

Safety and Facilities Services Committee City of Oshawa 50 Centre Street South Oshawa, ON L1H 3Z7

May 17, 2023

Re: Report SF-23-18

The Durham Region Home Builders' Association is in receipt of Report SF-23-18 – *Proposed Policy Options for the Residential Rental Housing Licensing Program and Other Rental Housing Regulatory Considerations* and has circulated this report to our membership. Our comments on this report are based on their feedback.

The DRHBA's position remains as it was in the correspondence submitted on May 4, 2022.

DRHBA is not in support of a city-wide expansion of the R.R.H.L., and there are numerous reasons for this position.

Our members believe that this program will not achieve its primary goal – which is to root out illegal units and have them brought up to code and the appropriate standards for rental units. The vast majority of landlords are responsible and take great care to ensure their tenants have a safe place to live. Landlords that are already ignoring the regulations and standards that are currently in place will continue to do so and will find ways to avoid participating in this proposed program.

As such, the result of the implementation of this program will be that existing, good landlords will be burdened with more red tape and expenses. These costs will be passed down to the tenants, and if those amounts exceed the currently permitted 2.5% increase, new renters will face that additional financial burden.

Legal rental units, whether they are located in an apartment building or in the basement of a home, already must pass stringent regulations to bring rental units to market. Landlords must acquire building permits, build/renovate to the Ontario Building Code, and pass inspections before they are granted an occupancy permit. As all new and existing legal units have already gone through this process, this program essentially becomes a redundant layer of bureaucracy – adding unnecessary delays and expenses.

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In speaking with our members who are landlords, they have talked about the fact that their expenses, such as utilities, repairs, garbage removal, etc. have gone up substantially and are not being covered by the annual 2.5% increase. As a result, when a unit becomes vacant, the landlord will take that opportunity to increase the rent to a level that will allow them to recover their costs.

As we are currently in an unprecedented housing affordability crisis, it would be counterintuitive to expand a program that will ultimately increase rental rates in legal, safe units, while having little to no impact on the illegal, unsafe units.

The provincial government has also passed two pieces of legislation, the *More Homes, More Choice Act*, and the *More Homes for Everyone Act, 2022*; both of which focus on adding additional housing types to the current supply and cutting red tape to ensure these units can be brought to the market as efficiently as possible. The City of Oshawa's proposed expansion of the rental licensing program goes against the spirit of these pieces of legislation by adding on an additional layer of red tape to housing.

Tenants in the City of Oshawa already have two avenues of redress if they encounter any issues with their rental units: through the City's existing property standards bylaws and through the Landlord and Tenant Board (LTB), which enforces the rules and regulations set out in the *Residential Tenancies Act*, 2006.

While the COVID pandemic has caused a backlog and delays at the LTB, the provincial government has recently released *Bill 97: Helping Homeowners and Protecting Tenants Act.* In addition to providing significantly more funding to the LTB to appoint 40 additional adjudicators (more than doubling the current number), the legislation also aims to make extend the LTB's hearing hours and make the LTB more efficient.

Bill 97 also proposes to increase protections for tenants, specifically addressing issues surrounding evictions. These protections would make it more difficult for landlords to "renovict" tenants or use "personal use for landlord or immediate family" to fraudulently evict tenants. The proposed legislation also clarifies and enhances tenants' rights to install window or portable air conditioning in their units.

The proposed Residential Rental Housing Licensing Program does not provide tenants with any protections that are not already addressed in existing municipal bylaws or provincial legislation.

Instead, expanding the program will only serve to add an additional layer of red tape around housing – which is already in crisis. Added fees and duplication of

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regulations will only serve to increase rents and decrease the number of rental units available on the market, as it may serve to discourage small landlords from entering the rental market. Combined with the fact that there really hasn't been a concerted effort to entice development of more purpose-built rental units, it is really this shortage of available units that will continue to prop up ever-increasing rental rates.

As an Association, we are championing housing affordability and will only support initiatives that will lead to greater supply, less red tape and more housing options for the residents of Oshawa and Durham Region.

We look forward to continuing to work with City staff to ensure that all residents of Oshawa have a safe and affordable place to call home.

Sincerely.

Stacey Hawkins

Executive Officer

Durham Region Home Builders' Association

Cc:

Domenic Chiodo, President, DRHBA Nick Henley, Chair, GR Committee, DRHBA DRHBA Membership

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