



STAFF REPORT ACTION REQUIRED

Next Steps for Review of the Tenant Defence Fund

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| Date: | May 2, 2016 |
| To: | Tenant Issues Committee |
| From: | General Manager, Shelter, Support & Housing Administration |
| Wards: | All |
| Reference Number: | |

SUMMARY

The Tenant Defence Fund and the Tenant Hotline programs were created by Council in 1999 and began operating in 2000. Most recently, the programs were reviewed in 2006, in response to the changes in Provincial tenant legislation (the *Residential Tenancies Act, 2006* came into effect on January 31, 2007, replacing the *Tenant Protection Act, 1997*). As a result of the changes in tenant legislation, a number of minor program modifications were made to the programs.

In keeping with Shelter, Support and Housing Administration's (SSHA's) Housing Stability Service Plan, a number of projects are being reviewed to ensure coordinated access to and effectiveness of tenant support and services funded by SSHA.

This report outlines a plan for reviewing the Tenant Defence Fund and Tenant Hotline, which includes a review of: the mandate of these programs; models for providing information and outreach to tenants needing assistance, for example, about rent increases; and assessing the sector's capacity to meet the needs of tenants requiring information about above guideline rent increases and other issues related to their tenancy.

SSHA will report back to Tenant Issues Committee in fall 2016 with the preliminary results of this review and recommendations for next steps.

RECOMMENDATIONS

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

1. the Tenant Issues Committee receive this report for information.

Financial Impact

There is no financial impact arising from this report.

Equity Impact

Housing and homelessness services, including SSHA's private market tenant programs, serve a range of equity seeking groups including people experiencing homelessness, the working poor, youth, seniors, Aboriginal people, and other vulnerable groups.

DECISION HISTORY

At its meeting of December 16, 17 and 18, 2013, City Council unanimously adopted the *2014-2019 Housing Stability Service Planning Framework*. The framework includes nine strategic directions and a number of key actions to transform Toronto's housing stability service system, including delivering high quality service, improving access and equity and fostering system stewardship and innovation.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD25.10>

ISSUE BACKGROUND

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 for above-guideline rent increases (AGI) resulting from passage of the *Tenant Protection Act* (predecessor of the current *Residential Tenancies Act, 2006* (RTA)).

The program was established to provide financial and educational assistance to groups of tenants who wished to dispute the AGI applications before the Landlord and Tenant Board (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 Program¹

The TDF program assists tenants through two sub-programs that complement each other: the Tenant Support Grant Program and the Outreach and Organizing Program.

1. The Tenant Support Grant Program (Grant Program), administered by the Shelter, Support & Housing Administration (SSHA) Division, provides direct grants to tenant groups to retain legal and other representation for participation in the legal process regarding AGI applications, and demolition or condominium conversion appeals.
2. The Outreach and Organizing Program (Outreach Program) helps tenants organize to prepare their defence before the LTB and/or the OMB, and to make applications to the Grants Program. SSHA currently has a contract with the Federation of Metro Tenants' Associations (FMTA) to deliver this program.

The Tenant Support Grant Program (2016 City Funding \$50,000)

The Tenant Support Grant Program provides the following direct grants for tenant groups:

- Basic grants, which provide a maximum of \$1,000 to each eligible tenant group to pay for basic representation and administrative costs; and
- Additional grants for:
 - Costs for obtaining professional assistance beyond the basic grant level such as legal, accounting or engineering services (maximum \$5,000);
 - Defence of a landlord appeal to Divisional Court of a Board Order regarding an AGI application (\$10,000 maximum);
 - Defence of a landlord application to Divisional Court for judicial review of the proceedings of an AGI application (\$10,000 maximum); and
 - Defence of a landlord appeal to the OMB on applications for demolitions or conversion to condominiums (\$15,000 maximum).

¹ For accounting purposes, these programs are referred to as the following:

- The “Tenant Support Grant Program” is listed in budget documents as the “Tenant Defence Fund”.
- The “Outreach and Organizing Program” is listed in budget document as the “Tenant Support Program for AGI and Other Landlord-Tenant Issues”.
- The “Tenant Hotline” is listed in budget documents as the “Telephone Information Program for Tenants”.

For the purposes of this report, the common program names are used and grouped according to their functionality.

The eligibility criteria, application process and payment process for the program are set out in the City of Toronto Municipal Code Chapter 797, *Tenant Support Grant Program*.

Grant applications are made by tenant groups and are assessed by SSHA staff. If the tenant group is determined to be eligible for funding, their grant application is approved. In the last few years, SSHA received no applications for additional grants that met the mandate of the Grant Program.

When all documentation required has been received, staff prepare payment for the tenant group, which is responsible for paying approved expenses, including most commonly the group's paralegal. SSHA does not have any direct relationship with paralegals or other professionals.

The Outreach and Organizing Program (2016 City Funding \$199,216)

The Outreach and Organizing Program is currently administered by the FMTA to provide support to tenants facing an AGI by:

- Notifying tenants in buildings affected by AGIs. FMTA receives a monthly list from the LTB of buildings receiving AGIs. FMTA staff go to the impacted buildings and put up flyers advising tenants of the dispute process through the LTB. If requested, staff will provide information sessions to the tenants about the AGI dispute process;
- Assisting tenants to apply for a Tenant Support Grant through SSHA; and
- Developing and conducting workshops annually for tenants who are also newcomers to Canada, in respect of the RTA.

The Tenant Hotline (2016 City Funding \$180,800)

In addition to the Outreach and Organizing Program as part of the Tenant Defence Fund, SSHA currently funds the FMTA to provide a Tenant Hotline. This program provides telephone information services that are accessible to all tenants in private market rental housing in the City of Toronto.

Telephone inquiries relate to different topics including: the RTA, LTB, repair and maintenance issues, rent increases, tenancy agreements, and discrimination. FMTA makes referrals, when appropriate, to other services such as Legal Aid.

COMMENTS

The City of Toronto has funded a telephone hotline service for tenants, through the FMTA, since the late 1970s. In the first half of the 1990s, funding was also provided by the province to support the FMTA Tenant Hotline as well as general tenant information,

advocacy and organizing activities. In 1996, provincial funding for the FMTA ended leaving the City as the primary funder of the Tenant Hotline service. The Tenant Defence Fund began operating in 2000, after being created by Council in 1999.

The programs were reviewed several times over the following years, most recently in 2006 in response to the changes in Provincial tenant legislation (the *Residential Tenancies Act, 2006* came into effect on January 31, 2007, replacing the *Tenant Protection Act, 1997*). Although there have been minor program modifications made over the years, there have not been any significant changes since the inception of either program. For example, Municipal Code Chapter 797, the bylaw governing the Grant Program, was amended in 2002; however, it was not updated when tenant legislation was revised in 2006.

In 2014, SSHA received \$75,000 from a Council-approved one-time allocation through the budget process. A portion of this funding was used to hire a consultant to review the Tenant Support Grant Program. In February 2015, the final report was completed and analyzed in the context of divisional priorities in the Housing Stability Service Plan. The report identifies potential improvements in the administration of the Grant Program, such as reducing the signature requirement for approval of a grant applications and simplifying the payment process.

The report also highlights areas for further review in the Outreach and Organizing Program, such as how tenants receive information about the AGI process and the impact of outreach services, particularly with the decrease in formal tenant associations since the TDF was created. As such, further review is required before recommending any program changes.

Components of the Review

SSHA staff will review the Division's tenant information and outreach services – the Tenant Defence Fund and the Tenant Hotline - including an evaluation of the following program components:

1. Program Mandate
 - a. A survey of the impact of Above Guideline Increases on tenants and tenant perceptions of the most challenging issues in maintaining the affordability and quality of their rental units.
 - b. A review of the Tenant Support Grant Program mandate as outlined in Municipal Code Chapter 797 in the context of legislative changes and current tenant support needs.

In order to understand the impact of Above Guideline Increases, specific buildings will be identified and the tenants will be sent surveys. Buildings will be selected based on the percentage of the Above Guideline Increase, number of units affected and location.

2. Models for Tenant Outreach and Providing Information
 - a. A review of models for providing tenants with timely and accurate information about tenant issues such as rent increases and tenancy agreements, which are in keeping with SSHA's Housing Stability Service Plan.
 - b. A review of models for effectively providing outreach to and addressing tenant concerns related to Above Guideline Increases and demolitions and conversions, which includes approaches for accessing legal and other professional assistance.
3. Sector Capacity
 - a. An analysis of the sector capacity to provide the deliverables identified above and the development of a plan to assist the sector as required.

A report will be brought back to the Tenant Issues Committee in the fall with the preliminary results of the review and recommendations for next steps.

CONTACT

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