**CITY OF HAMILTON**

**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
*Parking and By-law Services Division*

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<th>TO: Chair and Members Planning Committee</th>
<th>WARD(S) AFFECTED: CITY WIDE</th>
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<td>COMMITTEE DATE: November 19, 2013</td>
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<td>SUBJECT/REPORT NO:</td>
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<td>Extension of the Vital Services Program</td>
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<td>(PED10049(n)) (City Wide)</td>
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**RECOMMENDATION**

That the temporary funding for the Vital Services Program from the Tax Stabilization Reserve (Account #110046) be extended until the 2015 budget deliberations, to a maximum of $120,000, or sooner if staff deems the program to be sustainable within the current operating budget.

**EXECUTIVE SUMMARY**

The Vital Services By-law 05-322 was enacted in 2005 to ensure that tenants of rental properties continue to be protected when landlords do not pay for utilities. Approval also consisted of a temporary position to administer and enforce the by-law and contingency funding for utilities and reconnections as required. The pilot has been extended by Council several times, primarily because of the intricate relationship to the comprehensive investigation into the need to license rental housing.

With Council’s decision to create a permanent proactive enforcement program for rental housing conditions it is necessary to extend the temporary funding for the Vital Services Program while staff assess the practicality of assuming the work within the new permanent proactive enforcement team.

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.  
Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
Alternatives for Consideration – See Page 4

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: Extending funding for the temporary Vital Services Program is estimated to cost $7,500 per month and sufficient funds are available in the Tax Stabilization Reserve Account # 110046.

Staffing/Legal: N/A

HISTORICAL BACKGROUND (Chronology of events)

The Vital Services By-law 05-322 was enacted on November 1, 2005. City Council approved temporary funding for one FTE and a contingency fund of $200,000 funded from the Tax Stabilization Reserve for costs incurred pursuant to the by-law. (e.g. utility payments and reconnections).

Originally, the program was intended to be an 18-month pilot. However, the pilot was extended several times; most recently on November 28, 2012, when City Council approved the following recommendation of the Planning Committee:

“That the following two related pilot programs be extended until December 2013, or until such time as City Council makes a final decision on the creation of a licence category for rental housing:

(a) The Proactive By-law Enforcement Pilot Program for Wards 1 to 8, to be funded from the Parking Reserve (Account # 108021);

(b) The temporary Vital Services Program, to be funded from the Tax Stabilization Reserve (Account # 110046).”

On September 25, 2013, City Council made the decision to create a permanent proactive enforcement program to enforce rental housing conditions rather than to establish a rental housing licensing program. Council’s approval of the permanent proactive enforcement program included an additional 5 FTEs (4 enforcement officers and 1 support clerk).

POLICY IMPLICATIONS

N/A
Finance and Legal staff were consulted in the preparation of this Report

Enactment of the Vital Services By-Law in 2005, was intended to protect against situations where landlords of rental housing would allow their accounts with suppliers of vital services (i.e. fuel, hydro, gas or hot or cold water) to fall into arrears to such extent that services would be discontinued. Tenants, sometimes elderly or with young children, suddenly found themselves without heat, hot water or electricity and facing suppliers who would not renew the services unless and until sizeable arrears for the entire building were paid including a security deposit for future services.

Staff receives, on average, 90 notices annually of impending shut-offs of vital services (i.e. hydro, gas or fuel oil), and through the by-law, intervenes to prevent disruption of services. In addition to the staffing costs, approximately $70,000 to $80,000 is being expended and recovered by the City for utility payments and reconnections if and when property owners pay or the City is able to recover through rent from the tenants. City staff also enforce lack of heat violations pursuant to City of Hamilton Heat By-law No. 04-091, which requires landlords/property owners to supply adequate and suitable heat for rental residential premises.

Creating a requirement for a rental housing business licence would have possibly allowed the necessary controls over operators through a business licence such that actions taken under the Vital Services By-law could be reduced. However, with Council’s decision to enforce rather than to license rental housing the situation needs to be re-assessed in terms of integrating the program with the new proactive enforcement program.

Staff intends to assess assuming the work associated with Vital Services, within the new proactive enforcement team, once the unit is up and running. Further, with an effective focus on rental housing deficiencies, the effort spent on Vital Service issues may be reduced over time. Therefore, staff recommend extending the temporary funding until such time as this can be assessed.
Consideration could be given to request funding for Vital Services as an enhancement to the 2014 budget without assessing the ability to undertake the work with current staff and budget resources.

ALIGNMENT TO THE 212 – 2015 STRATEGIC PLAN

Strategic Priority #1 (A PROSPEROUS & HEALTHY COMMUNITY)

Strategic Objective 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.

APPENDICES / SCHEDULES

N/A

MH/dt