

JUNE 2021

# STOP RENOVICTIONS IN TORONTO



## ABOUT ACORN



ACORN Canada is a multi-issue, mass-based union of low- to moderate income people with chapters across the city, province, and country. The purpose of our union is to give working class people power so that they can have their voices heard at the highest levels of the country. ACORN is both a deeply rooted community union working on local campaigns, as well as a large organization that connects working class people across the country to effectively fight the corporate practices and government policies that are at the root of most of our problems.



## TORONTO ACORN

ACORN has 140,000+ members in 20+ neighbourhood chapters across 9 cities. The first ACORN chapter started with Weston in Toronto. Since then, Toronto ACORN has grown and currently has six chapters - Weston Mount Dennis, Jane & Finch, North Etobicoke, Scarborough Centre, East York and St. James Town. Toronto ACORN members continue to fight for affordable and healthy housing in the city and a lot of other issues that are critical to attaining social and economic justice.

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## INTRODUCTION: TORONTO NEEDS TO STAND UP FOR ITS TENANTS

The housing crisis in Toronto has gone from bad to worse. Low-and-moderate income tenants in Toronto are facing the brunt of the crisis and Toronto ACORN is demanding that the City of Toronto develops a policy that puts the health and housing security of tenants ahead of the profit of developers.

This report outlines threats to the city's affordable housing, includes case studies of renovictions, testimonials from ACORN members as well as highlights the policy other Canadian municipalities have implemented to act on the crisis.

The City of Toronto has taken some important first steps in dealing with renovictions, however, it is far behind where it could and must be. Other municipalities in Ontario, such as Hamilton, have taken bolder steps forward and Toronto must now catch up in order to protect its affordable housing stock.

In November 2019 after an increased number of reports in the media about renovictions, and increased pressure from ACORN members who were facing the problem, getting organized, and fighting back (245 Logan Ave), the City of Toronto created a Sub-Committee on the Protection of Affordable Housing. The first meeting of the sub committee had dozens of speakers, and the message was clear - **existing powers needed to be enforced, and new tools needed to be developed to crack down on the issue.**

It is ACORN's position that replicating the New Westminster Renovation By-Law is legally possible in the City of Toronto. While no city in Ontario has yet taken this step, the power is there for municipalities to license and put strong measures in place to disincentivize renovation.

ACORN looks forward to working together with Council and community partners to protect tenants!

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# TORONTO HOUSING CRISIS: RENOVICTION AND SUBSTANDARD HOUSING

The housing crisis is not unique to Toronto, but it has gotten worse and it remains one of the most unaffordable municipalities in Canada. A surge of interest from developers, the buying up of low and mid rise buildings by large corporate REITs, construction of primarily condos that cater to high-income renters, long wait list for social housing and the lack of interest by politicians and city staff in enforcing property standards to protect tenants is resulting in rapidly rising rents and tenant displacement.

Moreover, there exists strong incentives for landlords to evict tenants due to lack of vacancy control which allows landlords to raise rents by any amount between tenancies.

The CMHC Rental Market report 2020 throws some interesting insights and reveals the scale of the housing crisis in Toronto.

- The first quintile in Toronto CMA comprises households who earn less than \$25,000 annually. In order to be described as affordable, their monthly rent should account for less than 30% of their gross income. This means they would need to find an apartment renting for less than \$625 a month. The average rent in the city is \$1,523 which is up by 4.7%
- Households in lower income quintiles face significant challenges in finding affordable market rental accommodation. Just 0.2% of the rental universe in Vancouver CMA and Toronto CMA are affordable to renter households in the first quintile.
- While the rents went down slightly during the pandemic and vacancy rates rose, rents were highly resilient in the primary rental market that houses low-to-moderate income people.
- Infact, the latest report by rentals.ca and Bullpen Research and Consulting, revealed that by the end of 2021, rent in Toronto will rise by 4%.



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## HOW IS THIS HAPPENING?

A significant driver of turnover in previously affordable housing stock is renoviction. The goal of renovictions is for landlords to force out existing tenants under the guise of renovating or repairing a rental unit or building, so that the landlord can increase rents and maximize profit. The absence of vacancy rent control laws at the provincial level gives landlords a financial incentive to renovict tenants: when the unit is vacant, they can raise the rent to whatever the market allows.

There are several tactics landlords use to accomplish this:

**1) Cash incentive program** - More commonly referred to as a buyout. Landlords will approach tenants by phone and door-to-door offering a “financial incentive” for tenants to give up their apartments by a certain date. Initially, the offer comes off as friendly and landlords present themselves as looking out for the tenants’ best interests, but tactics quickly escalate if the tenant refuses. Landlords will often threaten eviction or use high pressure sales tactics to wear tenants down to accept the offer - typically increasing their initial low ball offer to be more tempting. This tactic is extremely stressful on tenants. If a building has 5 or more units, then tenants are entitled to up to 3 months’ rent.

**2) N13 Eviction Notice** - A longer and often more expensive process for the landlord is to issue tenants an N13 eviction notice. In Ontario, landlords are legally allowed to evict tenants for “substantial” renovations. All tenants in the building will receive notice to move out by a certain date because the landlord needs to do extensive renovations. With many tenants not knowing their rights, tenants will often just move out and accept the 3 month compensation. In Ontario tenants have “right to return”, and are entitled to return to the apartment after renovations at the same rent. But landlords are under no obligation to support tenants to relocate, and rarely provide a timeline for renovations. To ask a tenant to temporarily relocate for an unknown amount of time is not feasible for low-income tenants. These are the predatory tactics used by landlords to maximize profit. They uproot families, destroy communities by driving up rents. Currently the City of Toronto does not track buyouts or renovictions, and the Landlord Tenant Board only has a record of N13 applications that have been challenged by tenants. If not for the ACORN Tenant Union calling out cases in our city, landlords would be able to quietly displace tenants and face no recourse.

*ACORN members in Toronto have been offered packages as low as \$1,500 which barely covers moving costs, and does nothing to pay the increased rent tenants will be forced to pay on the open market.*

## LIVABILITY

In addition to facing renoviction, many tenants live in substandard rental suites. Whether part of a larger strategy to remove tenants from the building in order to circumvent rent control laws, or just out of sheer neglect, Toronto tenants in affordable market rental apartments are forced to live with a wide range of health-and-safety issues. The inadequacy of Toronto's RentSafeTO and the lack of implementation of the policy as well as a lack of will by City staff to enforce property standards leaves tenants with no recourse if the building or their unit falls into disrepair. Tenants can bring a case for rent abatements due to problems with their unit (essentially a discount on rent) but the LTB cannot order a landlord to do the actual repairs, only municipalities have the power to do so.

In 2017, Toronto ACORN won a new program called RentSafeTO which was meant to proactively enforce property standards, as well as hire new city staff to go out, inspect buildings, and issue large fines for property standard violations. The program was also meant to standardize when the city would hire contractors to do repairs on buildings where landlords willfully neglected work orders, and then bill the landlord on their property tax.

Between 2016 to 2020, Toronto ACORN has conducted a tenant survey to assess the living conditions in Toronto's rental apartments. The survey results revealed that the majority of Toronto tenants have major deficiencies in their homes.

- 55% of tenants have problems getting repairs done by their landlord.
- 22% of tenants see cockroaches in their unit every day.
- A staggering 44% of tenants reported having a lack of heat during winter.
- 48% of tenants reported having flooring that requires replacing. This rarely, if ever, happens unless a tenant moves out.
- Tenants reported significant trouble getting basic repairs done in their units.

A vast majority of tenants had never called Toronto By-law to report a Property Standards violation in their unit, either because they didn't know they could or because they didn't think it would result in any change. ACORN continues to work with City Councillors, and has identified the enforcement, improvement and proper implementation of RentSafeTO as a natural next step the city must take to address substandard housing and protect tenants from renoviction.



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# RENOVICTION CASE STUDY: 25 LEDUC AND 2 TORBOLTON DR



Family Properties purchased 25 Leduc Dr and 2 Torbolton Dr in early November 2020. Soon after, the new property owner sent tenants N9 and N13 notices, and a buyout offer of \$5,000 to vacate their units before March 31, 2021. Family Properties also sent tenants letters indicating that the buildings have been in a state of disrepair for many years, that they are within their legal rights as property owners to terminate their tenancies and that they expect the renovation work to be 7-10 months. Michael Klein, chief officer for Family Properties, has been quoted as saying “I generally buy off market products. I like to think of it as buying opportunities. Think of properties that have low rent, vacancies, physical issues or problem tenants. I step in and get to work. I like to describe myself as a doctor. I bring these buildings back to life. I invest physical and financial energy to work a property back up to market value”. Tenants at Leduc and Torbolton are made up of low-to-moderate income families, with many of them having lived in the building for over 40 years. Work started on both buildings in late December, with no building permits from the City of Toronto until early February. Currently, work on the vacant units is underway and there are nine families committed to staying out of the original twenty. Family Properties has added a second bathroom to the basements and another bedroom. They are currently listing units for \$2600, compared to \$1,190 and \$900 a month that two ACORN members at Leduc and Torbolton currently pay for rent. Family Properties filed for eviction with the Landlord and Tenant Board in June 2021, and tenants that are currently staying will be fighting their case. Tenants have organized and participated in a number of actions to fight their renovation and **in March of 2021, tenants won a \$10,000 grant from the Tenant Defence Fund to help cover legal costs in fighting their renovation. This was the first grant the City approved for renovation.**

## KARIN NEWMAN, 70

MOVED IN: 43 YEARS AGO, AUGUST 1978

RENT: \$900 FOR A TWO-BEDROOM TOWNHOUSE

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I've raised my two kids here. I've raised my grandkids here. And thought I'd be here until I have to go to a senior place," said Newman, who now lives at 2 Torbolton Dr. with her husband. They're both retired. It's a lot of memories," she said. Getting the letter was a shock, Newman added. "This is just not happening to us. How can this be? We always paid our rent on time. We've never had any issues with the landlord." Newman said she is on a limited income, with only a government pension, so she can't afford market rent. She mentioned other ways the landlord could have gone about this: given them the option to move out and stay with relatives while work was done, or allowed tenants to move into a vacant unit while work was done on their places. "Living here all these years and putting up with what I have, I don't need that new kitchen," she said. "If you want to just come in and fix those things that need to be fixed. I'm good with that." Moving would mean figuring out a way to clear out a house filled with antiques collected over the years. Which at their ages and with limited help due to COVID-19, can be a challenge. "We've got (an) accumulation of 42 years worth of stuff," Newman said. "I'm a collector, I love antiques – furniture and glassware. My husband is a collector of coins and postcards." "I'm fighting it all the way. I paid my rent for March," which should have been the last month's rent, she said. She added that the cheque was cashed, according to her bank. "Hopefully, we have the opportunity to stay.

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## PATRICIA EDWARDS, 52

**MOVED IN: 2015, SUBLETED, THEN TOOK OVER THE LEASE.**

**RENT: \$1,190 FOR A TWO-BEDROOM TOWNHOUSE**

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Edwards grew up in Toronto before moving to Quebec at age 18. She’s been back in Ontario since 2010, and currently shares her townhouse with her home with one of her daughters, 24. They both used to work in the service industry – her daughter at a restaurant and Edwards at a catering company – but they’re both using EI to get by now. Over the years, Edwards said she has shared the townhouse with two to four people at a time – her brother or friends of her daughters. “All you need to do is cover the \$400 or \$500 rent and we’re cool,” she said. “You can’t get a room in Toronto for \$400.” Her housing costs right now are about a third of their combined income. Anything more would be too much. “Right now we’re exactly at affordable. In order for me to move now, I’d lose space and have to pay more money.” “We shouldn’t have to have three jobs, just to cover the bill and maybe have something left over to eat,” she said. “Destroying more affordable housing to gain a profit,” Edwards said. “We’re sticking to our guns, we’re not moving.”

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## TODD WHITE, 52

MOVED IN: NINE YEARS AGO, JUNE 2012  
RENT: JUST UNDER \$1,200 FOR A TWO-  
BEDROOM TOWNHOUSE

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“I kind of find that very inhumane,” Todd White said. “Just to come in and disrupt people’s lives like that. No notice, no nothing.” White is single and has no dependants, so he says he’s in a bit of an easier position than his neighbours who decided to leave. “We have some very super beautiful people who were so stressed out and they just left. They left everything behind. They just couldn’t deal with it,” he said. “The fact that it’s happening in the time of COVID ... I can’t believe that he would even attempt this.” His sister, who also lived in the complex, is a single mom. She followed the request and moved to Barrie, where she now pays \$2,400 compared to \$1,105, White said. “My sister signed the papers; she’s already moved out, but said she wants to come back.” Tenants who are served with N13 forms have the right of first refusal – they get first dibs on the unit once renovation is complete, and the rent cannot be raised above what they were previously paying. “She was just living in fear,” White said.

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## RENOVICATION CASE STUDY: 245 LOGAN AVENUE



2653526 Ontario Ltd, representing an unknown owner, purchased 245 Logan Ave in October of 2018 and hired Briarlane Property Management to manage the property, who began pressuring tenants to move out and offering \$5,000 buyouts. By April of 2019, tenants who refused the buyout were told they would be served N13 eviction notices with an eviction date of August 2019. Tenants who had been living in the building for years were paying around \$950 per month.

Through organizing and fighting the renoviction at the Landlord Tenant Board, tenants were able to prolong the eviction process until 2020 but eventually were forced out. The City of Toronto created a sub committee to protect affordable housing and is currently studying the New Westminster bylaw as well as other municipal solutions to renovictions in response to the pressure of tenants at this building.

Despite efforts from the local city councillor, the local legal clinic and ACORN tenants lost their fight against the developer and units are now being rented for \$1600 to \$1800 per month.

# 11

## CITIES HAVE THE POWER

### THE CASE OF NEW WESTMINSTER

RENOVITIONS WENT FROM A COMBINED 333 HOUSEHOLDS BETWEEN 2016 AND 2018 TO ZERO SINCE 2019, WHEN THE BYLAW CAME INTO FORCE.



Toronto ACORN is asking the city to investigate replicating **New Westminister's renovation bylaw** in Toronto. BC ACORN played a role in the groundbreaking policy victory. The by-law disincentivises renovations, and incentivises the maintenance of purpose-built rental buildings.

The by-law also licenses landlords in New Westminister, something ACORN has championed nationally since 2005. The licensing system works as an effective ban on renovations because it takes out any financial incentive landlords have to renovate tenants. This is done by providing clear requirements that the landlord must adhere to before any evictions can take place:

- Developers need to obtain all permits from the city needed to do the renovation. This
- includes plumbing permits, development permits, heritage alteration permits, and building permits. This takes time, and informs the city that renovations and potential evictions are taking place at a local apartment building.
- Once all permits are obtained, and it is proven that tenants must vacate in order for the renovations to take place, the landlord must do either of the following steps to ensure that tenants are not displaced:
  - Enter into a new lease with the tenant that is identical or more favourable to the tenant, with provision of a comparable rental unit in the same building OR
  - Agree that tenants can move back under the terms of the existing lease AND find temporary accommodation for the tenant during the renovation period at the same rental price, or the landlord will “top up” (pay) the difference in rent.

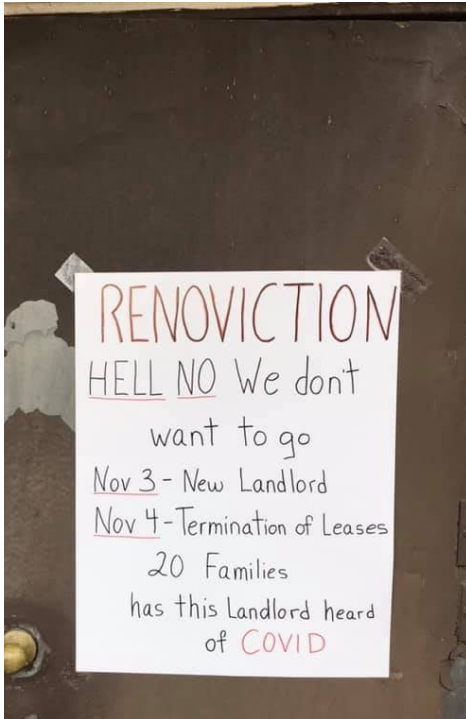
If a landlord violates these rules, they will be fined by the city. The city has also done outreach to tenants to inform them of their new rights, making it difficult for landlords to circumvent the rules by misleading tenants.

The City of New Westminister understood the importance of its affordable market rental stock, and developed a way to protect both affordable houses and the tenants who live in them.

The victories in New Westminister, which have now been copied in both Burnaby and Port Coquitlam BC, show that something can be done by cities to deal with this crisis. **It is ACORN's position that the City of Toronto must act now to deal with its own growing housing crisis. ACORN is proud to act as a voice for tenants and working class people, and is eager to work with Toronto City Council moving forward.**

# 12 TORONTO DEFEND OUR HOMES PLATFORM

## RENOVICTION BY-LAW AND LANDLORD LICENSING



The City of Toronto should replicate the **New Westminster Business Regulations & Licensing (Rental Units) Bylaw** which takes out any financial incentive landlords have to renovict tenants.

- A no displacement policy - PERIOD. Doing so takes away the financial incentive landlords have to renovict tenants by requiring landlords to follow certain requirements, failing which they can be fined by the city or even lose their license.
- Landlord Licensing also provides enforcement of the Standards of Maintenance by-law, ensuring that buildings remain in good condition.

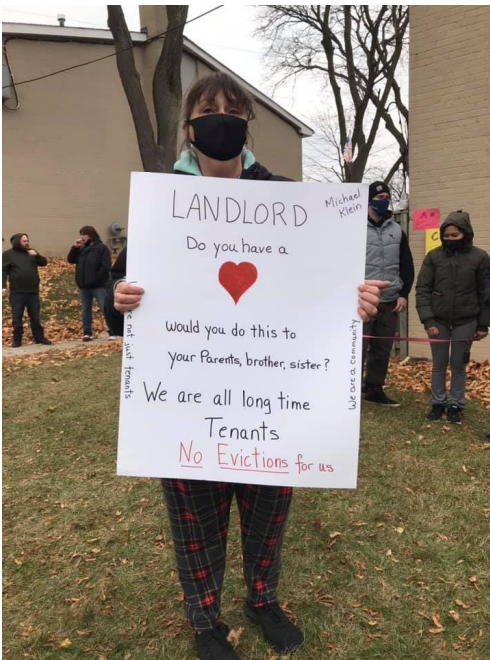
## TENANT SUPPORT & TRACKING NEW BUILDING OWNERSHIP

The City of Toronto should take a proactive approach when it comes to informing tenants of their rights and provide resources for tenant groups to respond to AGIs and threats of displacement.

The city should track when a rental building is sold (license transfers to a new landlord) and immediately initiate outreach to inform tenants of their rights and how the Renoviction By-law protects them.

## NO DISPLACEMENT

- Developers need to get all permits ( building, plumbing, development, special development, or heritage alteration) required by the City before they are able to renovate.
- Developers must make arrangements for each tenant to continue their tenancy at the same rent during and after the renovation.
- Tenant relocation policy - if tenants have to move out, landlords must find them a new place close by, top up their rent so they don't pay more, and major financial penalties if the right to return is interfered with.
- Public register of tenant buyouts, building permits, home sales, and monitor sale of rental buildings and inform tenants of their rights.
- Landlord and tenant registry to track displacement during renovation.
- No public funds, or permit approvals, to predatory landlords.



## GET INVOLVED: TAKE ACTION!

Municipalities have a vital role to play in ending the housing crisis in Ontario, and ACORN is set and ready to take action to get them to do just that!

ACORN holds monthly chapter meetings in Weston, Etobicoke, York West, Downtown, East York, and Scarborough neighborhoods. Reach out to learn more and get involved with ACORN's campaign!

**Facebook:** Toronto ACORN

**Twitter:** @TorontoACORN

**Email:** TorontoFO@acorncanada.org

**Website:** acorncanada.org

