

Attachment 1: Jurisdictional scan of licensing and regulatory frameworks for rental apartment buildings

The following is an analysis of the jurisdictional scan completed by staff. The full jurisdictional scan is included in the tables following the analysis. The tables are an updated version of the jurisdictional scan submitted to City Council on June 7, 2016, as Attachment 1 of the Proposed Framework for Multi-Residential Rental Property Licence.

Analysis of jurisdictional scan

Cities across North America use a variety of licensing and non-licensing regimes for rental apartment buildings. There are a few instances of large U.S. cities (over 500,000 population) with rental apartment building licences – these include Washington and Philadelphia. In contrast, there are many large U.S. cities that employ a business registration scheme to regulate rental apartment buildings, including: Baltimore, Boston, Dallas, Houston, LA, New York, Portland, Raleigh, San Francisco, and Seattle. Voluntary systems are less common and appear to be associated more with cities in the United Kingdom.

Across all the reviewed jurisdictions, staff could not find evidence of a rental apartment building license being revoked in the case of non-compliance. Instead, both licensing and non-licensing cities utilize penalties and fines for non-compliance. This would suggest that the distinguishing feature of a licence (i.e. the ability to remove the license in case of violation) is not used.

Scope of licensing and registration frameworks

Most cities in the scan require all rental dwellings to acquire a license or register with the municipal authority. This includes apartments in single family dwellings, duplexes, triplexes, units in condominiums, and purpose built rental apartments. Some make exceptions for smaller buildings with fewer rentals (less than three storeys, fewer than four units, for example).

Inspections

All examined cities have complaints-based inspections, similar to Toronto, where tenants can make complaints to the municipal authority and staff respond with an inspection. The use of pro-active inspections is less common. It is rare for municipalities to conduct inspections with every annual renewal of the license (Boulder, Colorado, is the only known example, which conducts a baseline inspection upon registry and annual inspections every year thereafter). Many municipalities conduct proactive inspections over a multi-annual cycle – such as every three years (Dallas and Los Angeles), five years (Boston and New Jersey), six to seven years (Houston), or ten years (Seattle). In some cases these are combined with random inspections, as in Washington, Seattle and Sacramento.

Some cities use an inspection system that focuses on non-compliant properties. Minneapolis organizes its licensing system for rental dwellings based on three tiers; a property's tier is determined based on the number of infractions observed. First tier properties are inspected every eight years because of their high compliance rate, whereas second tier properties are inspected every five years and third tier properties

are inspected every year. When property owners demonstrate improvement, their building may move to the second or third tier. In Dallas, which operates a business registration system, properties found to be non-compliant during a regular inspection are re-inspected more frequently. Some cities, such as Sacramento, conduct random inspections of 10% of all self-certified properties every year.

Staff found that the most effective enforcement of housing standards is a proactive inspection system that focuses on problematic properties. These proactive systems are used in cities irrespective of whether they license, or register, their rental apartment buildings.

Fees

The majority of jurisdictions reviewed use a *base* fee for annual registration, regardless of building size or number of dwelling units in the building. Many jurisdictions also employ a scaled fee on top of the base, with higher fees for larger buildings (e.g. higher fees for buildings with 4-19 dwellings, versus 1-3 dwellings). It is also common practice to charge on a per unit basis, often up to a cap.

Most jurisdictions that conduct proactive inspections also charge for these services. Because proactive inspections are most often conducted on properties which have previously been non-compliant, this leads to a system whereby properties requiring most enforcement resources also pay a greater share than compliant properties. The best examples of this appear to be Dallas, Minneapolis, Sacramento, and Seattle.

Licence System			
Jurisdiction	Scope	Requirements & Inspections	Fee(s)
<p>Annapolis, Maryland</p> <p><i>Rental Operating License</i></p> <p>Population: 38,394</p>	<ul style="list-style-type: none"> - All rental dwelling units - Separate license for short term rentals (6 months or less) under the <i>Short-Term Rental Unit Operating License</i> 	<ul style="list-style-type: none"> - Description of rental property (address, type , number of units) - Owner and agent contact information - Property may be inspected - Written lease agreement required 	<ul style="list-style-type: none"> - \$100 application fee - \$100 per unit per year license fee - 2 year licence for multi-family dwellings of 50+ units with 3 or more full-time maintenance staff - short term rental fee: \$200
<p>Boulder, Colorado</p> <p><i>Rental Housing License</i></p> <p>Population: 97,385</p>	<ul style="list-style-type: none"> - All rental properties 	<ul style="list-style-type: none"> - Requires compliance with minimum housing standards (e.g. sanitary, light and heat, fire) - By 2019, compliance with energy efficiency standards required - Initial baseline inspection conducted by private inspector - annual renewal inspections conducted thereafter by private inspector 	<ul style="list-style-type: none"> - \$105 per single dwelling unit, or \$105 per building for multi-unit buildings (cost is same for both registration and annual renewal)
<p>Minneapolis, Minnesota</p> <p><i>Residential Rental Licensing</i></p> <p>Population: 382,578</p>	<ul style="list-style-type: none"> - All rental dwellings in scope - Tiered system: more infractions leads to more frequent inspections and higher annual fees 	<p>Tiered inspection cycles:</p> <p>Tier 1: 8 year inspection cycle</p> <p>Tier 2: 5 year inspection cycle</p> <p>Tier 3: 1 year inspection cycle</p>	<ul style="list-style-type: none"> - Annual fees broken up by size and tier as follows. 16+ units: \$175 base + \$5 per unit; Condo: \$70 + \$5 per unit 4-15 units: \$82 base + \$5 per unit; 1-3 units: \$70 base + \$5 per unit - base fees increase based on tier

Licence System			
Jurisdiction	Scope	Requirements & Inspections	Fee(s)
Philadelphia, Pennsylvania <i>Housing Inspection License</i> Population: 1,560,297	<ul style="list-style-type: none"> - Required for any entity that rents any type of housing unit - Implementing lead paint disclosure and certification, similar to Maryland above 	<ul style="list-style-type: none"> - Must also have Commercial Activity License (lifetime licence) - Submit business income and Receipts Tax Number - Prior to rental, must provide tenant a Certificate of Rental Suitability issued by City no more than 60 days prior to the rental, and including self-attestation of owner to unit's suitability for dwelling (this certificate will only be issued if property in compliance with all licenses) - Provide tenant with information handbook 	<ul style="list-style-type: none"> - \$50 per unit per year, including additional fee for holding any vacant lots (\$150) - maximum of \$20,000
United Kingdom*** <i>Mandatory and Selective Licensing</i>	<ul style="list-style-type: none"> - UK has mandatory licensing for all houses in multiple occupations (HMOs). - A HMO is a property that is occupied by 3 or more unrelated individuals/households who share facilities such as kitchen or washroom or do not have exclusive occupation of the entire property. In Toronto, this type of accommodation is called a multi-tenant house (or rooming house) - Local authorities can also licence other types of private rented properties not just HMOs 	<ul style="list-style-type: none"> - The local authority must first consider alternatives to licensing - Area must have low housing demand and/or be experiencing "anti-social behaviour" (i.e. crime, nuisance, waste, etc.) - Landlord must be a "fit and proper person" as defined in the Housing Act 2004 	<ul style="list-style-type: none"> - Fees vary depending on jurisdiction i.e. London borough of Barking and Dagenham <ul style="list-style-type: none"> - £506 application fee - Renewed every 5 years

Licence System			
Jurisdiction	Scope	Requirements & Inspections	Fee(s)
Washington, DC <i>Apartment License</i> Population: 672,228	<ul style="list-style-type: none"> - All rental properties with 3+ units 	<ul style="list-style-type: none"> - Certificate of occupancy - Complete Basic Business License application - operates with 2 inspection programs: complaints based and pro-active - proactive inspections: upon building selection, 21days written notice provided to landlord; number of units inspected dependent on building size: <ul style="list-style-type: none"> - up to 4 units: 50% units inspected - 5-49 units: 30% of units inspected - 50+ units: 15% of units inspected - tenants are provided notification of upcoming proactive inspection and may specifically request their unit be inspected as well 	Fixed fees: \$70 application fee; \$25 endorsement fee; 10% technology fee (varies); \$35 proactive inspection fee per unit to a maximum of \$2,000. Size-dependent fees: <ul style="list-style-type: none"> - 3-5 units: \$167.00 - 6-25 units: \$208.00 - 26+ units: \$208.00 and - an additional \$130 for every 25 units or fraction thereof - Licence duration: 2 years
Vancouver, British Columbia <i>Rental Property Business Licence</i> Population: 603,502	<ul style="list-style-type: none"> - All rental properties - Exemptions: homestay or maximum of two boarders in a residence 	<ul style="list-style-type: none"> - Description of rental property (address, type and number of units) - Owner and agent contact information 	<ul style="list-style-type: none"> - \$29 per sleeping unit annually - \$66 per dwelling unit (apartment building) annually - \$68 per dwelling unit (apartments) annually Non-Profit House (whether SRA or regular apartment, location must be licensed to a non-profit society) - \$139/yr.

Licence System

Jurisdiction	Scope	Requirements & Inspections	Fee(s)
<p>Victoria, British Columbia</p> <p><i>Property Business Licence</i></p> <p>Population: 80,032</p>	<p>- Apartment, rooming house, boarding house, single family dwelling, other</p>	<ul style="list-style-type: none"> - Description of rental property (address, type, number of units) - Owner and agent contact information - Enforcement is not clear – appears to be a complaints-driven process of inspection - No provisions in the business property license for standards of maintenance etc. of dwelling units 	<p>Fees for business property permit levied according to number of rooms and type:</p> <ul style="list-style-type: none"> - \$5 per unit for single rooms - \$10 per unit for bachelor suites - \$15 per unit for one bedroom suites - \$20 per unit for two bedroom suites - \$25 per unit for three bedroom suites

Mandatory Registration			
Jurisdiction	Scope	Requirements	Fee
Arizona <i>Residential Rental Property Registration</i> Population: 6,392,017	<ul style="list-style-type: none"> - All residential rental properties 	<ul style="list-style-type: none"> - Name and contact information of property owner and local agent (if applicable) - Description of properties (address, type, number of units, year built) - Property violations are dealt with by the local municipality 	<ul style="list-style-type: none"> - \$10 for initial registration - \$10 for change of information - complaints based inspection, but no evidence of charging system
Baltimore, Maryland <i>Registration of Multiple-Family Dwellings and Rooming Houses</i> Population: 621,849	<ul style="list-style-type: none"> - all rental and rooming house units in Baltimore - rental properties with 1-2 units, and 3 or more units, are charged different fees - multiple family dwelling: any building containing more than 2 dwelling units 	<ul style="list-style-type: none"> - Registration of rental property - Compliance with State-wide lead poisoning prevention laws required; 'trigger' points lead to inspection (i.e. built pre-1978, no 'lead-free' certificate) 	<ul style="list-style-type: none"> - annual fees of \$35 per dwelling unit, and \$25 per rooming unit

Mandatory Registration

Jurisdiction	Scope	Requirements	Fee
<p>Boston, Massachusetts</p> <p><i>Rental Registration and Inspection Program</i></p> <p>Population: 667,137</p>	<ul style="list-style-type: none"> - All privately owned rental properties not occupied by the owner - Also applies to units that are vacant or not producing revenue 	<ul style="list-style-type: none"> - Name and contact information of property owner and local agent (if applicable) - Description of rental properties (address, type, number of units) - Attestation that owner will comply with applicable rules and regulations - Property inspections every five years 	<ul style="list-style-type: none"> - Application fee: \$25 per unit, capped at \$2,500 maximum per building and \$5,000 per complex - Annual renewal fee: \$15 per unit

Mandatory Registration

Jurisdiction	Scope	Requirements	Fee
<p>Dallas, Texas</p> <p><i>Multi-Tenanted Registration Program</i></p> <p>Population: 1,300,092</p>	<ul style="list-style-type: none"> - All properties with 3 or more tenanted dwelling units more than 5 years of age or older 	<ul style="list-style-type: none"> - Name and contact information of property owner and manager (if applicable) - Description of rental property (address, type and number of dwellings) - Certificate of registration posted on premises - A property's first inspection will only occur 5 years after it is first registered, i.e. when it's 5 years old - From then onwards, inspections happen at least once every 3 years - No rules around maintenance 	<ul style="list-style-type: none"> - Registration fee: \$6 per unit, per year - No fee for passed inspection - For failed inspection due to admin. Reasons (i.e. failure to display necessary info to public): \$87/unit - Fee for failed inspection due to score failure (i.e. low score on exterior/interior building conditions): \$46/unit - necessary information to public): \$20/unit - Re-inspections following failures charged at \$20/unit

Mandatory Registration			
Jurisdiction	Scope	Requirements	Fee
Houston, Texas <i>Multi-Family Habitability Ordinance</i> Population: 2,099,451	<ul style="list-style-type: none"> - Three or more unit multi-tenant homes, non-owner occupied - Exemption: duplexes and single family residences (addressed by the Department of Neighborhoods) 	<ul style="list-style-type: none"> - Name and contact information of property owner - Description of rental property (address) - Properties of ten or more units are also required to register with the police department - in addition to complaint-driven inspections, proactive inspections carried out on 6-7 year cycle 	<ul style="list-style-type: none"> - Free (though there is a fee for inspection) - Inspection (\$4 per unit or \$100 total, whichever is greater)
Kansas City, Missouri <i>Rental Property Registration</i> Population: 459,787	<ul style="list-style-type: none"> - All rental properties 	<ul style="list-style-type: none"> - Name and contact information of property owner - Description of rental property (address) - does not appear to accompany a compliance inspection process 	<ul style="list-style-type: none"> - No registration or renewal fees
Los Angeles, California <i>Systematic Code Enforcement Program</i> Population: 4,030,904	<ul style="list-style-type: none"> - All rental properties with two or more occupied units 	<ul style="list-style-type: none"> - Complete online registration - Inspections once every three years, problem properties inspected more frequently 	<ul style="list-style-type: none"> - \$43.32 per unit, annually - follow-up compliance inspections, or special enforcement unit inspections, cost \$201.50 per visit

Mandatory Registration

Jurisdiction	Scope	Requirements	Fee
<p>New Jersey</p> <p><i>Landlord Identity Registration</i></p> <p>Population: 8,958,013</p>	<ul style="list-style-type: none"> - All landlords of rental dwellings must register their business - The Bureau of Housing Inspections maintains property standards for buildings with 3 or more rental dwelling units in all municipalities in the state 	<ul style="list-style-type: none"> - Name and contact information of landlord and managing agent or other staff (if applicable), a copy must also be shared with tenants - Provide tenant with information handbook - Bureau conducts 5-year cyclical inspections of properties under its purview 	<ul style="list-style-type: none"> - fees collected by state, not municipality, - fees are \$10 per building/year to register - fees for inspection: on sliding scale starting at \$52 for the first unit inspected, and ends at \$19/unit for 48 units and above.
<p>New York City, New York</p> <p><i>Property Registration</i></p> <p>Population: 8,550,405</p>	<ul style="list-style-type: none"> - Multiple dwellings (3+ residential units), which includes hotels, condominiums and cooperatives - Private dwellings (1-2 residential units) where not owner-occupied 	<ul style="list-style-type: none"> - Name and contact information of property owner - Description of rental property (address) - no apparent proactive standards enforcement measure; enforcement through complaints response system 	<ul style="list-style-type: none"> - \$13 annual registration fee, per registrant, billed on to property tax statement

Mandatory Registration			
Jurisdiction	Scope	Requirements	Fee
Portland, Oregon <i>Business License Tax Registration</i> Population: 583,776	<ul style="list-style-type: none"> - All businesses are required to register, including rental properties 	<ul style="list-style-type: none"> - Property owner contact information - Description of property (address and number of units) - no standards enforcement associated with business registration 	None
Raleigh, North Carolina <i>Rental Dwelling Registration</i> Population: 538,066	<ul style="list-style-type: none"> - All rental dwellings (single family, apartments, etc.) 	<ul style="list-style-type: none"> - Name and contact information of property owner and property manager (if applicable) - Description of rental properties (addresses) - no proactive enforcement, but better enables complaints-based enforcement 	3 units or less: \$15 annually 4-19 units: \$25 annually 20+ units: \$50 annually

Mandatory Registration

Jurisdiction	Scope	Requirements	Fee
<p>Sacramento, California</p> <p><i>Rental Housing Inspection Program Registration</i></p> <p>Population: 466,488</p>	<ul style="list-style-type: none"> - All rental properties - Exemptions: Properties less than five years old, properties regularly inspected by another agency 	<ul style="list-style-type: none"> - Name and contact information of property owner or representative (if applicable) - Description of rental properties (address, number of units) - Initial inspection conducted upon registration, cost of \$127 per unit - Annual re-inspections for properties with violations found on initial inspection and not remedied within 30 days (including associated \$127 fee) - Annual self-certification checklist for properties with no violations or violations remedied in 30-day period - Random inspections of 10% of self-certified properties - Provide new tenants with information sheet on their rights and responsibilities 	<ul style="list-style-type: none"> - \$16 per rental housing unit, annually

Mandatory Registration

Jurisdiction	Scope	Requirements	Fee
<p>San Francisco, California</p> <p><i>Business Registration</i></p> <p>Population: 864,816</p>	<ul style="list-style-type: none"> - All businesses must register, including rental services - Exclusions: cooperative housing corp., residential condominium, a residential structure of fewer than 4 units 	<ul style="list-style-type: none"> - Name and contact information of property owner - Description of rental properties (address, number of units) - Registration certificate must be displayed on site 	<ul style="list-style-type: none"> - Fee based on anticipated gross receipts for the business in the calendar year – essentially business registration fee is based on revenue - Fees therefore not tied to # of units

Mandatory Registration

Jurisdiction	Scope	Requirements	Fee
<p>Seattle, Washington</p> <p><i>Rental Registration and Inspection</i></p> <p>Population: 608,660</p>	<ul style="list-style-type: none"> - All rental housing units - Registration introduced on a schedule, beginning with properties with ten or more units, all properties to be registered by 2016 - Exemptions: Commercial lodgings, government housing, etc. 	<ul style="list-style-type: none"> - Name and contact information of property owner and tenant contact for repairs (if applicable) - Description of rental properties (address, type, number of units) - Declaration of compliance with applicable regulations - Inspections at least once every ten years (owner must hire qualified inspector or City inspector) - Random inspections also performed - May hire city or private inspectors to conduct work – city inspectors cost \$130 to inspect property and \$25 per additional unit inspected 	<ul style="list-style-type: none"> - Registration fee of \$175 includes the 1st unit; all additional units are \$2 each (e.g. apt with 100 units would cost \$373 to register - \$175 + 99 additional units @ \$2 each for \$198) - Must be renewed every five years

Mandatory Registration

Jurisdiction	Scope	Requirements	Fee
Scotland <i>Landlord Registration</i>	<ul style="list-style-type: none">- Anyone who owns residential rental property in Scotland- Some exemptions are granted based on property type, not on person (i.e. properties owned by the local authority, owner-occupied properties with two or fewer tenants, etc.)	<ul style="list-style-type: none">- Name and contact information of property owner and agent (if applicable)- Description of rental property (address)- Landlord must be a "fit and proper person" as defined in the Housing Act, 2004	<ul style="list-style-type: none">- Principal fee of £55 plus £11 for each property registered

Voluntary Accreditation

Jurisdiction	Scope	Requirements	Administration	Incentives
<p>London, England</p> <p><i>London Rental Standard</i></p> <p>Population: 8,673,713</p>	<ul style="list-style-type: none"> - All residential rental properties on voluntary basis - most recent data show at least 141,800 units have been accredited through the program - London does not have a licensing scheme 	<ul style="list-style-type: none"> - Participate in one-day training session - Abide by code of conduct - Be a fit and proper person as defined by the Housing Act 2004 - Commit to continuing professional development - Complaint-based inspections 	<ul style="list-style-type: none"> - Standards set by the municipality - Accreditation done by existing accreditation organizations (industry) 	<ul style="list-style-type: none"> - Use of London Rental Standard badge in advertising
<p>Scotland</p> <p><i>Landlord Accreditation Scotland (LAS)</i></p>	<ul style="list-style-type: none"> - All residential rental properties 	<ul style="list-style-type: none"> - Completion of self-certification checklist - A proportion of properties will also be inspected by LAS (industry) 	<ul style="list-style-type: none"> - Standards set by industry - Accreditation done by LAS (industry) 	<ul style="list-style-type: none"> - Access to LAS rental listing service - Training courses and information sessions