

**Shared Accommodation in Toronto:  
Successful Practices and Opportunities for Change  
in the Rooming House Sector**

**Executive Summary and Recommendations**

**Prepared for:**

East York East Toronto Family Resources  
and the Rooming House Working Group

**June 3, 2008**

**ORIOLE RESEARCH & DESIGN INC.**

*URBAN AND SOCIAL POLICY, PROJECT MANAGEMENT AND CONSULTING*

# Executive Summary and Recommendations

In February 2008, East York East Toronto Family Resources contracted Oriole Research and Design Inc. to undertake a study of the rooming house sector in Toronto. The study aims to:

*...raise awareness of the positive contribution rooming houses make as part of the city's housing continuum and to work towards increasing the supply of legal, safe and affordable housing for single people with low incomes.*

The primary tenant population for consideration in this study is low income single adults. To address a gap in the existing literature, a key focus of the study is to better understand the profile of tenants living in unlicensed rooming houses, their aspirations, and their views about where they live.

The study has three main components. They are:

(1) An inventory of 'good practices' in the rooming house sector

This compilation includes initiatives that assist tenants to maintain their tenancies in rooming houses and personal care boarding homes. It also provides examples of supports for landlords wanting to invest in safe, affordable and stable housing for single people with low incomes.

(2) A profile of rooming house tenants

The tenant profile draws on data from multiple sources to describe the population of single adults living in rooming houses. Special consideration is given to the profile of tenants living in unlicensed rooming houses outside of the former City of Toronto.

(3) Business cases for the development and operation of rooming houses

Using actual properties in three different suburban areas of the city, business cases are presented to illustrate the costs and revenues associated with developing and operating rooming houses.

The study concludes with recommendations to the City of Toronto for consideration during the development of the Affordable Housing Framework. Other findings of the study are for East York East Toronto and the Rooming House Working Group to use in preparing resources for the rooming house sector, designing information and training sessions, and launching a public education and awareness campaign about the role of rooming houses as part of a continuum of housing options in the city.

## 1. Good Practices in the Rooming House Sector

A literature review combined with interviews with tenants, landlords, municipal staff and agency staff were the key information sources for preparing this inventory of 20 good practice initiatives. (Refer to the Component 1 report of this study.)

### Findings:

- Support to tenants is related to both referral services and ongoing work that builds housing stability.

Support can include offering assistance with ID, securing a source of income, eviction prevention work, searching for housing options, viewing units, meeting and liaising with landlords, obtaining furniture and personal items, assisting with the processes of settling in and establishing new routines, doing home visits, negotiating and monitoring rent payment plans, and resolving conflicts or difficulties as they arise. For some tenants, support can be as simple as financial: making it possible for a single adult with low income to afford his or her accommodation and the other necessities of life regardless of whether they receive income from social assistance, CPP or a low wage job. For others support means ongoing help with the tasks of daily living or intensive case management to cope with complex health, mental health, addictions or other personal challenges.

- Support to landlords can take a variety of forms to respond to the challenges of acquiring and operating rooming houses.

Landlords need to be able to access favourable financing and insurance rates. They need access to funding to undertake upgrades to dwellings, including upgrades that are required to comply with local fire safety and property standards as well as those that address the exterior and interior appearance of a property. They need to be part of a subsidy program that bridges the gap between the actual costs of owning and operating a licensed rooming house and what a tenant with a low income can afford.

- Landlords and other stakeholders need a process to begin to move towards more widespread licensing of rooming houses in the city, and zoning that permits rooming houses in all of the former municipalities that now make up Toronto.

Owner/operators of unlicensed rooming houses need to be able to obtain advice and assistance from municipal officials and engage in community dialogue about licensing and standards, without fearing reprisals. Owners of unlicensed rooming houses need a process in place that allows them to work towards becoming licensed and demonstrating their compliance with reasonable and agreed upon standards for rooming houses. To do this, rooming houses need to be able to operate legally in communities across the city, free from the threat of NIMBY or being closed down. This requires changes to the zoning in many parts of the city.

## **2. Profile of Tenants Living in Rooming Houses**

Interviews with 44 individuals living in rooming houses and the results of earlier studies form the basis of the tenant profile. Most tenants interviewed for this study live in unlicensed rooming houses. (Refer to the Component 2 report of this study.)

### **Findings:**

- A majority of rooming house tenants are men, but women appear to represent a sizeable portion of the tenant group as well.
- A majority of rooming house tenants are Caucasian or identify as being from British or Anglo ancestry. Nevertheless, this study found the presence of recent and more settled immigrants as well as Canadian-born individuals who identify with particular ethnic and cultural groups among the population of single adults living in unlicensed rooming houses.
- A majority of rooming house tenants appear to be middle-aged though the actual age range found in this study was 21 to 74 years.

- Rooming house tenants largely identify as single, separated, or divorced, with few identifying that they are in a long term relationship.
- Rooming house tenants vary greatly in their level of education. Many have post-secondary training.
- Tenants in unlicensed dwellings are very diverse in terms of life stage, health status, connections to family and support networks, and involvement in the labour force and voluntary sector.
- A defining characteristic of individuals living in rooming houses is their low income whether from social assistance, a disability pension, CPP, or a low-wage job. Low incomes and being single mean that few housing options are available to them. Once rent is paid, there is little left over to pay for food and other necessities.
- Rooming house tenants value the aesthetic qualities of their accommodation, the location of their housing within neighbourhoods, and being part of a community. Many invest in the social networks that spring from the rooming house itself, while others use their accommodation as a base from which to pursue other goals and interests.
- Characteristics associated with tenant satisfaction include the dwelling housing five or fewer tenants; blending well with other houses on the street; having minimal interior alterations aside from the addition of locks on bedroom doors; and being located in a residential neighbourhood, close to services including public transit.
- Satisfying, safe, smaller group living offers low income single adults a number of potential benefits. These include connections with others, assistance with day to day living tasks, safety and security, and potential increased awareness of and access to community services. All of these factors may play a role in determining an individual's health over the course of a lifetime.
- Community services provide a variety of supports to rooming house tenants, pointing to the importance of ensuring rooming house tenants are aware of what resources are available to them. This includes drop-in centres that offer a single point of access for health, food, legal and spiritual supports. Landlords may be able to provide a valuable link to such services by providing information to tenants in need.
- Rooming houses are a viable housing choice for low income adults living without children or a partner. This form of shared accommodation includes stable tenancies that span many years.

### **Three Business Cases: Economic Viability in the Rooming House Sector**

Three scenarios for developing and operating rooming houses illustrate opportunities that could exist outside of the former City of Toronto where rooming houses are currently, generally, illegal. Three different types of sites are considered:

- single detached home,
- multiplex dwelling that formerly operated as a lodging home,

- commercial/retail site that could be renovated and used for housing. (For more information, refer to the Component 3 report of this study.)

### **Findings:**

- The three business cases presented in this study were calculated assuming a room rental at \$500 a month. Two scenarios, when purchased and renovated to comply with municipal standards, failed to show an attractive return on investment when projected revenues were compared to costs.
- The results of the business cases point to the disparity between what low income singles who are in minimum wage jobs or on fixed incomes can actually afford and what it costs to profitably operate a rooming house if the property was purchased, renovated according to current municipal standards and operated with one tenant per room.
- The business cases demonstrate the need for rent supplements to be available for tenants in rooming houses. Rent supplements would likely be a welcome financial incentive for rooming house owners, given the apparent difficulty in realizing a healthy return on investment for newly acquired rooming houses that are upgraded to comply with municipal standards.
- Aside from constraints related to rental income from properties, other factors which affect the economic viability of rooming houses include: difficulty obtaining financing for purchase, conversion, renovation and operations; difficulty obtaining mortgage insurance; high cost of insurance premiums for fire, public liability, and property damage; rapid increases in operating costs; insufficient financial support from government for individuals with mental illness to provide the care that they need; increase in and complexity of government regulations, especially related to the fire code, and insufficient operating revenue to afford to hire qualified staff. These are also barriers to creating new supply.
- Additional barriers to encouraging new supply include: restrictive zoning that prohibits rooming houses in many areas of the city, reluctance on the part of investors to become involved in the sector due to the complex regulatory environment, gentrification, ratepayer opposition to rooming houses, and the absence of a funding program.
- Property management and tenant relations work in the rooming house sector need to be properly resourced. Front-line staff need to be available to collect rent, manage rent arrears, deal with tenant conflict, do cleaning and daily maintenance, pay bills, arrange for repairs, monitor compliance with regulations, and respond to neighbourhood issues.
- From the perspective of allocating resources, investment in supported and affordable long term housing for singles, including rooming houses, can alleviate cost and service usage pressures in more expensive sectors such as the corrections and judicial systems, the health care system, policing and other emergency services.
- If rooming houses can be shown to produce a modest return to the investor/owner, this form of shared accommodation can be developed and operated with relatively little cost to the public.

## Recommendations

Eleven recommendations emerge from this study. These are presented to the City of Toronto for consideration as the City's *Framework for Affordable Housing* is being developed.

1. **In planning for rooming house standards, take into account the impact of proposed standards on all stakeholders.** There can be tension between what standards a rooming house must meet in order to be licensed and the preferences of tenants. Tenants (and arguably landlords and neighbours) appreciate a rooming house that blends in well within the neighbourhood and inside retains the character of a family home.
2. **Update zoning regulations across the city to include rooming houses as a permitted land use in each of the former municipalities.** Zoning that includes rooming houses as a permitted use in all residential zones and commercial-residential zones is needed to help protect the existing stock and encourage new supply.
3. **Implement a process that allows rooming houses to be licensed across the City in a variety of types of neighbourhoods.** Identify options or models for coordinating the activities which are integral to the process. Ensure the process includes incentives for landlords to educate themselves, work towards being licensed and comply with City standards. Widely publicize initiatives to ensure rooming house operators are aware of opportunities available to them.
4. **Use licensing as a framework for providing supports to rooming house landlords.** Encourage owners to obtain licenses by linking licensing with a variety of supports for the sector. This could include owners of licensed rooming houses (or those in the process of becoming licensed) being eligible for housing allowances, more favourable financing and insurance rates, formal partnerships with support service agencies, and participation in educational initiatives. Widely publicize the opportunities available to landlords.
5. **Fund the development and implementation of a rooming house landlord education initiative.** Landlord education, through the development of appropriate workshops, curriculum, and resources would aim to help rooming house landlords be better informed about all aspects of rooming house management, relevant legislation and regulation, the support needs of tenants, community referrals, emergency protocols, and how to work effectively with municipal officials. Participation in a landlord education initiative could be tied to other City initiatives that support the rooming house sector, such as RRAP and licensing.
6. **Extend housing allowances to include tenants living in shared accommodation.** Consider housing allowances as a way to bridge the difference between the shelter allowance portion of social assistance and the actual costs of owning and operating a licensed rooming house in Toronto.
7. **Ensure that support services for tenants receive adequate and sustaining funding.** A network of supports for low income tenants needs to represent a full continuum of services from minimal short term interventions for the majority of individuals through to ongoing and intensive case management services for tenants who struggle to maintain their housing and

carry out the tasks of daily living. Sufficient funding is needed to avoid unreasonable wait times and to allow tenants to access services for as long as necessary.

8. **Identify new opportunities for licensed rooming house operators to partner with existing community services to offer on-site services to tenants.** Partnerships between rooming house owners and community agencies can be a vehicle for bringing routine and emergency support services to tenants who have high needs due to complex mental health and addictions issues.
9. **Combat the negative image of rooming houses by changing the term used to refer to this type of housing.** For many, the term *rooming house* is associated with stereotypes about what properties look like, how they are maintained, who owns them and who lives there. These stereotypes are challenged by this study and other recent research. Describing this housing using neutral language can be a step towards fostering greater community acceptance of this type of accommodation.
10. **Through research, explore and report on the significance of shared accommodation among new immigrants and refugees in Toronto.** Consider the role and value of rooming house accommodation in the settlement patterns of newcomers to the city. Examine the role and experience of recent and earlier immigrants as entrepreneurs in the City's rooming house sector.
11. **Establish a multi-stakeholder body with authority to lead, coordinate and monitor the implementation of the above recommendations.** This entity, with accountability back to the City of Toronto, would have a clear mandate and be sufficiently resourced to achieve its objectives.