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RH2.1.16

Federation of Metro Tenants' Associations
Submission to the Nov 20, 2019 Subcommittee
on the Protection of Affordable Rental Housing

Re: Illegal Evictions in Toronto

Introduction

The Federation of Metro Tenants' Associations (FMTA) is a non-profit organization which advocates for better rights for tenants in Ontario. Founded in 1974, we are the oldest and largest tenant federation in Canada, and we provide services directly to approximately 60,000 tenants a year through our tenant hotline, outreach services, and website.

Starting in 2012, we began to see a stark increase in calls relating to illegal renovations and "Landlords Own Use" evictions. We're asking you today to consider methods to ensure landlords follow the law.

Scope of the Issue

Based on the data available we believe this is affecting over 25,000 tenants annually in Ontario and costing tenants approximately \$400 million in increased rent and moving charges.

According to a Globe and Mail article on landlords own use evictions from two years ago:

"Data from the SJTO shows N12 forms were download 57,662 times in 2017"

<https://www.theglobeandmail.com/real-estate/toronto/own-use-evictions-on-the-rise-into-toronto/article38126757/>

According to Harry Fine, a prominent landlord lobbyist and a former adjudicator at the Landlord and Tenant Board, HALF (over 25,000) of these notices are likely illegal and fraudulent:

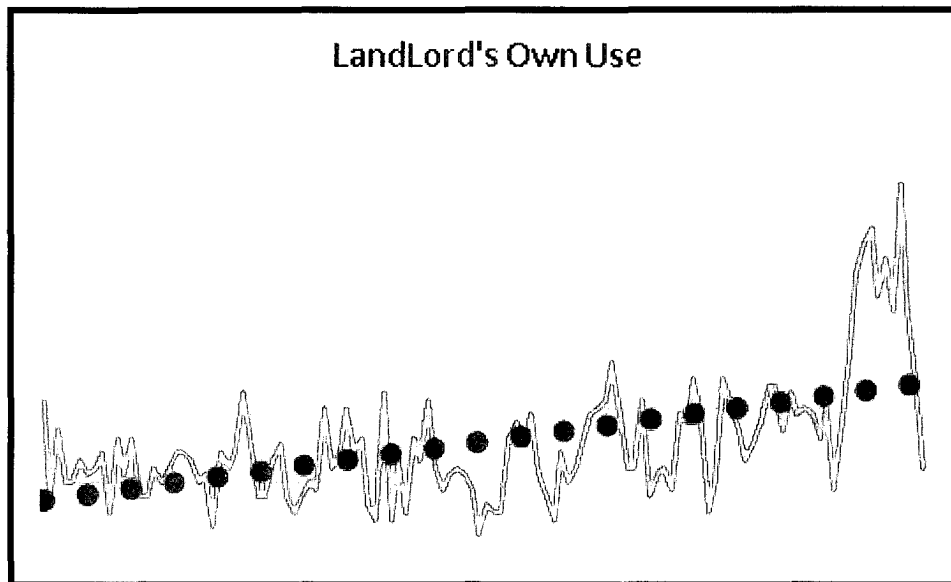
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“Fine tells CityNews he believes half of N12 notices are in bad faith,”

<https://toronto.citynews.ca/2018/06/22/more-tenants-speak-eviction-landlord-loophole/>

The average gap between today's average rents and starting rents is now about \$1000 a month in Toronto.

With the addition of average moving costs, many tenants are being criminally defrauded of on average \$15,000 each time this occurs.



Recommendations

1. Stop Criminal Fraud

While landlord and tenant matters are rarely looked at through a criminal fraud lens, Toronto Police have charged tenants with fraud in extreme cases:

<https://www.thestar.com/news/gta/2015/04/10/serial-trouble-tenant-nina-willis-gets-jail-time-for-fraud-and-false-pretenses.html>

While the FMTA would prefer to see the Province crack down on illegal evictions, all of our attempts to get them to address this issue have been ignored.

As such we believe that the City should look at trying to stop these evictions with the tools they currently have available. We recommend that fraud investigations be expanded to landlords, not just tenants.

2. Create Conditions for Issuing Permits for Rental Housing

Landlords are able to evict tenants for renovations so expansive that they require a City permit. However, City permits are often issued AFTER the landlord applies to the Landlord and Tenant Board (which should stop the RTA proceedings, but does not) and almost no work is done to ensure that landlords are not abusing the system.

The City should create strong conditions for landlords to obtain permits in order to prevent this kind of abuse.

3. Use City Tax Information to stop Landlords Own Use Evictions

While renovictions are common in Toronto at the moment and the favoured illegal eviction approach of corporate landlords, half of all rental properties in Toronto are owned by individuals.

The result has been an increasing number of brazen illegal evictions for "Landlords own use". According to our data, this is the most common illegal eviction in Ontario right now.

City tax filings for properties require the landlord to list who is in the unit. The City should work with the LTB to identify buildings where tenants have been illegally evicted using the Landlords Own Use provision and should issue major financial penalties against landlords who break the law and defraud tenants.

4. Landlords should face penalties and consequences for breaking the law

The landlord at 795 College street illegally and brazenly evicted tenants in Toronto defrauding them of their home.

Their penalty from the Province was \$135,000 which they stand to make back in 2 years thanks to increased rents.

Toronto needs a strong deterrent against illegal activity.

Any time the City finds out a landlord has illegally evicted a tenant the landlord should:

- 1) Be immediately prevented from applying for any rezoning application
- 2) Be immediately prevented from applying for any development application
- 3) Be immediately investigated for criminal fraud by a Toronto Police Unit

New York City recently passed legislation that requires a City permit office to check a “Harassment registry” that the City keeps and check when the landlord applies for a permit. If the landlord has been found to be harassing tenants, they can’t get their permits.

We urge the City to do something similar.

Conclusion

We are currently undergoing a major demographic shift in Toronto and a major wealth transfer. According to census data, families (Ages 1 – 10 years old and 30 – 40 years old) are fleeing the City at a rate of negative -5%.

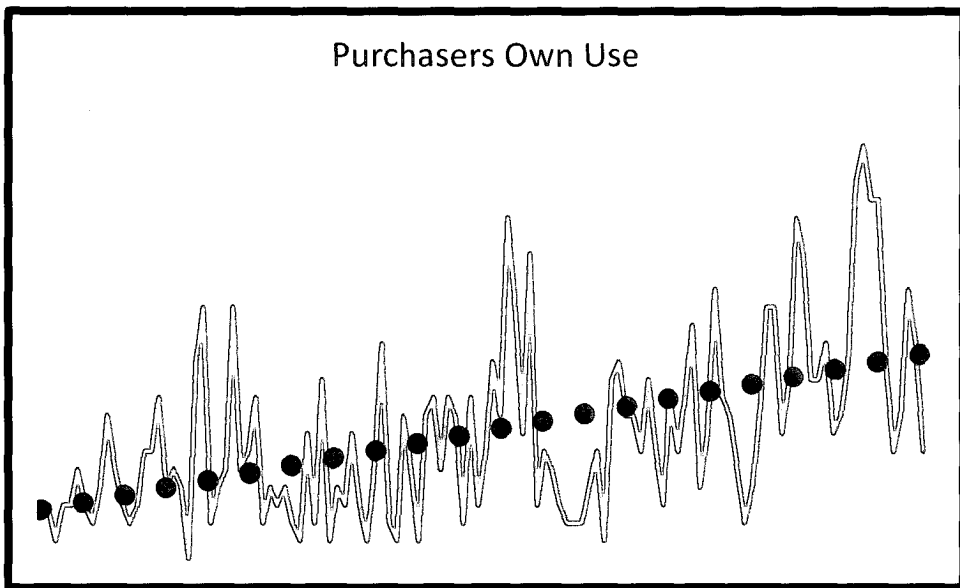
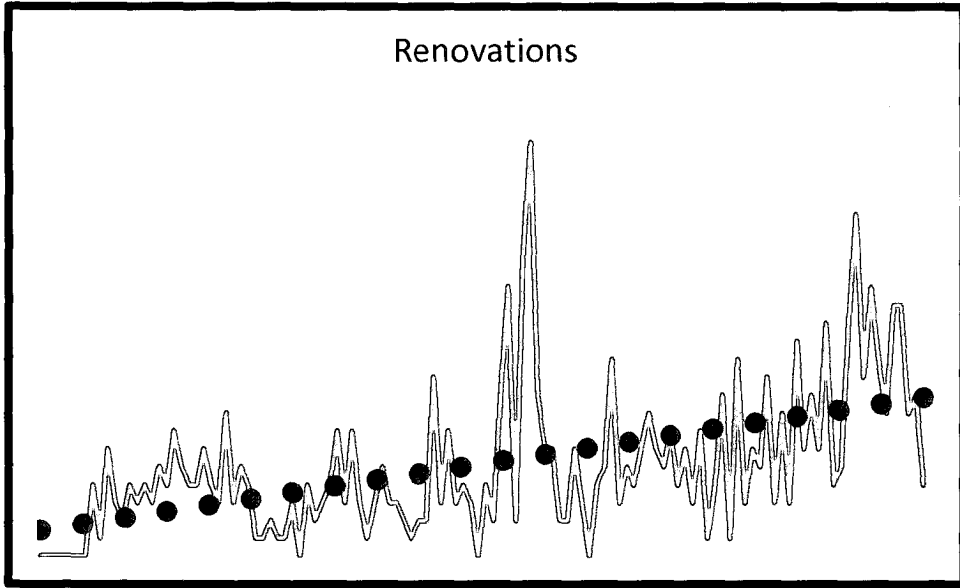
People can’t afford to live here anymore as rents are artificially increased through the strangling of supply. As this trend continues, landlords are taking advantage of tenants defrauding tens of thousands of them for hundreds of millions of dollars in lost revenue.

John Stewart Mill famously said that landlords “make money in their sleep”; we feel that landlords who are caught cashing in by breaking the law need to be forced to ‘wake up’ and face consequences.

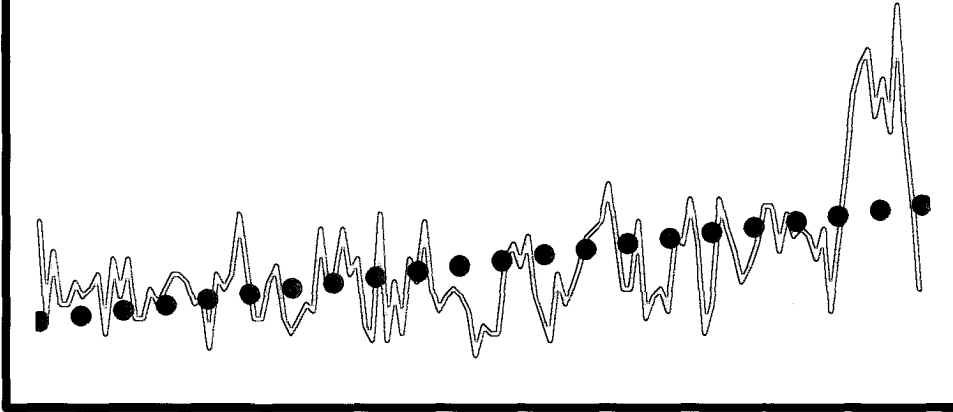
The nature of our City depends on it.

Sincerely,

Geordie Dent
Executive Director
Federation of Metro Tenants’ Associations



LandLord's Own Use



Non-Payment Eviction

