



REPORT FOR ACTION

Tenant Support Grant Program Updates

Date: November 4, 2020

To: Sub-Committee for the Protection of Affordable Rental Housing

From: General Manager, Shelter, Support and Housing Administration

Wards: All

SUMMARY

The Tenant Defence Fund (TDF) was created in late 1999 in response to the creation of the Provincial Tenant Protection Act, 1997. The TDF has two components: (1) a Tenant Support Grant Program for tenants to access legal representation to fight above guideline rent increases and (2) an Outreach and Organizing program to support tenant groups accessing a Tenant Support Grant. The TDF is complemented by a Tenant Hotline that provides telephone information services for private market tenants in Toronto.

The Tenant Support Grant Program is currently prescribed in Municipal Code Chapter 797. Meeting the requirements of a codified program, while also accommodating the quickly changing circumstances of private market tenancies in Toronto, is challenging, and some of administrative components of the program set out in Municipal Code Chapter 797 have become barriers to tenants attempting to access the Tenant Support Grant Program during the COVID-19 pandemic.

This report recommends program updates to increase the flexibility and streamline the administration of the Tenant Support Grant Program. The proposed updates will improve the safety and efficiency of grant processing during the COVID-19 pandemic. In order to facilitate the recommended program updates, this report recommends repealing Municipal Code Chapter 797 and replacing it with modified program guidelines.

RECOMMENDATIONS

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

1. City Council repeal City of Toronto Municipal Code Chapter 797, Tenant Support Grant Program.
2. City Council authorize the General Manager, Shelter, Support and Housing Administration, to administer a Tenant Support Grant Program in accordance with program guidelines, which may be updated at the discretion of the General Manager, Shelter, Support and Housing Administration, to ensure the program supports the preservation of affordable rental housing in Toronto.

FINANCIAL IMPACT

There is no financial impact resulting from the adoption of the recommendations in this report. Funding for the Tenant Support Grant Program is included in Shelter, Support and Housing Administration's 2020 Approved Operating Budget, with future year funding subject to the 2021 and future year budget processes.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

EQUITY IMPACT

The Tenant Support Grant Program is accessed by low-income individuals and families living in private market rental housing who face a variety of complex and intersecting challenges. This includes people from a range of equity-seeking groups, such as seniors, people experiencing homelessness, persons with disabilities, youth, and people who identify as LGBTQ2S+.

DECISION HISTORY

At its meeting on October 27 and 28, 2020, City Council adopted the report *Actions to Promote the Protection of Residential Rental Tenancies - Update*. This report directed the General Manager, Shelter, Support and Housing Administration, to identify short-term opportunities to align the Tenant Support Grant program, and its associated Municipal Code Chapter 797, with current market conditions, including updating administrative requirements to mitigate challenges presented by the COVID-19 pandemic, and report back to a November 2020 meeting of the Subcommittee on the Protection of Affordable Rental Housing to facilitate implementation of short-term program changes in January 2021.

The staff report can be accessed at the following link: [Actions to Promote the Protection of Residential Rental Tenancies - Update](#).

At its meeting on November 7, 2017, City Council adopted the report *Tenant Defence Fund Review*. This report amended Toronto Municipal Code Chapter 797, Tenant Support Grant Program, to re-structure, consolidate and improve the readability of the Chapter.

The staff report can be accessed at the following link: [Tenant Defence Fund Review](#).

At its meeting on November 23, 24 and 25, 1999, City Council adopted the report *Implementation of a Tenant Defence Fund*. This report created the Tenant Support Grant Program, in principle, to assist tenants and tenant associations in opposing unreasonable above-guideline rent increases.

The staff report can be accessed at the following link: [Implementation of a Tenant Defence Fund](#).

COMMENTS

Origin of the Tenant Defence Fund Program

The Tenant Defence Fund (TDF) was created by Council in late 1999 in response to a rapid increase in applications to the Landlord and Tenant Board (LTB) for above guideline rent increases (AGIs) resulting from passage of the Tenant Protection Act, 1997 (predecessor of the current Residential Tenancies Act, 2006). The TDF was established to provide financial and educational assistance to groups of tenants who wished to dispute the AGI applications before the LTB. One year later, the mandate was expanded to include assistance to groups challenging appeals to the Ontario Municipal Board (OMB) for building demolitions and conversions to condominiums.

Structure of the Program

The TDF program assists tenants through two sub-programs that complement each other:

- The Tenant Support Grant Program (Grant Program), administered by SSHA, provides direct grants to tenant groups to retain legal and other representation for participation in the legal process regarding AGI applications, maintenance applications and demolition or condominium conversion appeals.
- The Outreach and Organizing Program (Outreach Program) helps tenants organize as groups, particularly around preparing to dispute an AGI application, and apply for the Grant Program. SSHA currently has a contract with the Federation of Metro Tenants' Associations (FMTA) to deliver the Outreach Program.

In addition to the TDF, the City currently funds the FMTA to provide a Tenant Hotline. The Hotline provides telephone information services to tenants in private market rental units in Toronto.

2017 Program Changes

Based on stakeholder feedback, in 2017, City Council amended Municipal Code Chapter 797, Tenant Support Grant Program, to:

- Expand the scope of the Grant Program to include tenant applications about maintenance for building-wide issues;
- Reduce the number of signatures required on the tenant petition;
- Add the definitions of Basic and Additional Grants and include in the definition of Additional Grant: a grant for a tenant group to make or dispute an application at the LTB not otherwise specified, impacting housing affordability in Toronto, as deemed appropriate by the General Manager;
- Reorganize sections of the Chapter by application type to include in each section information and applicable criteria related to Basic Grants for Landlord Applications, Basic Grants for Tenant Applications and Additional Grants; and
- Update staff titles and names of statutes; for example, changing references to the Commissioner of Community and Neighbourhood Services to General Manager, Shelter, Support and Housing Administration.

Funding for the Grant Program also increased from \$50,000 to \$100,000 beginning January 1, 2018. Program uptake is consistently high and funding was fully utilized in both 2018 and 2019.

Stakeholder Feedback

On December 20, 2019 the City put out a public call for interested individuals and organizations to apply to serve on an Advisory Committee on the Protection of Affordable Rental Housing. The Advisory Committee met in person twice before March 17, 2020. After March 17, engagement continued through email, conference calls and web meetings to discuss issues within the mandate.

The Advisory Committee offered a range of feedback on tenant programs offered by the City, including:

- City programs for renters should be more widely available, meaning existing programs should have open referral processes, broader eligibility criteria, and higher funding levels to meet increased demand.
- There are also not enough programs and supports for tenants, considering the number of renters in Toronto.

Specific to the Grant Program, the Advisory Committee suggested it should be updated in the short-term to:

- Increase grant levels to reflect the true cost of legal fees; and
- Add flexibility in the types of tenancy issues to be addressed.

In addition to feedback from the Advisory Committee, SSHA staff receive regular feedback from tenant groups currently in receipt of a Tenant Support Grant. As a result

of the COVID-19 pandemic, some administrative requirements have become barriers for tenant groups to apply for receive Tenant Support Grants. Specifically:

- Tenant groups must currently apply with a petition, representing 25% of tenants residing in an affected building to a maximum of 30 tenants; and
- Payment is currently made by cheque, in the names of two lead tenant applicants.

Door knocking to collect signatures and jointly cashing a cheque in-person at a bank branch are nearly impossible during COVID-19.

Establishing Program Guidelines and Repealing Municipal Code Chapter 797

At its meeting on October 27 and 28, 2020, City Council adopted the report *Actions to Promote the Protection of Residential Rental Tenancies - Update*. This report directed the General Manager, SSHA, to identify short-term opportunities to align the Tenant Support Grant Program, and Municipal Code Chapter 797, with current market conditions, including updating administrative requirements to mitigate challenges presented by the COVID-19 pandemic, and report back to a November 2020 meeting of the Subcommittee on the Protection of Affordable Rental Housing to facilitate implementation of short-term program changes in January 2021.

Based on stakeholder feedback and SSHA staff experience with administering the Grant Program, a number of program updates are recommended. The updates will increase the flexibility and administrative efficiency of the Grant Program and improve the safety and efficiency of grants processing during the COVID-19 pandemic.

In order to facilitate the recommended program updates, this report recommends repealing Municipal Code Chapter 797 and replacing it with modified program guidelines, which will be posted on the City's website for a program start date of January 1, 2021.

To increase flexibility, program guidelines will:

- Eliminate the tenant petition requirement, and instead require that affected buildings have a minimum of five (5) units in the building and two (2) tenant applicants who will sponsor the application and liaise with City staff.
- Add disputes of N13 (renovation/demolition) applications as an eligible application type. Grants will now be available for tenant groups to:
 - Dispute an Above Guideline Rent Increase at the LTB.
 - Make an application to the LTB about maintenance issues in their building.
 - Dispute a Notice to demolish, repair or convert multiple rental units in a building at the LTB.
- Broaden the discretion of the General Manager, Shelter, Support and Housing Administration, to approve a wider range of application types that will contribute to preserving affordable rental housing in Toronto. Grants may be available for tenants to engage in other legal processes that the General Manager determines to be in the

public interest to assist tenants to maintain affordable rental housing in private market rental housing.

- Increase the "affordability threshold" to qualify for the grant from Average Market Rent plus 15% to Average Market Rent plus 25%, recognizing that it is not always possible to verify the average rent in a building.
- Increase the amount available to tenant groups to offset the costs of hiring a paralegal to support a dispute or application at the LTB by 25% as there have been no increases since the program first began operating in 2000.
 - The grant amount for these grants will increase to \$1,250. The maximum number of grants available each year for tenant groups will decrease from 100 to 80.
 - Grants of up to \$15,000 may be available for tenant groups to engage in other legal processes impacting the affordability of rental housing in the private market. If any of these grants are approved, the total number of grants available for tenant groups will decrease further.

To improve administrative efficiency, SSHA will:

- Introduce an online application.
- Introduce an option for a tenant group to direct the City to issue the grant funding to the paralegal on the tenant groups' behalf, if cashing a cheque will be a barrier to participating in the Grant Program.

Next Steps

If the recommendations in this report are adopted, and Municipal Code Chapter 797 is repealed by City Council, SSHA staff will:

- Finalize and post Tenant Support Grant program guidelines on the City's website for a program start date of January 1, 2021.
- Include on the website an updated online application form.

The guidelines and form will be reviewed and updated as required by SSHA staff to ensure ongoing feedback received from tenant groups may be incorporated into the Tenant Support Grant Program. Updates to the program guidelines are intended to contribute to the program mandate of supporting the preservation of affordable rental housing in Toronto.

In addition, the General Manager, SSHA, will examine opportunities to align, over the intermediate- and long-term, existing programs for tenants in the private market with current market conditions, and report back to the Subcommittee on the Protection of Affordable Rental Housing in the second quarter of 2021 on proposed program changes, and the cost of implementing such changes.

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SIGNATURE

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