

**Request for a Tenant Support Grant under the Tenant Defence Fund from 25 St. Mary Street Tenants' Association**

<b>Date:</b>	June 29, 2007
<b>To:</b>	Tenant Defence Sub-Committee
<b>From:</b>	General Manager, Shelter, Support and Housing Administration
<b>Wards:</b>	Ward 27
<b>Reference Number:</b>	

**SUMMARY**

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This report recommends a basic grant of \$1,000 from the Tenant Defence Fund to support the tenants' association of 25 St. Mary Street to dispute their landlord's application for above-guideline rent increase.

Staff has authority to approve such grants under the Municipal Code Chapter 797 (Tenant Support Grant Program By-law), subject to prescribed conditions. An administrative review of the application found that the application was slightly short on one of the conditions, and therefore, Council approval of the grant request is necessary.

**RECOMMENDATIONS**

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The General Manager, Shelter, Support and Housing Administration, recommends that Council:

1. approve a grant of up to \$1,000 to the tenants' association of 25 St. Mary Street from the 2007 Tenant Support Grants Program to assist the tenants towards the payment of their legal costs for disputing their landlord's application for above-guideline rent increases; and
2. authorize the General Manager, Shelter, Support and Housing Administration, to take necessary actions to implement Council's approval.

## **Financial Impact**

There is no new financial impact. Funds are available within the 2007 approved operating budget for this purpose.

## **DECISION HISTORY**

Staff has authority to approve such grants under the Municipal Code, subject to prescribed conditions. An administrative review of the application found that the application was slightly short on one of the conditions (number of units with rents below the threshold established in the by-law), and therefore, Council approval of the grant request is necessary.

## **ISSUE BACKGROUND**

On February 5, 2007, the landlord of 25 St. Mary Street made an application to the Landlord and Tenant Board (the Board) for above-guideline rent increases (AGI). The AGI application affected 69 of the 256 units in the building. On May 9, the tenants' association applied to the City for a basic grant of \$1,000 to hire a legal representative to assist them in disputing the AGI application.

With the assistance of the legal representative, the tenants reached a mediated settlement for an increase of 1.84% prior to the hearing originally scheduled for May 16. A consent order was issued by the Board confirming that the AGI will take effect on October 15, 2007 and the increase will be removed after the landlord's costs are paid for on October 15, 2022, if the same tenants occupy the unit on that date. Their legal representative has expressed willingness to wait for the payment until the end of July.

## **COMMENTS**

The purpose of the Tenant Support Grants program (Grants Program) is to protect the City's affordable rental housing supply and help tenants maintain their tenancies in affordable rental homes. The implementing by-law permits grants for eligible tenant groups to dispute an application to the Ontario Rental Housing Tribunal (now the Landlord and Tenant Board) to increase rents above the guideline in their building, to appeal a Tribunal/Board order on an above guideline application to the Divisional Court or request for a judicial review, or to challenge an appeal or application to the Ontario Municipal Board for demolition or conversion of their building to condominium.

In addition to meeting one of the above mandates, there are two conditions:

1. A minimum number of eligible tenants affected by the AGI application must sign a petition to support the application: at least 50% of all households in a building with less than 100 units and who are affected by an AGI application, or at least 33% of households in a building with more than 100 units; and

2. Rents for these units must be at or below a specified rent. The threshold is set at 15% above the average apartment rent by unit type as reported in the latest CMHC Annual Rental Market Survey.

The intent of the program is to assist tenant households with lower incomes, as they may not otherwise be able to fund their dispute. Rent levels are used as a proxy for determining which households may have lower incomes.

With regard to the 25 St. Mary tenants' grant application, a sufficient number of tenants supported the application. However, at least 35 of the 69 units affected by the AGI application must have a rent below the threshold for the application to qualify for funding; only 32 units met the test. As a result, staff does not have authority to approve a grant.

A key principle of the Tenant Support Grants Program is to help tenants with affordability issues. A number of tenants (30) have provided signed statements that they are retirees on fixed income and paying more than 30% of their income on the rent. The applicants advise that they need help to pay the legal costs of their dispute against the AGI application.

Given that the principle of the Tenant Support Grants Program is to help tenants with affordability issues, that the application is only 3 units short on the rent test, and there are sufficient funds remaining in the program, staff recommends that a grant of up to \$1,000 be provided to the tenants to help them pay their legal costs.

The Tenant Support Grants Program is currently under review. Early feedback from tenant support groups points to the need to revisit the rent test given that with rising rents in Toronto, it cannot be assumed that households paying higher rents also have higher incomes. 25 St. Mary illustrates their point.

## **CONTACT**

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## **SIGNATURE**

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