



## Kensington-Bellwoods Community Legal Services

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To the Members of the Licensing & Standards Committee:

**Subject: Submission on item LS23.1  
Licensing & Registration Reg.s for Short Term Rentals**

Kensington-Bellwoods Community Legal Services (KBCLS) is a community based legal clinic in downtown Toronto. We provide legal services to low income residents living in communities bounded by Ossington Avenue and Yonge Street, to the West and East and Bloor Street in the North down to the Islands. For over thirty years our clinic has assisted clients in dealing with housing issues. The communities we serve include neighbourhoods such as Little Italy, Kensington Market and Bellwoods (to name a few), and it is these neighbourhoods which are most at risk of short-term rental conversion and require protection by this by-law.

The City's rental vacancy rate is notoriously low and Torontonians across the City are finding it so difficult to find places to live that they can afford, homelessness continues to rise, people on fixed and low incomes have so few options that they end up in unsafe and substandard living situations.

The rise of short-term rentals is worsening this already bad situation by taking long-term rental units off the market and by increasing the value of rental properties in our neighbourhoods, thereby further inflating rents.

We support regulating short-term rentals in the interest of protecting both the City's supply of long-term rental housing, and the affordability of rental housing. The City's proposed regulatory framework is an important start, especially in eliminating commercial Airbnb hosts (absentee landlords) who rent out multiple condominiums or other units.

**However, there are three areas where the current proposals fall short and must be remedied in order for the regulatory scheme to have any chance of offering meaningful protection of affordable housing for low income tenants in the heart of the GTA:**

**(1) Proof of principal residence MUST be mandatory.**

The registration process for short-term rental operators must set out a clear and enforceable requirement that they register both themselves as operators and their principal residence as the property they are renting. That registration must require clear and persuasive **proof of principal residence**. This should be a mandatory up front requirement.

Without this mandatory proof of residence requirement, subverting the law will be far too easy and enforcement of the by-law next to impossible, making the by-law ineffective.

There is nothing onerous about such a mandatory requirement. Where a principal residence is variously defined as the residence used in your government records for things like your income tax, driver's license and vehicle registration, then any of those government documents could be used as reliable proof.

**(2) Short-term rental operators should NOT be permitted to rent out secondary suites.**

Short-term rental operators should be limited to renting out their principal residence.

For over twenty years the City and the Province have taken various policy and regulatory steps to encourage secondary suites as a means of slowing the loss of affordable housing in the GTA. Allowing the short-term rental of secondary suites seriously undermines the City's goal of protecting long-term rental housing stock in at least two ways:

First, rental of secondary suites make up a significant portion of the City's rental market, especially in the most desirable neighbourhoods in the City,



and it is these neighbourhoods which are most at risk of short-term rental conversion and require protection by this by-law. These are the communities that we serve including Little Italy, Kensington Market, Chinatown, Bellwoods Park etc.

This is a critical point – particular communities rely more heavily on secondary suites as a form of affordable housing for fixed or low income members of the community. Secondary suites in these neighbourhoods are particularly desirable to the tourist trade being located close to the City's main attractions, and in areas that boast the highest walkability index.

Permitting short term rental platforms access to this housing form undermines the very intent and purpose of permitting and legalizing secondary suites over the past twenty plus years.

Eliminating the short-term rental of secondary suites does not stop people from generating income from those suites.

Eliminating the short term rental of secondary suites simply preserves the relatively more balanced situation that existed in Toronto prior to the arrival of Airbnb, where property owners could earn rental income from their properties (as long term rentals) and Torontonians had a better chance of finding somewhere in the city to live.

Second, it will undermine the possibility of effectively enforcing the proposed principal residence requirement, as it will be difficult for an operator to provide documentation that will reliably prove they are legally entitled to rent out a secondary suite. And without effective enforcement, the regulations won't function to preserve long-term rental stock or affordability.

**Allowing the short-term rental of principal residences alone** maximizes the housing potential of Toronto's housing supply by encouraging people to not leave their homes vacant even for short periods of time, while emphasizing the preservation of the city's critically important stock of long-term affordable rental housing, allowing property owners and tenants to supplement their incomes by earning rental income.

**Failure to protect secondary suites is a serious deficiency of the current proposals and must be remedied.**

**Effective, proactive enforcement.**

A plan for the proactive, effective enforcement of this by-law must be developed and implemented. Without a plan to be proactive about enforcing this by-law, the by-law will not be followed and the problems the city is currently experiencing as a result of the proliferation of short-term rentals will worsen.

All of which is respectfully submitted.

KENSINGTON-BELLWOODS COMMUNITY LEGAL SERVICES  
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