

Licensing Rental Properties and Regulation of Nuisance Calls for Emergency Services

ISSUE

Repeat calls for emergency service to address non-emergency issues, arising from some multi-unit rental dwellings result in excessive draw on police resources. A business license program for multi-unit rental dwellings offers a potential solution to address this issue by providing an additional mechanism to take action on issues which may be contributing factors of the calls for service. However, the development and administration of a licensing program will require additional staff resources. Alternative approaches may achieve the same objectives more effectively and with less resources.

BACKGROUND

History

At its regular business meeting on December 18, 2017, City Council considered a report from the City Solicitor, which detailed concerns about properties with repeated calls for emergency services, where no emergency situation was present. This reduces the availability of emergency response services to respond to actual emergencies, which impacts the safety of the community and has budgetary implications. Options presented to address these issues included consideration for the licensing of multi-unit rental properties, in order to establish conditions and penalties around excessive number of nuisance calls to a single multi-unit building within Saskatoon.

At that meeting City Council resolved:

“That the Administration be directed to explore a licensing program for rental property businesses which includes provisions to regulate nuisance calls for emergency services, consult with key stakeholders including, but not limited to, the Saskatchewan Landlord Association, Saskatoon Housing Initiatives Partnership and Renters of Saskatoon and Area, and report back including recommendations to City Council”.

Current Status

There are approximately 37,000 rental units in Saskatoon, located within multiple unit rental dwellings, townhouses and one- and two-unit dwellings. The City of Saskatoon (the City) does not license individual rental properties or buildings, but does require that the office locations of property managers and rental companies obtain a business license. The Province of Saskatchewan, through the *Residential Tenancies Act, 2006*, and the Office of Residential Tenancies, regulates rental of residential property and assists tenants and landlords to secure their rights before, after and during tenancy.

Public Engagement

Consultation with key stakeholders was conducted in two phases and included Saskatoon Housing Corporation, Saskatoon Housing Authority, Saskatoon Homelessness Initiatives Partnership, The Office of Residential Tenancies, The

Saskatchewan Human Rights Commission, Renters of Saskatoon and Area, the Saskatchewan Landlords Association and the Pleasant Hill and King George Community Associations.

The initial phase of consultation focused on high-level discussion regarding desired outcomes of a rental property licensing program. The following primary objectives of a licensing program were identified:

1. Achieve greater rates of compliance with Property Maintenance Standards;
2. Limit nuisance tenant behaviour (including the high number of calls for emergency services in non-emergency situations); and
3. Hold landlords accountable when high nuisance call out rates to rental properties are experienced.

The second phase of consultation focussed on the desired objectives, evaluated their perceived importance and explored the most effective means to achieve them. A detailed engagement summary, including stakeholder input is provided in Appendix 1.

Most of the key stakeholder agencies raised concerns about unintended consequences of penalizing landlords for nuisance calls, noting it may discourage tenants from calling during an actual emergency, due to real or perceived repercussions from the landlord. The December 18, 2017 report to City Council, noted other municipalities charging fees associated with nuisance calls to landlords reported the eviction of tenants as a result of such fees being assessed. In some cases, to avoid eviction, tenants chose to not call for emergency services when they rightfully needed help.

City of Saskatoon's Current Approach

The City has existing bylaws and enforcement tools to address concerns related to residential property maintenance. Currently all property owners are held accountable for the condition of their property, under Bylaw No. 7990, Fire and Protective Services Bylaw, 2001; and Bylaw No. 8175, the Property Maintenance and Nuisance Abatement Bylaw, 2003. These bylaws provide detailed standards and maintenance requirements for all forms of residential properties related to fire safety, property maintenance and provision of habitable environments.

To ensure compliance with the minimum standards set out in these bylaws, one- and two-unit residential properties are inspected by the Saskatoon Fire Department (SFD) on a complaint driven basis. Multi-unit dwellings are scheduled to receive fire inspections annually, primarily to evaluate the condition of fire safety systems, storage of combustible materials, and means of egress.

If a tenant or neighbour has concerns regarding fire safety, or any other maintenance issues in a dwelling, they are able to file a complaint with SFD. A fire inspector is assigned to the file, conducts an inspection, and if necessary, issues an Order to Remedy contravention. For offences under the Property Maintenance and Nuisance Abatement Bylaw (e.g. tall weeds and grass, junk), if the required work is

not completed within 15 days of the date set for compliance, the City can hire a contractor to undertake the required work; costs will be added to the property taxes. This is known as the contracted services model. SFD closed 112 property maintenance files through the use of contractors to remedy outstanding contraventions in 2018 and have closed 123 such files to date in 2019.

Tenant behaviour, including property damage, undesirable behaviour in public areas of the property, excessive noise and altercations with others often result in calls for service to Saskatoon Police Services (SPS). In 2018, SPS noted 5 multi-unit apartment buildings had disproportionate call volumes, averaging 4 or more calls for police service per week. An additional 20 buildings had an average of 2 or more calls for service per week (see Appendix 2). The Safe Communities Task Force is a working group which was developed to address properties generating a disproportionate volume of calls for service, or with particularly difficult and multifaceted issues. This group is comprised of SPS, SFD, Bylaw Compliance from Community Standards Division, Saskatchewan Health Authority and the Ministry of Social Services. They meet quarterly to share information about complex properties and develop coordinated enforcement strategies.

Approaches in Other Jurisdictions

Administrative staff conducted a review of other Canadian municipalities and found a variety of approaches to regulate property maintenance, safety standards and nuisance behaviour in rental dwellings.

Rental property licensing programs allow municipalities to apply additional conditions to the renting of residential properties to ensure maintenance and safety standards are upheld, or to mitigate nuisance behaviour. Licensing programs may include pro-active property inspections, property management requirements (such as posting maintenance schedules and safety plans) or assessing penalties to landlords for repeated nuisance calls. When contraventions are identified, the license can be revoked, or additional conditions applied.

Fifteen municipalities were found to have implemented some form of rental unit licensing. The cities of Waterloo, London, Burnaby and Thorold require licenses for small scale developments (4 units or less) on the basis that these have not been constructed to commercial standards and therefore more oversight is appropriate. The majority of license programs are directed to multi-unit rental properties with municipalities such as Edmonton, Calgary, Toronto, New Westminster and North Vancouver implementing such programs.

Vancouver requires a license for all rental properties, regardless of the number of units. New Westminster also utilizes an excessive nuisance abatement fee when deemed necessary under their licensing program. In British Columbia, unpaid fees may be added to the taxes. This is not the case in Saskatchewan at this time.

Appendix 3 provides a municipal scan of Canadian cities with a licensing programs for rental properties and a summary of the intended objectives of their programs. Given the complexity of rental property licensing including anticipated non-compliance of problematic properties, complex investigation requirements and high administrative costs, other municipalities including Regina, Kitchener, Halifax, Windsor, Guelph, Mississauga, Oakville and Kingston have reviewed and decided to forego rental property licensing programs in favour of alternative methods including procedural improvements, optimal utilization of enforcement powers and amendments to bylaws. A summary of cities using alternative approaches is provided in Appendix 4.

City of Saskatoon - New Approaches Planned for 2020

As a result of the research into practices in other municipalities, and input obtained in the consultation process, the Administration has already identified several operational changes and improvements to existing processes which will be undertaken in 2020, within the already approved budgets. Each of these initiatives are aimed at achieving greater compliance with property maintenance standards, limit tenant nuisance behavior and work to reduce high volume nuisance call out rates to rental properties.

1) Conduct a Public Education Campaign Regarding Residential Tenancies

The Administration is planning to conduct an enhanced and ongoing public education campaign to ensure Saskatoon residents, whether owners or tenants, are aware of their rights and responsibilities regarding residential property maintenance and applicable bylaws, through broader distribution of existing resource materials. The Housing Handbook is a City of Saskatoon publication that was produced in partnership with the Office of Residential Tenancies and highlights programs designed to help low to moderate income people find adequate and affordable housing. It also outlines rights and responsibilities of tenants and landlords and provides tools and information to guide tenants through the rental process.

The Good Neighbour Guide is expected to be published online by the City early in 2020, with a condensed print version being made available shortly thereafter. This easy-to-read booklet will explain municipal regulations and requirements for residents, including bylaws related to property maintenance and nuisances in neighbourhoods.

As part of an educational campaign, a broader circulation of these documents to properties with recurrent bylaw contraventions, community associations and other relevant agencies will assist in educating the general public, landlords and tenants about expectations and requirements and how to report contraventions. The Administration will begin distribution in early 2020.

The financial implications of distributing these documents will vary depending on the scope of the mail-outs and the number of properties they are provided to, however the cost of printing and distribution for the first year is expected to be approximately \$2,000. This can be undertaken within the current budget allocation, with a note that this will require ongoing budget resources to produce and distribute these publications more widely, and on an annual basis.

Benefits:

- Assists in educating landlords and tenants about their rights and responsibilities;
- Provides important contact information to tenants and landlords when concerns are identified; and
- Informs the public about bylaws related to property maintenance and nuisances.

2) Support Programming to Increase Property Maintenance and Safety Considerations

The Crime Free-Multi Housing Program (CFMH Program) led by the SPS staff is a three-phased certification program for rental properties that seeks to reduce the level of illegal and nuisance activity, the fear of crime and the repair costs associated to building and property damage. The program is designed to be flexible and includes an annual safety social event where residents can share security concerns and solutions in the presence of the property manager and the City Police.

At this time, properties certified under the CFMH Program take part in safety social events. This option proposes additional opportunities for safety socials, at the request of the owner/manager of a multi-unit dwelling (not currently in the CFMH Program) who is experiencing increased incidents of crime, or who are considering entering the CFMH Program. These events offer landlords, managers and residents a chance to get together and address safety and security issues, learn important crime prevention tips from Police, share improvement ideas, get to know their neighbours, and may encourage property managers to sign onto the CFMH Program and work to implement additional safety and security measures.

Although the CFMH Program is adaptable for rental properties of all sizes, the program is currently limited to multiple unit dwellings. If this option is selected, additional reviews will be undertaken to determine if the scope of the program can be expanded to include one-unit and two-unit dwellings and townhouses.

Benefits :

- Promotes a strong sense of community;
- Encourages community members to consider and discuss safety;
- Provides tenants with an opportunity to improve perceptions of safety in their homes; and
- May encourage broader participation in the CFMH Program.

Administration, along with the SPS, will undertake to promote awareness and value of safety socials and resident programs. There are no financial implications at this time, as it can be implemented within the existing capacity of the CFMH Program. If however the volume of requests to join the CFMH Program exceeds staff resources, requests for additional staff resources may be required.

3) Optimize Use of Contracted Services to Remedy Bylaw Contraventions

Contracting services to remedy bylaw contraventions is one method for addressing bylaw contraventions in a relatively short time frame. The City can hire a contractor to complete work associated with remedying a contravention and recover the resulting

costs by applying them to the property taxes. The City currently utilizes this method in selected areas of enforcement under the Property Maintenance and Nuisance Abatement Bylaw, including removing junked vehicles, cleaning garbage and refuse, mowing tall weeds and grass, sidewalk snow clearing contraventions and demolition of properties. Under this model, when a bylaw contravention is identified, an Order to Remedy may be issued with a timeline to comply. If the contravention is not remedied in the time prescribed, a contractor is hired at the expense of the property owner to address the contraventions.

The contracted services model has been identified as an effective tool in ensuring certain property maintenance contraventions are addressed in a timely manner and further operational improvements will enhance its effectiveness. This includes clearly outlining timelines and expectations provided to a property owner to remedy a contravention, completing follow up inspections shortly after the deadline for compliance is reached, and taking further action, including use of contractors, where necessary. As the greatest enforcement challenge remains in managing the overall quantity of files, use of contractors can help to minimize the amount of time expended by city staff to bring properties into compliance.

It is important to note that a contracted service model cannot be implemented for certain types of nuisance complaints such as noise, excessive calls for emergency services or building maintenance concerns that do not pose an immediate risk to the health, safety and wellbeing of occupants.

Benefits:

- Ensures cost of remedying bylaw contraventions are paid by the property owner;
- May limit the length of time a property remains in contravention of a bylaw;
- Applicable to both rental and owner occupied housing, and all forms of dwellings.

4) Clear up Back Log of Property Maintenance Complaints

During the 2020/2021 Business Plan and Budget review, an additional 1.5 full time staff positions were approved for a 2-year period. These positions are to assist in addressing the current backlog of property maintenance complaints, with further reporting to be provided in late 2020 outlining the ongoing staffing resources required to address property maintenance complaints within the desired timelines.

Benefits:

- Addresses some long outstanding property maintenance complaints;
- Ensures complaints are being addressed in a timelier manner;
- Provides more substantial data related to ongoing support required to fully address the needs of the Property Maintenance and Nuisance Bylaw Inspection program.

OPTIONS

This section outlines two options to address issues identified by stakeholders related to property maintenance and nuisance abatement.

Option 1 – Increase Capacity to Proactively Address Property Maintenance Issues

Enforcement under The Property Maintenance and Zoning Bylaw is conducted on a complaint based system. Current staffing levels require complaints to be prioritized based on potential life safety risk and then by the order in which the complaint was received. This has led to increased wait times to address complaints that are considered lower priority, such as tall weeds and grass, or junked vehicles. As noted above an additional 1.5 full time staff positions were recently approved for a 2-year period. These positions are to assist in addressing the current backlog of property maintenance complaints.

Looking beyond getting the backlog of property maintenance complaints addressed, a program of proactive follow-up inspections on problematic properties, to ensure compliance is maintained over the long term, may help to reduce recurring incidents without relying on complaints from neighbours. A sustained pro-active follow-up inspection model will require increased staffing resources. If this option is selected, additional reporting on the staffing levels required and financial implications will be undertaken.

Advantages:

- Ensures complaints are addressed in a timely manner and that follow up inspections are conducted after a contravention has been remedied to ensure it has not reoccurred;
- Does not depend on residents to make a complaint; and
- Supports the timely identification and remedy of recurring contraventions.

Disadvantages:

- Will require additional staffing resources or approval to have the temporary positions made permanent in the future.

Option 2 – Prepare Specifics for Licensing Rental Properties

Rental property licensing provides a framework through which the rental dwellings can be regulated, inspected and enforced. Under these programs, landlords would be required to obtain a license, which could be revoked or suspended for infractions under a variety of bylaws.

There are approximately 650 multi-unit sites containing 21,635 individual dwellings in Saskatoon and an additional 15,330 rental units located in one-unit dwellings, two-unit dwellings and townhouses.

A rental licensing program would have significant financial implications and would take a minimum of two-years to implement. Other City licensing programs are operated on a cost-recovery basis, and are not supported by the mill-rate. It is anticipated that prior to

the start of the program the City would incur staffing and program costs which would not be able to be recovered. Further, once the program is in operation, licensing revenue for a rental property licensing program is anticipated to be insufficient to support the ongoing operation of the program, and that it would need to be partially funded through other sources. If this option is selected, additional engagement and reporting on bylaw amendments for regulations will be undertaken, including program specifics and details regarding the additional staff resources required to implement, administer and enforce such a program.

Advantages:

- Allows for licensing conditions to be applied to rental properties; and
- May include provisions such as a nuisance service fee.

Disadvantages:

At this time, a rental property licensing program is seen as a less effective option by the SPS, SFD and the Community Standards Division, for the following reasons:

- Will require significant time, budget and staffing resources to develop and administer. Licensing fees, in order to encourage compliance, would likely need to be set at a rate insufficient to cover operating costs of the program; additional funding sources would need to be identified;
- Would likely lead to increased costs to tenants, as licensing fees are typically passed on through higher rents;
- All rental properties of a certain form (i.e. multi-unit rental buildings) would be required to obtain a license; requirements for licensing could not be strategically applied to only those rental properties with frequent property maintenance and nuisance complaints;
- Property owners with recurring property maintenance and nuisance complaints are less likely to apply for a licence and enforcement measures will be required; and
- Revocation of a rental property license, due to non-compliance, could displace vulnerable residents from their rental units.

RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council that Administration be directed to investigate further and report back on the financial implications of implementing Option 1.; increase staffing to facilitate pro-active property maintenance inspections, as outlined in this report.

RATIONALE

The objective of a rental property licensing program is to address property maintenance contraventions and recurring nuisances at rental properties. The City currently has provisions in bylaws to set standards and enforce contraventions for property

maintenance and nuisance behaviour for all housing forms. Early intervention and remedy related to property maintenance contraventions may also serve to reduce the volume of non-emergency calls for service, by ensuring appropriate measures are taken to address the perception, safety and security of residential properties.

Given the number of new initiatives and changes planned to get underway in 2020, and intended to support ongoing property maintenance and nuisance bylaw enforcement, option 1 may achieve the objectives of a licensing program, in a strategic and focused manner, without incurring the additional administrative costs of licensing all rental properties.

ADDITIONAL IMPLICATIONS/CONSIDERATIONS

The financial implications will vary depending on the option selected and have been identified where they are quantifiable at this time in each option. Administration will undertake additional reporting, including financial implications, depending on the option selected.

APPENDICES

1. Licensing Rental Properties Comprehensive Consultation Report
2. Residential Locations with Highest Calls for Police Service - 2018
3. Municipalities Licensing Rental Properties
4. Municipalities Utilizing Alternative Approaches to Licensing
5. Confidential Solicitor/Client Privilege

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