



CITY OF ORILLIA
COUNCIL INFORMATION PACKAGE (CIP)

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September 7, 2018

Correspondence

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City of



Orillia

ORILLIA CITY CENTRE
50 ANDREW ST. S., SUITE 300
ORILLIA, ON.
L3V 7T5

TELEPHONE
(705) 325-2271
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DEVELOPMENT SERVICES AND ENGINEERING DEPARTMENT
ENGINEERING AND TRANSPORTATION DIVISION

September 7, 2018
File: R-18-02(1)

NOTICE TO RESIDENTS AND BUSINESSES
CITY OF ORILLIA

CONTRACT NO. R-18-02

ASPHALT RESURFACING 2018

BAY STREET FROM FITTONS ROAD EAST TO DRINKWATER DRIVE
BENNETT STREET FROM RAYMOND AVENUE TO END
DRINKWATER DRIVE FROM BAY STREET TO BRIDGET DRIVE
GLENCOE AVENUE FROM CARLETON STREET TO MEMORIAL AVENUE
QUEEN STREET EAST FROM WEST STREET SOUTH TO FRONT STREET
WOODSIDE DRIVE FROM MARY STREET TO MISSISSAGA STREET WEST

The City of Orillia will be resurfacing the above noted streets.

Construction is scheduled to commence on September 14, 2018 with completion expected by October 2, 2018. The contractor for this project is Dufferin Construction Co. Ltd.


We will endeavor to limit the inconvenience to the public, however some problems may be unavoidable and we ask for your co-operation and assistance in this regard. Residents are reminded to have their garbage, recycling and compost kitchen/yard waste curbside at 7 a.m. for collection. We also ask that residents avoid parking on the street within the construction area, during the hours from 7 a.m. to 7 p.m., Monday to Friday. This is for the safety of the workers and to the other residents while the work is being performed.

Contact Persons

Jeff Hunter is the Construction Supervisor and can be reached at 705-325-2213.

Doug Johnstone is the City's inspector on site and can be reached at 705-325-4455.

Yours truly,


Doug Johnstone
Project Official III

Copy to: Distribution List



CITY OF ORILLIA
COUNCIL INFORMATION PACKAGE (CIP)

TO: Mayor and Members of Council
FROM: Treasury Department
DATE: September 4, 2018
SUBJECT: Owners and Tenants - Notice of Rent Reduction

Under the *Residential Tenancies Act* (RTA), 2006, rents are automatically reduced if the municipal property taxes paid by the landlord for a residential complex have decreased by 2.5% or more from the previous year's taxes.

If the residential complex contains more than six rental units (multi-residential), the municipality is required to calculate the amount of the rent reduction and notify the landlord and all tenants in the complex.

All the landlords/tenants for the locations on the attached list will be sent notices. We do not send notices to non-profit complexes.

The notices for landlords are being mailed on September 14, 2018 and the notices for tenants will be mailed in October.

The *Act* provides direction regarding the calculations. To determine the percentage of the rent reduction, the percentage decrease in taxes for the complex from the previous to the current year is multiplied by 20% because this figure is, on average, the amount that taxes represent of a landlord's rent revenue. A more detailed explanation is outlined in the attached publication provided by the Ministry of Municipal Affairs and Housing, Housing Policy Branch.

Please note that the last paragraph on the Notice of Rent Reduction (copy attached) provides direction to landlords and tenants on contact information for the Landlord and Tenant Tribunal to obtain further information.

Attachment:

- Landlord and Tennant Board Publication
- Notice of Rent Reduction



Automatic Rent Reductions and Tax Decreases

When are rents automatically reduced?

Most tenants do not pay property taxes separately from their rent. In most situations, the rent a landlord charges a tenant includes a portion which helps the landlord cover property taxes. When a landlord’s property taxes are reduced by more than **2.49%** from one year to the next, the *Residential Tenancies Act* (the “Act”) requires that rents also be reduced to reflect the decrease in the landlord’s municipal property taxes. This is called an automatic rent reduction.

If municipal taxes have been reduced by more than 2.49%, municipalities must send a notice of rent reduction to landlords and tenants of residential complexes that have 7 or more rental units. The notice of rent reduction sets out the percentage rent reduction that will be applied to all residential rental units in the complex.

While municipalities are not required to send notices to landlords and tenants of complexes that have 6 or fewer units, the automatic rent reduction rules apply to these complexes as well.

What types of properties are subject to automatic rent reductions?

Most **residential** rental properties are affected by automatic rent reductions, but there are certain types of rental properties that are exempt from these rules. The chart below shows which types of properties can and cannot receive automatic rent reductions:

Rent <u>can</u> be automatically reduced for...	Rent <u>cannot</u> be automatically reduced for...
<ul style="list-style-type: none"> • apartment buildings, • rented townhouses, • duplexes and detached houses, • rooming houses, boarding and lodging homes, • mobile home parks and land lease communities, <i>*see page 2</i> • rented condominiums, • most private care homes, and • “for-profit” cooperatives that are rented. 	<ul style="list-style-type: none"> • public housing, • non-profit housing projects, • non-profit housing cooperatives, • vacation homes, • some housing owned by educational institutions, • nursing homes • commercial, industrial or recreational properties.

***About Mobile Home Parks and Land Lease Communities**

Automatic rent reductions can apply to mobile home parks and land lease communities. However, if the taxes charged for the site are not included in the tenant’s rent, then the amount of rent the tenant pays to the landlord is not affected by a reduction in taxes. In this case the automatic rent reduction would not apply.

Tenants of mobile home parks and land lease communities who receive a notice of rent reduction should discuss the rent reduction with their landlord before automatically reducing their rent.

For more information on rent and other charges for mobile home parks and land lease communities, please refer to the Board’s brochure entitled **Mobile Home Parks and Land Lease Communities**.

How are automatic rent reductions calculated?

To determine if there should be an automatic rent reduction, the property taxes for the current year are compared to the property taxes for the previous year to calculate the percentage by which taxes have decreased.

If the percentage decrease in taxes is more than 2.49 %, then the rent is automatically reduced according to the formulas set out in the chart below:

IF the complex has...	THEN the rent reduction is equal to...
7 or more units	% decrease in taxes for complex multiplied by 20 % = % rent reduction
6 or fewer units	% decrease in taxes for complex multiplied by 15 % = % rent reduction

Why does the formula vary from 20% to 15%?

On average, the amount that a landlord must pay for property taxes in a complex of 7 or more units is equal to 20% of the landlord’s total rent revenue for that complex. The average amount that a landlord must pay for property taxes in a complex containing 6 or fewer units is estimated at 15%.

Note: The rent reductions are calculated by using the actual property taxes charged to a landlord for the rental property. Special charges, penalties, user fees, etc. are not included in the calculation.

Calculating the rent reduction...

Here is an example of the rent reduction calculation for a residential complex that has 7 or more units:

Step 1: Determine percentage of tax decrease

Year 2006 taxes:	\$ 20,000
Year 2007 taxes:	\$ 18,000
Taxes decreased by:	\$ 2,000
The percentage tax decrease is:	$\frac{\$2,000}{\$20,000} \times 100 = 10\%$

Taxes must have decreased by more than 2.49% for the tenants to get a rent reduction. In this case, the taxes have decreased by 10%, so the rents for all units in the complex will be automatically reduced.

Step 2: Determine percentage of rent reduction

Since the complex has 7 or more units, the amount of the rent reduction is 20% of the percentage of the tax decrease. The tax decrease is 10%. Therefore, the rent reduction is $20\% \times 10\% = 2\%$.

If the tenant pays rent of \$ 800 per month, the reduction is $2\% \times \$ 800 = \$ 16$. Therefore, the new monthly rent is $\$ 800 - \$ 16 = \$ 784$.

The rent for all rental units in the residential complex would be reduced by the same percentage (2%).

When are rent reduction notices sent to landlords and tenants?

Where the complex has 7 or more units and the property taxes have decreased by more than 2.49%, municipalities are required to send notices of rent reduction:

- between June 1st and September 15th for landlords,
- between October 1st and December 15th for tenants.

Automatic rent reductions take effect on December 31st of the year the property taxes decreased.

Note: Automatic rent reductions do not apply to tenants who take possession of a rental unit after December 31st of the year the property taxes are reduced. This means that, if a tenant agrees to rent a unit before December 31st but the tenancy does not begin until January 1st, the automatic rent reduction, if any, cannot be applied to the tenant's rent.

Do tenants need permission to reduce their rent?

The rent reductions are “automatic”; this means that tenants do not have to apply to the Landlord and Tenant Board (the Board) to have the amount of the rent reduction approved in a Board order. Also, tenants do not have to get permission from the landlord to reduce the rent. However, it is recommended that tenants communicate with their landlord before reducing the rent.

What if you don’t agree with the amount of rent reduction?

If a landlord or tenant feels that the amount of rent reduction is too high or too low, they can apply to the Board to have the amount of the rent reduction varied (see **Application to Vary the Amount of a Rent Reduction – Form A4**, for more information).

A landlord or a tenant could apply to have the amount of a rent reduction varied for any of the following reasons:

1. The landlord paid certain charges, such as user fees, that were not included when the municipality calculated the percentage rent reduction.
 2. The amount the landlord pays in property taxes is not equal to 20% or 15% of the landlord’s total rent revenue (depending on the number of units in the complex).
 3. The amount of tax reduction or rent reduction in the municipality’s notice is wrong.
 4. The property taxes for the taxation year reflected in the notice have either increased or decreased since the notice of rent reduction was sent to the landlord and tenant(s).
-

Applying to the Board

The application to vary the amount of a rent reduction is filed using form **A4**. The deadline for applying is the later of:

- March 31st of the year following the day the rent reduction took effect, and
- The 90th day following the day the **rent reduction notice** was issued.

Note: If a municipality did not issue a notice of rent reduction because a residential complex contains 6 or fewer units, the deadline for applying is the later of:

- March 31st of the year following the day the rent reduction took effect, and
 - the 90th day after the **tax notice** was issued.
-

What happens after the application is filed?

Filing an application to vary the amount of a rent reduction does not stop the rent reduction. It continues to be in effect for the entire residential complex until the Board makes a decision that may affect the amount of the rent reduction.

Applications to vary the amount of a rent reduction are generally resolved by a written hearing. In this type of hearing, the landlord and tenant(s) do not go to a hearing location to present their evidence and submissions to an adjudicator. Instead, the landlord and tenant(s) are given deadlines to file written submissions to the Board. An adjudicator will review the submissions and make a decision based on the evidence provided by the landlord and tenant(s).

The Board will generally order the party who files the application (the applicant) to give the other parties a copy of the Notice of Written Hearing and a copy of the application. The Notice of Written Hearing sets out the deadlines to file and respond to written submissions.

Once the deadlines to file and respond to written submissions have expired, the adjudicator will issue a written decision called an order. The Board will mail the order to the landlord and tenant(s) that are listed in the application. Depending on the reasons for the application, the Board might decide that the amount of the rent reduction must be higher or lower, or stay the same.

The Board’s order is effective as of December 31st of the year the property taxes were reduced. This means that either the landlord or tenant may have to repay the other for the amount that was either underpaid or overpaid from December 31st to the date of the Board’s order.

Example

Here is an example of what might happen if the amount of rent reduction is varied by the Board:

Event	Calculation
On December 31 st , 2007, the rent is reduced by 2% because of an automatic rent reduction.	Original rent: \$800.00 Minus 2%: <u>-\$16.00</u> Reduced rent: \$784.00
The landlord applies to the Board on February 1 st , 2008 because the property taxes are less than 20% of the landlord’s total rent revenue.	Rent remains: \$784.00 (until the Board issues an order)
The Board issues an order on April 15 th , 2008, which states that the rent reduction is 1.4%, instead of 2%.	Original rent: \$800.00 Minus 1.4%: <u>- \$11.20</u> Reduced rent: \$788.80
The tenant must now repay 0.6% (2% - 1.4%) of the rent payment for the 4 rent periods of January to April 2008.	0.6% of \$800: \$4.80 x 4 rent periods: \$19.20
The rent is still reduced, but by a lesser amount.	First rent reduction: \$784.00 Varied rent reduction: \$788.80

Example
(continued)

The reduced rent is permanent. This means that if the rent is increased at any time after the rent reduction takes effect, the increase will be calculated based on the reduced rent amount (in the example above, a rent increase would be calculated on \$788.80.)

For More Information

**Contact the
Landlord
and Tenant
Board**

This brochure provides general information only. For more information about the law, or to obtain copies of the Board's forms and publications, you can:

- visit the Board's website at www.LTB.gov.on.ca,
- call the Board at **416-645-8080** or toll-free at **1-888-332-3234**, or
- visit your local Landlord and Tenant Board office. For a list of Board office locations visit the Board's website, or call the numbers listed above.

**Notice of Rent Reduction
Municipal Taxes Reduced**

To: [REDACTED]	From: CITY OF ORILLIA 50 ANDREW STREET SOUTH ORILLIA, ON L3V 7T5
Address of Residential Complex: [REDACTED]	

**Rent
Reduction**

On December 31, 2018, the rent for each rental unit in the residential complex identified above is reduced by [REDACTED] %.

This rent reduction is allowed under section 131 of the *Residential Tenancies Act* because the municipal property taxes for the residential complex have decreased.

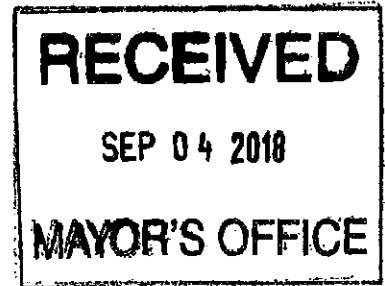
Tenants do not need permission from the landlord or the Landlord and Tenant Board (the Board) to reduce the rent by this amount. However, tenants and landlords should discuss the calculation of the dollar amount of the rent reduction before the rent is reduced.

Important Information

1. The City of Orillia is not responsible for deciding whether the amount of the rent reduction set out above is correct or whether the rent has been reduced by the correct amount.
2. If the landlord or tenant believes the percentage rent reduction set out above is not correct, they can file an application with the Board for an order to vary the amount of the rent reduction. They must apply on or before the later of:
 - (i) the 90th day after the notice of rent reduction is issued;
 - (ii) March 31, 2019.
3. If the rent the tenant pays is not reduced in accordance with this notice, the tenant can apply to the Board for an order requiring the landlord to pay them a rebate. The tenant must apply by December 31, 2018.
4. If the tenant has already received a Notice of Rent Increase effective after December 31, 2018, it may or may not take into account the rent reduction set out above. The tenant and the landlord should discuss what the tenant is required to pay on the effective date of the Notice of Rent Increase.
5. This notice does not apply to tenants whose tenancy agreements began after December 31, 2018.
6. For information about how the rent reduction set out in this notice affects the rent for a rental unit, or about applying to vary the amount of the rent reduction, please call the Board at 1-888-332-3234. For information about how the percentage rent reduction was calculated, please call the City of Orillia at 705-329-7237.

August 31, 2018

Mayor Steve Clarke and council members,
c/o City of Orillia,
50 Andrew Street South, Suite 300,
ORILLIA,
Ontario L3V 7T5.



Dear Mayor Steve Clarke and council members,

I am writing to seek your feedback and, hopefully, support for a positive book idea I have. The working title of my proposed book is **"Kiss The Ground You Walk On, Canada"** and in it I want to convey the message of how we can all be better Canadians.

It bothers me that many Canadians take so very much for granted, in particular the democratic freedoms that we all enjoy today. It bothers me that percentages of eligible voter turnout, in many places, are diminishing across municipal, provincial and federal government levels.

My question is: **"How can we all be better Canadians?"**

I would welcome e-mailed responses, or letters to my home address. Responses need not be long. One sentence, two sentences....any answer to my question will be appreciated. E-mails can be sent to me at ilovecanadatoo@gmail.com

I would welcome your comments, as mayor, or council members, and comments from your community if you don't mind sharing my request. If you wish, feel free to share my request with community leaders, such as chambers of commerce and service clubs, with your constituents, or your local media.

I have written to selected mayors and councils across Canada, as well as to senior government leaders and hope that with responses I can pinpoint a trend, or theme, in answers received.

The question again: **"How can we all be better Canadians?"**

With eyes on all of us being better Canadians, I look forward to your response(s) in the near future. Thank you!

Best regards,

A handwritten signature in black ink, appearing to read "George Czerny", written over a white background.

George Czerny,

Collingwood, Ontario, Canada

Telephone: [REDACTED]

E-mail: [REDACTED]

P.S. There will be no monetary compensation for any submissions I receive. I am retired and hoping to start conversations – through my proposed book – that could benefit all Canadians. Thanks again!