



Report
Staff Report
The Corporation of the City of Brampton
9/18/2024

Date: 2024-09-09

Subject: **Recommendation Report – Addressing Unqualified Contractors and Repeat Building Inspections for Additional Residential Units (ARUs)**

Contact: Farhad Habibi, CBO and Director of Building Division, 905-874-2449
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Report number: Planning, Bld & Growth Mgt-2024-734

RECOMMENDATIONS:

1. That the report from Farhad Habibi, CBO and Director of the Building Division, to the Committee of Council meeting of September 18, 2024 re: Recommendation Report – Addressing Unqualified Contracts and Repeat Inspections be received;
2. That staff be directed to implement the surcharge fee as prescribed in the City's Building By-law for any recall of the same inspection process after the second failed inspection; and,
3. That the Education and Awareness provisions described in this report be implemented by Q1, 2025;
4. That staff be directed to continue to advocate and collaborate with the Ontario Contractors Association to address concerns about unqualified contractors to enforce the Business Licensing By-law for contractors in ARU construction; and,
5. That staff be directed to report back on the efficacy of these recommendations in Q3, 2025.

OVERVIEW:

- **This report addresses challenges posed by unqualified contractors during Additional Residential Unit (ARU) inspections and provides recommendations to improve service delivery, reduce conflicts, and ensure compliance with approved plans and timelines.**
- **20% of ARU building permits account for 40% of inspection workloads, largely due to unqualified contractors relying on inspectors for on-site training and guidance.**
- **The lack of inspection caps and preventive measures has led to significant financial, operational, and service-level impacts on the Building Division, doubling inspection times and reducing efficiency by 50%.**
- **The recommendations include enacting the prescribed recall fees, improving awareness and education programs, enhanced cross-departmental collaboration with respect to licensing and enforcement, and continuing to work with the Ontario Contractors Association to enforce the Business Licensing By-law to minimize the impacts of unqualified contractors.**
- **These measures are the first step in addressing the issue of unqualified contractors – thereby improving efficiency, service quality, and safety for Brampton residents while reducing undue stress on the City’s building inspection team.**
- **It is anticipated that when fully implemented, these recommendations will:**
 - **Increase efficiencies in service delivery – which will offset financial burdens to the tax base associated with repeat inspections;**
 - **Increase customer satisfaction;**
 - **Reduce conflicts between contractors and city staff – resulting in a more collaborative relationship and supporting staff morale, in particular among the City’s building inspectors;**

BACKGROUND:

In 2015, the City of Brampton amended its Zoning By-Law to allow secondary dwelling units in existing homes. In response to provincial legislation including Bill 23 and Bill 108, the By-Law was revised in 2022 to permit additional residential units (ARUs), including second, third units, and garden suites, allowing up to three units per lot. As part of a provincial mandate, Brampton pledged in 2023 to build 113,000 new homes, including ARUs, by 2031, with all ARU construction requiring building permits.

The Ontario Building Code (OBC) mandates several inspections after a building permit is issued. The Building Code Act (BCA) outlines the roles of inspectors and contractors. Inspectors are tasked with reviewing plans, inspecting construction, and ensuring compliance independently, while contractors must ensure that construction aligns with permits and proper building techniques.

While only 16 mandatory inspections are required for a typical ARU, data shows that an average of 30 inspections are conducted per application, with 20% of ARU permits accounting for 40% of the daily inspection workload.

The Building Division currently does not cap the number of inspections for the same process, resulting in operational inefficiencies and financial strain. This has led to a doubling of inspections per permit and a 50% reduction in service levels. This overload is often caused by contractors lacking experience and relying on inspectors for guidance.

The Ontario Contractors Association (OCA) addressed Committee of Council on May 22, 2024, further highlighting issues and concerns about unqualified contractors, many of whom are operating without insurance, experience of WSIB coverage in Brampton.

Staff met with the OCA in June, 2024, to explore solutions that align with both City and OCA concerns. Based on this, staff have developed several recommendations to address these issues, aiming to protect residents and improve outcomes for all stakeholders.

CURRENT SITUATION:

Over the past five years, the Building Division has conducted **an average of 148,957 inspections annually for approximately 4,908 ARU applications**, resulting in an average of 31 inspections per application—almost double the 16 mandatory inspections required for ARU creation. ARUs alone account for 90% of the Building Division's annual inspection workload.

Data reveals that 20% of ARU building permits are responsible for 40% of the daily inspection burden, **underscoring the need to address unqualified contractors rather than penalizing all applicants.**

The primary issue stems from contractors who lack the necessary qualifications, training, and understanding of their responsibilities under Ontario regulations. This situation is further compounded by staff shortages and the Building Division's difficulty in filling vacant positions due to Ministry qualification requirements, negatively impacting both staff workload, morale and overall service levels.

Many on-site attendees are general laborers with limited knowledge of construction practices, leading to repeated inspection recalls for the same project. A common issue is subcontracting without proper oversight, often exacerbated when property owners act as their own contractors, which further complicates service delivery. **Inspectors are frequently expected to go beyond their defined roles, providing on-site training and even project management, resulting in longer site visits, delayed schedules, and reduced service levels.**

This situation has led to increasing conflicts between inspectors and contractors, causing unnecessary escalations to leadership. **Additionally, contractors often treat inspections as a "free" service, repeatedly calling for multiple visits without consequence, as there are no caps or penalties in place for such behavior.**

Recommendations

To address the root causes associated with this report, staff recommend the following:

1. Enforce/enact the Building By-law recall fee

The City's Building By-law currently contains a provision for staff to charge a fee of \$111.81 for the recall of the same inspection process after the second failed inspection. In an effort to ensure home renovations/ARU construction is not cost prohibitive, the city has not historically enforced this fee. The increase in ARU construction, coupled with the escalating number of repeat inspections evidenced in the report, requires this fee to now be charged.

Staff also note that Watson and Associates has been engaged to review and update the building permit fee to reflect the true cost of service delivery, including the recall fee. Staff anticipate reporting back to Council with the findings of this analysis, and any fee adjustments, in Q1 2025.

2. Improved City-led Education and Awareness

Staff have identified the following low/no cost City-led opportunities that will work to enhance education and awareness for both contractors and homeowners:

- Building Division to provide bi-annual seminars and webinars for contractors where educational materials pertaining to construction of ARU are presented providing an opportunity for those interested to benefit from and ask questions.
- Include QR codes on the permit package where the homeowners and contractors can benefit from additional explanatory information about each mandatory inspection.
- Append educational material, i.e. “How to Find a Qualified Contractor” to the building permit issuance package to bring awareness to homeowners about the basic requirements that they should look for when hiring contractors.
- Enforcement of the “Start of Construction” inspections to establish a functional working relationship with contractors/homeowners, set expectations and establish roles at the outset of construction. This will facilitate early detection of unqualified contractors to help course correct and deploy preventative measures prior to construction completion.

3. Enhanced Stakeholder Coordination

The Building Division will collaborate with strategic partners to educate homeowners and the industry on the importance of compliance with the municipal licensing framework for contractors. By encouraging contractors to obtain a business license, and therefore the necessary qualifications, experience, and insurance, the City aims to ensure that competent professionals are performing work in Brampton.

Business Licensing By-law

The Business Licensing By-law 184-2023 requires a license be taken out by every person who is engaged in the following three contractor businesses: building renovator; heating, air conditioning and ventilation; and plumbing. Therefore, no person is permitted to carry on, or engage in any of these businesses unless the person is licensed under this By-law. The costs of these licenses range from \$194-\$220. The licenses require contractors to do (but not limited to) the following:

- Submit proof that all workers and employees are protected under the provisions of the *Workplace Safety and Insurance Act, 1997*, as amended;
- Prepare a written contract to be signed by the licensee and the person for whom the work is being done before commencing any work and a copy of this contract shall be given to the person for whom the work is being done with particulars of this contract set out in the By-law; and,
- Obtain all necessary permits required by law prior to the commencement of any work and, upon completion, complete a final inspection from the City.

Conditions of these permits provide an added level of accountability, as failing to meet the City’s standards can result in permit revocation and legal action.

Building Renovators

Building renovators are individuals engaged in the business of altering, repairing or renovating buildings, structures, roofs, chimneys and includes anyone who solicits such work (but does not include a building contractor whose principal business is the construction of buildings and structures).

Heating, Air Conditioning and Ventilation (HVAC) Contractors

HVAC contractors are responsible for the installation, maintenance, repair or replacing of warm air heating/cooling equipment, refrigeration systems or ventilation systems. Every HVAC licensee is required to comply with all the provisions of the *Ontario College of Trades and Apprenticeship Act, 2009*, as amended (OCTAA), the *Technical Standards and Safety Act, 2000*, as amended (TSSA), and any other applicable provincial and federal legislation. All HVAC licensees must also employ a master warm air heating, air conditioning and ventilation installer, having been issued a certificate of qualification by OCTAA or that is licensed under the TSSA to work in the City of Brampton.

Plumbing Contractors

Plumbing contractors install and maintain plumbing systems and must either be a master plumber with a certificate of qualification under the OCTAA or have a master plumber in their employ to work in the City of Brampton.

Business Licensing Enforcement

Building inspectors are generally the first point of contact with unlicensed contractors during obligatory permit inspections. As such, enforcement of the by-law requires coordination and information sharing with Enforcement and By-law Services. The integration of both business units' resources and authorities will help operationalize an additional mechanism for protecting public safety, maintaining quality construction standards, and fostering a more reliable industry.

CORPORATE IMPLICATIONS:

N/A

Financial Implications:

N/A

STRATEGIC FOCUS AREA:

This report aligns with and supports the 'Health & Well-being' and 'Government and Leadership' Strategic Focus Areas. The recommendations of this report will contribute to ensuring that additional residential units are safe and sustainable forms of residence, while also ensuring efficient and effective service delivery.

CONCLUSION:

Since the ARU By-law was implemented in 2015, City inspectors have worked with hundreds of contractors, many of whom are unlicensed or unqualified. Twenty percent of permits generate 40% of inspection requests, resulting in competing workloads, undue stress on staff – thus impacting overall service levels. The recommendations outlined in this report are part of a roadmap that staff will undertake to address unqualified contractors. Staff will prepare annual reports to the Council on the status of this work and key performance indicators aligned to the outcomes noted in this report

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ATTACHMENTS

- Appendix 1 – Statistical data showing the number of inspections
- Appendix 2 - Inspection Statistics for ARU permits with more than 44 inspections: