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To: <u>Licensing and Standards Committee</u>

Subject: Licensing & Standards Committee - Submission on item LS23.1

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To: <a href="mailto:lsc@toronto.ca">lsc@toronto.ca</a>

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## To the members of the Licensing & Standards Committee:

There is a housing crisis in Toronto. It's impossible to find places to live that most people can afford. Many are living in unsafe and unhealthy conditions because there are no options. We see a boomerang generation moving back to parents ... often with their own children in tow. Everyone knows the low vacancy rate in Toronto. Homelessness continues to rise and people are dying on our streets. We feel it is necessary to regulate short-term rentals in this area in order to protect long-term rental housing and affordable rentals. The more short-term rentals we have, the more long-term rentals we see leaving the market and, in some neighbourhoods, this inflates rents by increasing the property values of rental properties .... just making a bad situation worse.

The City's proposed regulatory framework is an excellent start, there are three significant issues with it that need to be addressed:

## First: Make proof of principal residence mandatory.

Require that short-term rental operators register themselves as operators AND their principal residence as the property they are renting, PLUS registration should require proof of principal residency. If a principal residence is defined as the residence used in your government records for things like your income tax, medical services plan, driver's license and vehicle registration, then any of those government documents could be used as reliable proof. Without this mandatory proof of residence requirement, subverting the law will be incredibly easy and enforcement of the by-law will be next to impossible, making the by-law ineffective.

## Second: Effective, proactive enforcement.

A plan for the proactive, effective enforcement of this by-law must be developed and implemented. Without a plan to be proactive about enforcing this by-law, the by-law will not be followed and the problems the city is currently experiencing as a result of the proliferation of short-term rentals will worsen.

## Third: Short-term rental operators should not be permitted to rent out secondary suites.

Short-term rental operators should be limited to renting out their principal residence. The short-term rental of secondary suites seriously undermines the City's goal of protecting long-term rental housing stock in two ways:

First, rental of secondary suites make up a significant portion of the City's rental market, especially in the most desirable neighbourhoods in the City, and it is these neighbourhoods which are most at risk of short-term rental conversion and require protection by this by-law. Second, it will undermine the possibility of effectively enforcing the proposed principal residence requirement, as it will be difficult for an operator to provide documentation that

will reliably prove they are legally entitled to rent out a secondary suite. And without effective enforcement, the regulations won't function to preserve long-term rental stock or affordability.

We have thousands of empty bedrooms across this city and recognize that many seniors and home-owners could find renting their vacant bedrooms would be of financial assistance. It's important to emphasize that eliminating the short-term rental of secondary suites does not stop people from generating income from those suites or stop tourists from having a diversity of accommodations options; it simply imposes the more balanced situation that existed in Toronto prior to the arrival of Airbnb, where property owners could earn rental income from their properties and Torontonians had a better chance of finding somewhere in the city to live. Allowing the short-term rental of principal residences alone maximizes the housing potential of Toronto's housing supply by encouraging people to not leave their homes vacant even for short periods of time, while preserving the city's critically important stock of long-term rental housing, allowing property owners and tenants to supplement their incomes and pay off mortgages by earning rental income, and ensuring tourists have a range of accommodations options.

This is a sensible solution for everyone.

Doris Power, Rosie DaSilva, Heather O'Neil, John Corso, Jon Alexander, on behalf of Tenants for Social Housing