



Date: June 23, 2015

To: Councillor Palacio, Chair, Licensing & Standards Committee
Councillor De Baeremaeker
Councillor Di Giorgio
Councillor Karygiannis
Councillor Mammoliti
Josh Matlow

Cc: Dela Ting, Administrator, Licensing & Standards Committee (lsc@toronto.ca)

Re: LS5.4 Jurisdictional Scan and Alternatives to Licensing Landlords

Licensing was considered in 2007. As a better alternative, MRAB was created. MRAB launched in December 2008. In late 2013, approximately 5 years later, significant inefficiencies were discovered by Municipal Licensing & Standards senior staff and the City's Corporate Audit Division. As a result, ML&S spent 2014 addressing and correcting MRAB's practices and procedures. From an operational perspective, most of 2014 was dedicated to re-inspections. On the administrative side, most of 2014 was used to revamp the existing procedures to improve results.

In early 2015, an overhauled MRAB was introduced. Toronto ML&S has provided apartment building owners and property managers a clearly defined protocols. The lack of this in the past was identified by Toronto's Audit Corporate Division as a huge impediment to improvement. It has finally been remedied.

This new system is results oriented, rather than the former "quota" based system of 200 building audits per year. MRAB staff are now focusing their attention where needed using a pre-audit assessment process. If persistent issues are unrectified, MRAB are aggressively pursuing remedy; in some cases hiring contractors and billing the expenses to the building owner. GTAA supports these efforts.

The "new MRAB" has been in operation for just 6 months. ML&S staff spent a year to make these needed changes and before considerable time is spent on yet another new system, we suggest that the "new MRAB" be allowed to operate for sufficient time to determine its efficacy. The merit of another review just 6 months into a new system appears to be a considerable drain on municipal resources.

Toronto Planning's May 2015 *How Does the City Grow* update includes the most recent details regarding new rental construction. The following table is on page 16 of the report:

| Rental | | | | |
|---------------|--------------------|--------------------|------------------------|--------------------------------|
| | Completions | Absorptions | Net Completions | "Unabsorbed" Percentage |
| 2010 | 879 | 260 | 619 | 238.1 |
| 2011 | 804 | 605 | 199 | 32.9 |
| 2012 | 1,985 | 649 | 1,336 | 205.9 |
| 2013 | 1,681 | 1,269 | 412 | 32.5 |
| 2014 | 191 | 195 | -4 | -2.1 |
| Total | 5,540 | 2,978 | 2,562 | 86.0 |

This is an average of 1,100 new rental completions per year over the past five years. This is grossly insufficient to support the growth trajectory of Toronto. Most City Planning reports include comments regarding the dire need of much more purpose-built rental housing.

Recent news stories indicate that Toronto will finally see some new purpose-built rental development in the coming years. There is interest in building new rental housing for the growing City. It is vital to drive this positive momentum with policy stability. Constant flux or even the talk of it can quickly decrease interest. Toronto has had little production of new purpose-built rental since the mid-1970s, with just 191 last year. Municipal financial incentives and municipal policy stability are required at this time.

GTAA and our members are available to discuss these matters at your convenience. We look forward to positive growth.

Regards,



Daryl Chong
President & CEO
Greater Toronto Apartment Association

103 - 20 Upjohn Road
Toronto ON M3B 2V9
T: 416 385 3435 x36