

Staff Report



Development Services Department

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REPORT TO: Committee of the Whole

DATE OF MEETING: February 10, 2025

SUBMITTED BY: Rosa Bustamante, Director Planning and Housing Policy/City Planner, 519-783-8929

PREPARED BY: Natalie Goss, Manager Policy & Research, 519-783-8933

WARD(S) INVOLVED: ALL

DATE OF REPORT: February 6, 2025

REPORT NO.: DSD-2025-051

SUBJECT: Evictions due to renovations – report back timing

RECOMMENDATION:

For information.

REPORT HIGHLIGHTS:

- The purpose of this report is to outline options for the timing of a report to Council on “renoviction” by-laws in other Ontario municipalities.
- Staff continue to recommend a report back to Council in June 2025 so that it is informed by a review of the implementation of other approved “renoviction” by-laws in Ontario, balancing both availability of information to inform the analysis and the opportunity costs of resources that are already focused on corporate priority projects.
- Should Council advance Options 1, 2, or 3 as outlined in this report, there may be capital budget implications should the City miss key milestones of the Canada Community-Building Fund and Housing Accelerator Fund. Additionally, there may be potential cost increases from consultants (e.g., Kitchener 2051) due to project delays on existing consulting contracts.
- This report has been posted to the City’s website with the agenda in advance of the Council / Committee meeting.
- This report supports the delivery of core services.

BACKGROUND:

In 2024, Hamilton, London, and Toronto passed by-laws requiring that a license be obtained by a qualified contractor who intends to conduct renovation work on a residential unit where the tenant has been served an N13 (notice to vacate the unit), otherwise known as “renoviction” by-laws. The Province of Ontario legislated similar requirements through the passing of Bill 97 *Helping Homebuyers, Protecting Tenants Act, 2023*; however, most schedules of this Act, including Schedule 7, related to “renovictions”, have not yet been proclaimed (i.e., implemented).

*** This information is available in accessible formats upon request. ***
Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

In June 2024, as part of Council's decision to approve Kitchener's Rental Replacement By-law, Council directed that staff report back in June 2025 on the "renoviction" by-laws being passed in Ontario. Staff have started to review these by-laws and have reached out to staff in the other municipalities for initial conversations. Only one jurisdiction, Hamilton, has had their by-law come into effect, on January 1, 2025.

On January 20, 2025, Council passed the following resolution:

"That staff be directed to provide additional information at the February 10, 2025 Special Council meeting, on whether staff would be able to expedite a previously requested follow up report, discussed at the June 24, 2024 Council meeting, which would include a review of other "Renoviction" By-laws that have already been approved thus far, and whether the report could be brought forward for consideration prior to June 2025."

This report outlines timing options for reporting to Council on "renoviction" by-laws in other Ontario municipalities.

REPORT:

As a part of Council's approval of Kitchener's Rental Replacement By-law in June 2024, Council passed the following resolution related to "renoviction" By-laws:

"...That staff be directed to report back in June 2025 reviewing impacts of the (Rental Replacement) By-law thus far and to provide further updates on any other "renovictions" By-laws within Ontario."

The timing of this deliverable is coordinated with the 1-year report back on the challenges, opportunities, and areas for improvement that staff have experienced through the implementation of Kitchener's Rental Replacement By-law. The report back to Council on these topics is a collaborative effort with staff from Planning and Housing Policy, Building, Legislated Services (Licensing), Legal Services, and By-law Enforcement.

At this time, staff anticipate that the scope of a June 2025 report back on "renoviction" by-laws will include and be informed by:

- Additional conversations with staff from the cities of Hamilton, London, and Toronto – the only jurisdictions that have passed such by-laws.
- Early learning from other jurisdictions as:
 - Hamilton will be the only jurisdiction to implement their bylaw by June 2025.
 - Toronto's implementation will only begin in July 2025.
 - London's final approval of implementation is pending budgetary review and may not occur in 2025.
- An understanding of the framework of the by-laws (i.e., licensing approach).
- More knowledge about how municipalities are implementing and enforcing their by-laws, including any challenges.
- An understanding of how these by-laws work with the requirements of the Ontario *Residential Tenancies Act*.
- Whether there have been any legal challenges to the by-laws.
- Understanding any tenant experiences with the implementation of the by-laws including any privacy concerns, positive impacts, and any reactions to the interface between the by-law processes and the Landlord Tenant Board processes.

- The number and expertise of staff dedicated to the development of, implementation, and enforcement of the by-laws and the associated costs.
- How the municipalities are or expect to recover costs of implementation and enforcement.
- Any updates to the provincial legislative environment including the progress of ongoing advocacy to implement Bill 97, Schedule 7 provisions and expand Landlord Tenant Board capacity. If this implementation occurs, it is expected that this will address the issue through the provincial jurisdiction, where this currently resides by virtue of the *Residential Tenancies Act*.

Reporting back earlier than the June 2025 presents challenges and limitations as follows:

Informed decision making – Although Hamilton, London, and Toronto have all passed “renoviction” by-laws, only Hamilton’s is in effect. Toronto’s by-law will be in effect in July 2025 and London’s effective date is dependent on budget. Staff will be limited in their ability to provide information on the challenges, opportunities and areas for improvement learned from these municipalities the earlier a report back to Council occurs. Like the approach taken to develop Kitchener’s Rental Replacement By-law, staff learned from other municipalities on challenges and areas for improvement in the wording of, implementation and enforcement of their by-laws. This enabled Kitchener to develop an improved Rental Replacement By-law.

Timing of a “renoviction by-law” - Should Council ultimately direct staff to proceed with preparing a “renoviction” by-law, there continues to be implementation and resourcing implications (i.e., budget and staff). Even with an earlier reporting back on what staff learn from Hamilton, London, and Toronto’s experiences, the critical path of implementation would not be fast tracked (i.e., earliest effective date of a by-law would be January 2026). This is due, in part, to the additional staff resources that are anticipated to be necessary for implementation and enforcement of a “renoviction” by-law which will need to be considered through a future budget process (i.e., 2026 budget deliberations).

Corporate work plan priorities - Staff have included a report back on “renovictions” to Council in June 2025 in their work plan. It is expected that this report back will require on average 1 day of dedicated core project staff time per week until June 2025 totaling approximately 150-200 hours. Reprioritizing this report back would require dedicating this same amount of time in a condensed timeframe causing significant delays to several corporate priority projects that are already being resourced including some in collaboration with other area municipalities. Reprioritization will also further frustrate already constrained staffing resources in certain divisions (i.e., legal services) and will frustrate the timely issuance of complex building permits. Corporate work plan items that will see delays include:

- Kitchener 2051/New Official Plan (Strategic Plan priority project).
- Housing Needs Assessment (Strategic Plan priority and Housing Accelerator Fund project).
- Climate Adaptation Plan (Strategic Plan priority and Housing Accelerator Fund project).
- Growing Together East (Housing Accelerator Fund project).
- Strategic land acquisition and existing city-owned lands for affordable housing (Housing Accelerator Fund project).
- Lodging House By-law implementation and Short-Term Rental By-law.
- Amendments to the Business Licensing By-law to streamline business processes.

Options for reporting back

Four report back timing options are outlined for Council's consideration.

Option 1 – March committee of Council. Reports are due for review no later than February 28th providing approximately 3 weeks to accomplish the scope of work outlined above. There would be limited to no new information available. This option is not recommended.

Option 2 – April committee of Council. Reports are due for review no later than March 27th providing approximately 5 weeks to accomplish the scope of work outlined above. Although this option provides 2 additional weeks to accomplish this review, there will still be a significant delay in the work outlined above. This option is not recommended.

Option 3 – May committee of Council. Reports are due for review no later than April 24th providing approximately 9 weeks to accomplish the scope of work outlined above. A report to Council during this timeframe is only 3 weeks earlier than the currently planned June 2025 report back Council has already directed. Given the significant workload implications outlined above, this option is not recommended.

Option 4 – Continue to report back during the June committee of Council. Staff have already accommodated this report back timing into their work plans for 2025 and work already commenced on this report back alongside the other ongoing work outlined above. Hamilton's by-law will have been in effect for approximately 5 months increasing the likelihood of being able to understand opportunities, challenges, and legal challenges. This option will also allow for the work plan items outlined above to be maintained and deliverables accomplished within anticipated timeframes. **This option continues to be recommended by staff.**

None of the options outlined above enable the implementation of a "renoviction" by-law in 2025 should council ultimately direct one to be prepared. More commentary on this is provided in the "timing of a "renoviction" by-law" section of this report.

Given the council resolution from June 24, 2024 (see above), should Council support Option 1, 2 or 3, in accordance with section 7.15 of the City's Procedure By-law (Chapter 25 of the Municipal Code), this would require a Motion to Reconsider the previous direction to report back by June 2025. The Motion to Reconsider must be passed by a two-thirds vote, prior to the consideration of a motion to support Option 1, 2 or 3.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Capital Budget – Should Council advance Options 1, 2, or 3 outlined in this report, there may be capital budget implications should the City miss key milestones of the Canada Community-Building Fund and Housing Accelerator Fund. Additionally, there may be potential cost increases from consultants (e.g., Kitchener 2051) due to project delays on existing consulting contracts.

Operating Budget – The recommendation has no impact on the Operating Budget.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

There are no previous reports/authorities related to this matter.

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