

Ref: 2008-MM23.6

July 23, 2008

EXECUTIVE COMMITTEE:

City Council on July 15, 16 and 17, 2008, referred the following Motion to the Executive Committee:

MM23.6 City Council Request the Provincial Government to Support Tenants: Bring Back Real Rent Control and Eliminate Vacancy Decontrol
Moved by Councillor Walker, seconded by Councillor Nunziata

SUMMARY:

Over half of the residents of Toronto are tenants. Well over half of those residents live in affordable rental units. For the last ten to fifteen years, there has been a steady reduction in the number of affordable rental units in Toronto because of demolition or conversion to condominium of such units, and these lost affordable rental units are not being replaced in new developments.

The new Provincial Residential Tenancies Act came into effect on January 31, 2007. This Act replaced Premier Harris' Tenant Protection Act which was so detrimental to the lives of many tenants for so long. The cost of renting an apartment in Toronto increased immensely under the old Tenant Protection Act and, unfortunately, the cost continues to rise under the new Residential Tenancies Act.

Between 1999 and 2006, Toronto City Council adopted many policy recommendations that were forwarded to the Provincial government to be used in the creation of new legislation to govern the rights of tenants and landlords, the new Residential Tenancies Act. Also, City staff took part in consultations to guide the formulation of the new legislation. Unfortunately, the new legislation from the current Provincial government does not include key elements of reform. It does not fulfill Premier McGuinty's 2003 promise to bring back "real rent control", nor does it eliminate "Vacancy Decontrol". The absence of these key elements of reform will become more evident and biting for Toronto's tenants, as the coming recession intensifies and their rental units become even more unaffordable because the legislation fails to protect affordability.

Vacancy Decontrol allows the landlord to raise the rent on a unit once a tenant has left that unit. The landlord is free to raise the rent as high as market forces will bear. The failure of the Provincial government to eliminate Vacancy Decontrol impacts the rental cost of an apartment by eroding its affordability. If the cost of rental housing is not protected as affordable, choice of and access to housing for many people living in Toronto will be effectively withdrawn and neighbourhoods will become even more separated by income. Without the elimination of Vacancy Decontrol, we don't have real rent control and the Premier has broken his promise made in August 2003:

"I want to be clear about our plan for Rent Control. We will repeal the Harris-Eves government's Tenant Protection Act and we will bring back 'real Rent Control' that protects tenants from excessive rent increases. We will get rid of vacancy decontrol which allows unlimited rent increases on a unit when a tenant leaves." - Dalton McGuinty, August 2003.

The time is now for the McGuinty Liberal Provincial government to atone for failing to meet its promise to tenants across this Province – to restore real rent control.

RECOMMENDATION:

1. That City Council urgently petition the McGuinty Liberal Provincial government to amend the Residential Tenancies Act to restore real rent control and eliminate vacancy decontrol.

for City Clerk

M. Toft/cd