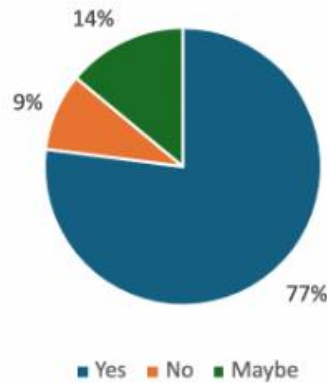
In the case of a secondary unit fire fatality, the matter be referred to Peel Police for criminal negligence?

Yes 77%

No 9%

Maybe 14%

In the case of a secondary unit fire fatality, the matter be referred to Peel Police for criminal negligence?



Streamlining the RRL Pilot Program

Following all the feedback received since the launch of the pilot program on January 1, 2024, staff have reviewed the application process and recommend several refinements to improve the licence application process and user experience.

Registered ARUs owners/property managers will continue to be required to obtain the license through the revised streamlined application process.

Below provides an overview of the revised application requirements for the RRL Pilot Program to reduce processing time and eliminate cost burden to applicants.

Revised Application Requirements

- Application form providing property owner information, acknowledgement/ declarations of adherence to the pilot program and consent to inspections. This will create a database to streamline the annual renewals.
- Completion of an easy fillable PDF form with details of the self-contained rental unit such as, sleeping areas, kitchens, bathrooms (only required if a second additional unit has been added or an existing unit has been modified since original building permit issuance).
- Copy of insurance certificate to confirm general liability coverage.
- Property owner authorization and declaration for applicants submitting on behalf of the property owner.

Requirements Eliminated

- Proof of ownership
- Corporate Ownership
- Criminal Record Check
- Floor plans
- Electrical Inspection
- Gas Inspection
- Parking and Storage Plan

Advantage to Applying Early

To encourage applicants (including registered ARUs and convertible dwellings) to obtain a business license through the program, Council adopted a full fee waiver for the length of the pilot for those apply prior to June 30, 2024. For licenses issued by June 30, 2024, a renewal fee would not be required in January 2025.

Online Resources for Applicants

As part of the online application form, landlords will also be provided access to the following resources:

- Property Standards and Safety Information Package
- Emergency Information Tenant Sheet
- Landlord Code of Conduct

CORPORATE IMPLICATIONS:

Financial Implications:

Staff have included the cost of the two-year pilot program in the 2024 budget with \$625,000 approved in 2024 and \$750,000 forecasted in 2025, for a total cost of \$1,375,000 (refer to table below). Sufficient funding is available for the first year of the pilot program in capital project #247936-001.

Item	2024	2025	Total
Property Standards Officer (2 F/T Contract)*	\$ 287,424	\$ 293,172	\$ 580,596
Business Analyst (1 F/T Contract)*	\$ 123,412	\$ 125,880	\$ 249,292
Business Licensing Clerk (2 F/T Contract)*	\$ 167,048	\$ 170,389	\$ 337,437
Plans Examiner (1 F/T Contract)*	\$ -	\$ 127,316	\$ 127,316
Communications/Other Costs	\$ 47,116	\$ 33,243	\$ 80,359
Total Cost	\$ 625,000	\$ 750,000	\$ 1,375,000
Estimated Revenue	\$ 225,000	\$ 225,000	\$ 450,000
Net Cost	\$ 400,000	\$ 525,000	\$ 925,000

*Inclusive of salary, benefits, WSIB and other staff related costs

All revenue collected from the pilot program will be captured under the Legislative Services operating budget.

The fee structure will be evaluated at the end of the two-year pilot program should the program extend city-wide as a permanent residential rental licensing program.

Other Implications:

Communications Strategy

After the RRL Pilot Program is relaunched at the end of Q1 2024, staff will proceed with a robust communication and engagement plan. These actions aim to raise awareness, improve compliance and foster ongoing education opportunities with residents and interested parties. Communication activities will include, but not limited to the following:

- **Relaunching the Project Webpage:** The project webpage will be updated with concise application process updates.
- **Program Brochure:** A program brochure will be created for property owners, providing information on relevant resources like property standard by-laws, snow removal, grass cutting, parking, and the Region of Peel's waste management program.
- **Mobile Signs:** Mobile signs will be placed within the pilot area boundaries to educate the public about the program.
- **Social Media:** A social media campaign will help the City reach residents and interested parties with important program information and updates related to the Residential Rental Licensing Program.

STRATEGIC FOCUS AREA:

This report aligns with the City's Strategic Focus on Healthy and Well-being by supporting the City's Community Safety and Action Plan. The Residential Rental Licensing Pilot Program and Code of Conduct protects the health and safety of individuals in the rental housing market and outlines the responsibilities of landlords.

CONCLUSION:

Since the launch of the Residential Rental Licensing Pilot Program on January 1, 2024, the city received a number of comments and public inquiries related to the application process and the information/documents required for obtaining a business licence. The Residential Rental Licensing Task Force requested that staff review the application process and make refinements to avoid duplication of documents and unnecessary information requirements.

As a result of the feedback/input received from the public at Committee of Council and Tele Town Hall staff have recommended a number of refinements outlined in this report to streamline the application process and improve the user's experience when applying for a business license. The improvements proposed for the relaunch of the pilot program have eliminated redundancy and reduced application processing time. The RRL Pilot Program is targeted to relaunch for the end of March 2024 and no later than April 19, 2024, to accommodate any technical issues and allow time for outreach.

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Attachments:

- Attachment 1 – RRL Delegations from January 31, 2024, Committee of Council Meeting.
- Attachment 2 – Tele Town Hall held on February 22, 2024.