

Staff Report

Corporate Services Department



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REPORT TO: Finance and Corporate Services Committee

DATE OF MEETING: March 30, 2026

SUBMITTED BY: Amanda Fusco, Director, Legislated Services, 519-904-1402

PREPARED BY: Kristin VanDerGeld, Manager of Licensing, 519-904-5605

WARD(S) INVOLVED: ALL

DATE OF REPORT: March 12, 2026

REPORT NO.: COR-2026-045

SUBJECT: Rental Renovation Licensing By-law

RECOMMENDATION:

That the Rental Renovation Licensing By-law be approved in the form shown attached to Corporate Services Department report COR-2026-045 as Appendix “A”; and,

That the fees set out in Appendix “B” of Corporate Services Department report COR-2026-045 be approved; and further,

That the request for two (2) Full Time Equivalent (FTE’s) to support the administration, inspection, and enforcement of the Rental Renovation Licensing By-law be approved.

REPORT HIGHLIGHTS:

- The purpose of this report is to provide a Rental Renovation Licensing By-law for Council’s consideration in accordance with Council’s motion on June 23, 2025.
- The City engaged Optimus SBR to conduct policy research, benchmark other municipalities, and lead targeted engagement with tenants, landlords, community groups, and legal and housing service providers. Using these inputs, the consultant produced a Recommendations Report to guide development of a Rental Renovation Licensing By-law.
- This report supports Building a Connected City Together: Focuses on neighbourhoods; housing and ensuring secure, affordable homes; getting around easily, sustainably and safely to the places and spaces that matter.

BACKGROUND:

Evictions due to renovations are one symptom of the housing crisis that is being experienced in Kitchener and across Canada. Renoviction is a term that combines “renovation” and “eviction”, describing a situation where a landlord evicts a tenant under the pretense of renovations to the property using a Notice to End Tenancy Because the Landlord Wants to Demolish the Rental Unit,

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Repair it or Convert it to Another Use (N13). Such evictions can and have been used in bad faith to displace existing tenants paying a lower rent with new tenants paying a higher rent under the guise of a needed repair or renovation. A comprehensive [report](#) was presented in June 2025 outlining potential approaches within Kitchener's jurisdiction to address issues related to renovations. At that time, Council directed staff to develop a Rental Renovation Licensing By-law ("Renoviction" By-law). To support this work, conduct fulsome engagement activities and ensure timely completion, the City engaged Optimus SBR to conduct policy research, undertake municipal benchmarking, and facilitate targeted engagement with tenants, landlords, community organizations, and legal and housing service providers. Drawing on these inputs, the consultant prepared a recommendations report (Attachment C) outlining key considerations to guide the development of a Rental Renovation Licensing By-law tailored to Kitchener's context.

At the time of consultation, three Ontario municipalities, London, Toronto, and Hamilton had already implemented Rental Renovation Licensing By-law, and the City of Waterloo has since passed a similar by-law. These programs were reviewed as part of the consultation process. While each by-law is linked to N13 evictions, they vary considerably in scope, enforcement approach, and the level of tenant protections provided.

REPORT:

Drawing on lessons from other municipalities, feedback from targeted engagement, and operational considerations, Optimus SBR recommends that City of Kitchener adopt a modest licensing model similar to that of the City of London. This approach enhances transparency and oversight while avoiding duplication of provincial processes. Optimus SBR's review identified significant information gaps for tenants that municipal licensing can help address. Experience across all three municipalities indicates that the most effective elements include a post-N13 licensing action, unit-level oversight, standardized tenant notifications, and education-focused enforcement that is consistent rather than punitive. Feedback from targeted engagement highlighted the need for clear information and predictable enforcement. Tenants emphasized transparency, while landlords supported reducing administrative burden alongside clearer communication.

The proposed Rental Renovation Licensing By-law (Attachment A) introduces a modest licensing approach that supplements, but does not expand beyond, the requirements already established by the *Residential Tenancies Act* (RTA). It would require a per-unit licence for any renovation that necessitates vacant possession of a rental unit, triggered by the issuance of an N13 notice. The purpose of the By-law is to enhance transparency, ensure tenants receive timely and accurate information about their rights, and provide the City with a limited but meaningful level of oversight related to renovation-based evictions. It also supports landlords by setting clear, consistent regulations and expectations for rental renovation projects.

Key components of the proposed By-law include requirements for:

- landlords to apply for a licence within 7 calendar days of serving an N13 Notice.
- The submission of supporting documentation such as building permits, a professional assessment from a Qualified Person confirming that vacant possession is necessary, a copy of the N13 notice, and proof that all prescribed information has been provided to affected tenants.
- Notice of the application being posted within 5 days of submitting the application, indicating that an application for a Rental Renovation Licence has been filed with the City.
- Posting a copy of the issued licence for the duration of the renovation.
- Clear prohibitions, inspection authorities, and enforcement mechanisms, that incorporate offences and penalties for non-compliance using both *Provincial Offences Act* (POA) and Administrative Monetary Penalty System (AMPS).
- A per-unit Application Licence fee of \$650.

The proposed By-law relies on *Residential Tenancies Act* requirements for tenant compensation (e.g., financial compensation/another acceptable unit; right of first refusal for re-occupancy), avoiding the creation of parallel or overlapping obligations that extend beyond what the *Residential Tenancies Act* requires. This approach supports regulatory clarity, consistency, and administrative efficiency while still advancing Council’s objectives.

Staff acknowledge tenant advocacy groups continued call for stronger measures such as moving cost compensation and rent top-ups like those adopted in Toronto and Hamilton and recently directed by Waterloo Council. While these perspectives were clearly expressed during engagement, staff continue to recommend a balanced and measured licensing approach that complements, rather than replicates, existing provincial requirements.

As outlined in previous staff reports, concerns remain regarding the potential duplication of provincial authority under the *Residential Tenancies Act*, the risk of jurisdictional legal challenges, uncertainty about the effectiveness of more expansive measures in addressing bad-faith evictions, and the financial and operational impacts on the City. Accordingly, staff recommend advancing the modest licensing framework presented in **Attachment “A.”**

Resourcing:

Feedback from London, Toronto, and Hamilton indicated that although application numbers are consistently low, the program generates a disproportionately high workload, especially in the areas of investigation, enforcement, and tenant support. These jurisdictions confirmed that complaint handling and tenant inquiries often consumed more time than the license issuance itself. Additionally, planning staff who are currently implementing the Rental Replacement By-law are also experiencing a high level of enquiries from tenants and property owners.

The table below summarizes the number of Full-Time Equivalents (FTEs) added in other jurisdictions to prepare for the anticipated workload of implementing a Rental Renovation Licensing By-law. In many cases, these staff are also allocated to support other related municipal programs in various divisions.

Municipal Comparators:

London:	Toronto:	Hamilton:	Waterloo:
3 FTE’s, including IT secondment.	14 FTE’s, 8 Tenant Support, 6 Enforcement Officers.	3 FTE’s, part of a broader 28 FTE program.	3 FTE’s, 1 Enforcement Officer, 1 Tenant Support, 1 Information Officer.

Based on the comparator analysis and the recommendations provided by Optimus SBR, a staffing complement of 2–3 FTEs is recommended for program implementation and to streamline staff across both the rental renovation licensing by-law and rental replacement by-law. This level of resourcing is critical to ensure effective service delivery, appropriate risk management, overall program credibility, and expertise in tenant and landlord relationships is available.

While there is some potential to leverage existing capacity—specifically the Licensing Inspector position added to support the Lodging House Program—Optimus SBR’s jurisdictional scan and

research indicate that this will not be sufficient to fully support the program's requirements. To address the identified gaps, it is recommended that 2 FTE's, which include a Licensing Administrator position and a newly developed Tenant Liaison role be allocated to ensure the program is adequately resourced and positioned for successful implementation.

Tenant Liaison:

Through this review, it has become clear that establishing a Tenant Liaison position is essential to the success of this program and other housing-related initiatives. This role would provide a dedicated point of contact for tenants facing challenges related to renovation and demolition-driven displacement, offering education, guidance, and connections to various external supports such as legal or social supports. Given the complexity of these situations, the position would benefit from experience in social work and a strong understanding of the *Residential Tenancies Act*—expertise that current city staff do not possess.

Beyond the Rental Renovation program, this role would enhance the City's capacity to respond to a growing range of housing needs, including rental replacement, property standards matters, and rental housing programs such as lodging houses. Establishing this position would fill a well-recognized service gap and strengthen the City's ability to support vulnerable tenants across multiple initiatives.

The position would be allocated within Licensing Services and would work closely with Planning staff. A formal program review after 18–24 months would be completed to assess shared outcomes from both areas and consideration of any need to reorganize the position.

Licensing Administrator:

The Licensing Administrator position is responsible for administering all licensing by-laws, including processing marriage and lottery licences, delivering front-line customer service, and managing all licence applications and related complaints. This position is currently operating at full capacity and cannot take on additional program responsibilities. To manage peak demand, Licensing Inspectors are frequently redirected to provide administrative support, which limits their ability to conduct field work, onboard new businesses, and maintain proactive enforcement.

Between 2024–2025, Licensing Administration staff supported 8,965 customers through the customer service centre. Across the division, an average of 153 phone calls per month were received, adding to the overall administrative demand placed on staff. During the same period, the City received 6,677 business licence applications, with approximately 2,000 of these processed directly by Licensing Inspectors. Inspectors also conducted roughly 2,000 licensing investigations over the last two years. The combined impact of application processing, investigations, and support for customer service functions significantly reduces the time available for proactive enforcement and field-based compliance work. Together, these figures highlight the substantial administrative workload carried across the division and demonstrate how frequently Licensing Inspectors are diverted from their primary enforcement responsibilities to maintain essential licensing operations.

An additional Licensing Administrator would enable Licensing Inspectors to focus on proactive field work across existing programs and the new Rental Renovation program. This role would also relieve

current administrative capacity constraints, enabling the section to manage increased call volumes and application processing demands anticipated under the new program.

Operationally it would be most effective for the two positions proposed to be in close proximity to the Manager, Licensing and other section members to assist with onboarding, morale and relationship building. Unfortunately, there is insufficient space on the Second Floor, Berlin Tower to accommodate these positions, should they be supported by Council. In discussion with Facilities Management, the need to provision construction costs to build new workstations and procure furniture were added the financial implication section of this report as a one-time cost. This work would form part of an infill project, focusing on reconfiguring space within the existing floor plan. It uses a combination of new and existing furniture and does not involve major demolition or construction. The costs proposed to establish the workstations and furniture are estimated to be \$50,000 and are further itemized below. Additionally, annual operating requirements for both proposed positions have also been detailed in the financial implications.

Other Resourcing Impacts:

There may also be impacts on other Legislated Services functions, particularly related to access requests (also known as Freedom of Information (FOI) requests). This area has already experienced a 40% year-over-year increase, including more frequent requests for building permit records associated with evictions due to renovations. Additional support from Technology and Innovation Services and Legal Services may also be required. Staff will monitor these impacts and report back in 18–24 months on whether additional resourcing is needed.

Implementation Date:

Should Council approve the proposed Rental Renovation By-law, there are many implementation factors to consider, including but not limited to;

- Time to post, recruit, interview and onboard the two (2) staff being recommended (3 months)
- Configuration of the city's licensing system (AMANDA) to allow for these license types (1 month)
- Communication, education and awareness of the new program to the Kitchener community (1-2 months)

Licensing Services staff, as members of Legislated Services division, are crucial to the successful administration of the 2026 Municipal and School Board election occurring October 26, 2026. Licensing staff will be responsible for not only triaging front-line inquiries but also serving as election officials in operating voting methods and polling locations and will be at capacity in both September and October. As such staff have included an implementation date of January 1, 2027. An accelerated implementation timeline of September 1, 2026 may be possible should the two positions recommended be recruited with sufficient time to complete the remaining objectives.

STRATEGIC PLAN ALIGNMENT:

This report supports Building a Connected City Together: Focuses on neighbourhoods; housing and ensuring secure, affordable homes; getting around easily, sustainably and safely to the places and spaces that matter.

FINANCIAL IMPLICATIONS:

The implementation of the Rental Renovation Licensing By-law will have considerable financial implications. The program will have Operating & Capital Budget Implications in the amount of

approximately **\$314,000**. One-time costs are estimated at \$100,000 for system configuration, communication and outreach, and office and furniture configuration. Ongoing operating costs are estimated at \$205,000 for staffing and program administration and would represent a 0.11% tax levy impact for the 2027 Operating Budget. 2026 costs would be unbudgeted and would result in an operating variance. There will be potential for further staffing requirements as the program demand is better understood. Any further staffing would be considered through the 2028 budget process. The projected licensing revenues will be minimal and therefore the program will not operate under a cost recovery model and would predominantly rely on tax-base funding.

Summary of Financial Impacts:

- Staffing costs include 2 FTEs: one Licensing Administrator, with salary and benefits totaling \$99,744.48 and one Tenant Support position, with an interim rating of \$99,744.48.
- System Configuration: \$25,000
- Communication & Outreach: \$25,000
- Staff Training: \$5,000
- Office and Furniture Configuration: \$50,000
- Computers & Supplies: \$8,895.00

COMMUNITY ENGAGEMENT:

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

CONSULT – The Engage Kitchener platform was used to solicit public feedback on renovation-related evictions and to identify participants for subsequent focus groups.

COLLABORATE – In collaboration with Optimus SBR stakeholder consultations were conducted with tenants, landlords and community advocates. The sessions explored experiences with renovation-related evictions, expectations for municipal oversight, and view on enforcement mechanisms and tenant supports.

PREVIOUS REPORTS/AUTHORITIES:

- [DSD-2025-051](#) – Evictions due to Renovation Report Back
- [DSD-2025-248](#) – Evictions due to Renovations
- [COR-2025-294](#) – Supplemental Report Eviction due to Renovations DSD-2025-248
- *Municipal Act, 2001*
- *Residential Tenancies Act, 2006, S.O. 2006 c. 17*

REVIEWED BY: Natalie Goss, Manager, Policy & Research
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APPROVED BY: Dimetra Resendes, Acting General Manager, Corporate Services
Justin Readman, General Manager, Development Services

ATTACHMENTS:

- Attachment ‘A’ – Rental Renovation Licensing By-law
- Attachment ‘B’ – Licence Fees

