

Toronto Tenant Support Program Implementation

Date: May 31, 2021

To: Subcommittee on the Protection of Affordable Rental Housing

From: General Manager, Shelter, Support and Housing Administration

Wards: All

SUMMARY

On October 27 and 28, 2020, City Council directed the General Manager, Shelter, Support and Housing Administration to report back to the Subcommittee on the Protection of Affordable Rental Housing in the second quarter of 2021 on opportunities to align, over the intermediate- and long-term, existing programs for tenants in the private market with current market conditions.

Staff considered the following objectives to develop program options for tenants in the private market:

- To support the preservation of affordable rental housing for tenants in Toronto, in line with the objectives outlined in the HousingTO 2020-2030 Action Plan and directives from the Subcommittee on the Protection of Affordable Rental Housing.
- To enhance and modernize tenant support programs to respond to current market conditions and to the impacts of recent legislative changes.
- To build flexible and responsive program models that allow the City to adapt quickly to changing tenant support needs and changing market conditions.

This report recommends implementing a Toronto Tenant Support Program by modernizing the Tenant Defence Fund and expanding the program scope and flexibility to allow the City to adapt to emerging issues as they arise. The Toronto Tenant Support Program will support eligible tenants to preserve affordable rental housing in the private market, through the following components: (1) Streamlined access to professional services; (2) Tenant information services; (3) Tenant organizing and capacity building; and (4) Research and policy development.

RECOMMENDATIONS

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

1. City Council direct the General Manager, Shelter, Support and Housing Administration, to implement the Toronto Tenant Support Program as set out in this report (May 31, 2021) and authorize the General Manager, Shelter, Support and Housing Administration to enter into agreements or other suitable arrangements with other City divisions, agencies, boards, corporations, federal and provincial agencies, community agencies, private entities and/or individuals to allocate funding and deliver the Toronto Tenant Support Program.

FINANCIAL IMPACT

There is no financial impact at this time. Future financial impacts resulting from the design and implementation of the Toronto Tenant Support Program will be included in the budget submission for Shelter, Support and Housing Administration for City Council's consideration through the 2022 Budget Process.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

EQUITY IMPACT STATEMENT

Preserving affordable rental units in the private market contributes to the availability of affordable housing options in the City. This report outlines strategic directions that will help maintain affordable rental units in the City and will support individuals and families living in private market rental housing who face a variety of complex and intersecting challenges. The Toronto Tenant Support Program will support the preservation of affordable rental housing for all equity-seeking groups, including seniors, people experiencing homelessness, people with disabilities, youth, racialized groups, newcomers and people who identify as LGBTQ2S+.

DECISION HISTORY

On April 29, 2021 and May 26, 2021, SSHA staff met with a working group of the Tenant Advisory Committee on the challenges and barriers tenants are currently facing in the private market, as well as opportunities to enhance tenant supports to better align with current market conditions and to consult on the overall direction of the Toronto Tenant Support Program. The entire Tenant Advisory Committee was also consulted on the overall direction of the Toronto Tenant Support Program. Details of the consultation are provided in the [Stakeholder and Consultation Feedback](#) section of this report.

On December 16, 2020, City Council adopted the report, *RH4.1 Tenant Support Grant Program Updates*. This report recommended program updates to increase the flexibility and streamline the administration of the Tenant Support Grant Program. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH19.9>

On October 27 and 28, 2020, City Council adopted the report, *RH3.1 Actions to Promote the Protection of Residential Rental Tenancies - Update*. This report directed the General Manager, Shelter, Support and Housing Administration, to (1) identify short-term opportunities to align the Tenant Support Grant Program and Municipal Code Chapter 797 with current market conditions and report back to a November 2020 meeting of the Subcommittee on the Protection of Affordable Rental Housing, and (2) identify opportunities to align, over the intermediate- and long-term, existing programs for tenants in the private market with current market conditions, and to report back to the Subcommittee on the Protection of Affordable Rental Housing in the second quarter of 2021 on proposed program changes.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH17.6>

On November 7, 8 and 9, 2017, City Council adopted the report, *CD23.7 Tenant Defence Fund Review*. This report amended Toronto Municipal Code Chapter 797 and the Tenant Support Grant Program, to re-structure, consolidate and improve the readability of the Chapter.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CD23.7>

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 arising from the passage of the *Tenant Protection Act, 1997*.

<https://www.toronto.ca/legdocs/1999/agendas/council/cc/cc991123/pof10rpt/cl001.pdf>

COMMENTS

Private Market Residential Tenancies in Toronto

Housing affordability remains an ongoing and growing concern in Toronto. Almost half of Torontonians live in private market rental housing and spend more than 30% of their income on rent. According to the [Canadian Mortgage and Housing Corporation Rental Market Report](#), rent prices continue to see growth across the city, increasing between 3% and 6% annually from 2016-2020. While many factors contribute to this trend, vacancy decontrol (the ability for landlords to set rent increases for new tenants) and above guideline rent increases are key factors.

Tenant Legislation and the Impact of COVID-19

Private market tenancies in Ontario are governed by the *Residential Tenancies Act, 2006* (RTA). The legislation outlines the rights and responsibilities of landlords and tenants who rent residential properties. This includes regulations on rent increases, evictions, repairs and other issues affecting tenants. In accordance with the RTA, the province sets an annual rent increase guideline. Landlords may apply to the Landlord and Tenant Board (LTB) for a rent increase for tenants that is above the guideline to cover costs related to eligible capital expenditures, security services and/or extraordinary increases in the landlord's municipal taxes, as mandated in the RTA.

The following legislative changes were passed in 2020 by the provincial government, amending the RTA:

- On March 12, 2020, Bill 184 - *Protecting Tenants and Strengthening Community Housing Act, 2020* was passed and modified a number of dispute resolution processes around evictions.
- On October 1, 2020, the provincial government passed the *Helping Tenants and Small Businesses Act, 2020*, prohibiting rent increases between January 1, 2021 and December 31, 2021, due to COVID-19.

Although a rent freeze is in effect, landlords are still allowed to apply to the LTB for above-guideline rent increases (AGI). If an AGI is approved by the LTB, landlords can increase rents by the approved amount in 2021. In addition, both the Tenant Advisory Committee and the Federation of Metro Tenants' Associations (FMTA) have reported increased concerns around illegitimate evictions, particularly around N12 and N13 notices, and maintenance issues that are not being addressed by landlords, as more people are spending time at home. Given that tenant legislation is mandated by the province, it is important for City-funded tenant support programs to adapt quickly to these legislative changes to ensure that appropriate supports are in place for tenants.

Current Program - Tenant Defence Fund

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

The TDF program supports private market tenants through two sub-programs that complement one another: the Tenant Support Grant Program and the Outreach and Organizing Program. The City also funds a Tenant Hotline program that provides telephone information services for Toronto tenants in the private market.

2021 Budget and Service Levels

The 2021 budget for the Tenant Defence Fund is \$606,291, as shown in Table 1. The Tenant Defence Fund, through the Tenant Support Grant Program and the Outreach and Organizing Program, supports approximately 100 buildings each year and provides grants to tenant groups to dispute AGIs, make maintenance applications and/or to dispute a notice to demolish, repair or convert multiple rental units in a building.

The Tenant Hotline Program, administered by the FMTA, receives approximately 20,000 calls each year and responds to inquiries related to different topics including: the RTA, the LTB, repair and maintenance issues, rent increases, N12 and N13 notices, tenancy agreements and discrimination. FMTA makes referrals when appropriate to other services.

Table 1: Tenant Defence Fund 2021 Budget

Program Name	2021 Budget
Tenant Support Grant Program	\$150,078
Outreach and Organizing Program	\$250,378
Tenant Hotline Program	\$205,835
Total	\$606,291

Program Reviews and Findings

The Tenant Defence Fund Program is regularly assessed to ensure that it delivers on its mandate and meets the needs of tenants in the private market for information and professional services. Most recently, program evaluations were conducted in 2019 by SSHA staff, at the request of the FMTA, and in 2021 by a third party evaluator. The reviews indicated that the TDF is a valuable program to support tenants disputing matters related to evictions or affordability; however, gaps were identified in meeting service level needs related to evolving market conditions and tenants' needs long-term.

Key findings included:

- The complexity of tenant issues has expanded beyond the scope of the TDF program and the current funding envelope will not be able to meet the anticipated needs of additional grants for tenant issues in the long-term.
- The Tenant Support Grant Program does not provide the flexibility to accommodate a tenant group's preferred approach to dispute and make applications to the LTB.
- Outreach and organizing supports should focus on building tenant associations and empowering tenant groups to be well informed of their rights when negotiating with landlords over the long-term.
- With increasingly high call volumes and complex calls, the Tenant Hotline does not meet current service level needs.

Stakeholder Consultation and Feedback

On December 8, 2020, Planning and Housing Committee adopted a new mandate and terms of reference for the Tenant Advisory Committee (TAC) and directed the Executive Director, Housing Secretariat, to issue a call for members for the Committee. This was completed and the TAC met for the first time on March 27, 2021. SSHA met with a working group of TAC on April 29, 2021, as well as the full Committee on May 3, 2021, to discuss the challenges and barriers tenants are currently facing in the private market and potential long-term program enhancements to support private market tenants.

The TAC provided the following feedback on the current scope of tenant support programs offered in the City:

- Tenants are often left to search for legal representation on their own and navigate through legal processes with limited support.
- Tenants who do not meet Legal Aid Ontario's financial eligibility threshold cannot access publicly-funded legal representation for landlord-tenant disputes.
- City-funded tenant support programs cannot provide legal advice, unless the non-profit organization registers as a civil society organization with the Law Society of Ontario (LSO) to employ lawyers and paralegals to deliver professional services to the public, according to the [Law Society of Ontario By-Law 7](#).
- Better data would allow for more responsive decision-making around rental affordability and programs for tenants.
- Current services will not meet the growing demand for tenant supports long-term. The need for further investments is recommended to support complex tenant issues, tenant rights awareness and tenant association development.

Recognizing that program enhancements will depend on further financial investments in tenant programs, the TAC suggested the following long-term program enhancements to support private market tenants:

- Fund proactive tenant support programs that are operated by non-profit organizations, using data tools to identify buildings where tenants are likely to be evicted.
- Secure professional services for tenants to seek legal advice and retain representation at the LTB.
- Build knowledge of tenant rights and responsibilities by leveraging online and social media platforms to reach a bigger tenant audience.
- Build tenant capacity through tenant association development as a formal mechanism to support large groups of tenants to negotiate their rights with landlords.
- Tenant support programs should assist with a broader range of tenant organizing activities. In particular, enhanced support for grassroots, community-based tenant organizations, would fill a gap in the current service system.

New Program Model: Toronto Tenant Support Program (TTSP)

The development of a new tenant support program offers many opportunities to expand the current scope of work of SSHA's tenant portfolio to meet current service level demands and the long-term needs of Toronto's diverse tenant population. Members from the TAC were consulted on the overall direction of the Toronto Tenant Support Program on May 26, 2021.

Program Objectives

Staff considered the following objectives to develop program options for tenants in the private market:

- To support the preservation of affordable rental housing for tenants in Toronto, in line with the objectives outlined in the HousingTO 2020-2030 Action Plan and directives from the Subcommittee on the Protection of Affordable Rental Housing.

- To enhance and modernize tenant support programs to respond to current market conditions and to the impacts of recent legislative changes.
- To build flexible and responsive program models that allow the City to adapt quickly to changing tenant support needs and changing market conditions.

TTSP Program Framework

The Toronto Tenant Support Program will support eligible tenants to preserve affordable rental housing in the private market, through the following components:

1. *Streamlined Access to Professional Services:* Provide streamlined access to professional services, through a civil society organization registered with the LSO, to support eligible tenants in disputing eviction matters or other tenancy issues at the Landlord and Tenant Board, Local Planning Appeal Tribunal, Divisional Court, or similar public body with the intent of preserving affordable rental housing.
2. *Tenant Organizing and Capacity Building:* Provide general outreach and organizing support in each quadrant of the City using an integrated approach, to develop tenant associations and working with established tenant associations to expand awareness on landlord and tenant rights and responsibilities.
3. *Tenant Information Services:* Develop communication strategies and information services to increase awareness on tenant rights and responsibilities by capitalizing on social media and new information channels, administering online resources, and responding to telephone inquiries.
4. *Research and Policy Development:* Conduct, research, collect data and report to the City on current trends and policy recommendations and to advocate to the province on recommendations to legislation impacting tenants, outside of the City's scope.

Implementation Plan and Next Steps

The contracts for the Outreach and Organizing Program and the Tenant Hotline Program end on December 31, 2021. SSHA will:

- Bridge current contracts for the Outreach and Organizing Program and the Tenant Hotline Program from January 1, 2022 and March 31, 2022, using a non-competitive procurement process, to ensure there is no gap in tenant supports and to maintain service levels.
- Develop the administrative structures and tools required to launch a funding opportunity, including, program guidelines, an application process, reporting and evaluation tools and a communication plan.
- Determine the financial impact of the new program design. Based on preliminary analysis, it is estimated that the TTSP program will require an additional investment of approximately \$600,000. This will be considered through the 2022 Budget Process.

- Issue a funding opportunity for the Toronto Tenant Support Program in Q4 2021. SSHA may enter into one or more agreements or other arrangements with service providers to deliver supports to tenants under the new program framework starting April 1, 2022.
- Evaluate the implementation of the updated program model and work with the Tenant Advisory Committee and service providers to ensure the program is achieving its objectives.

Conclusion

This report recommends actions to ensure the delivery of ongoing and responsive tenant support services. It also sets a foundation for the planning that is needed to make progress around housing stability and homelessness prevention in SSHA's upcoming five-year service plan. The service plan will build on the strategic actions identified in the HousingTO 2020-2030 Action Plan and will be finalized by Q3 2021.

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SIGNATURE

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