

PH5.2.1

From: [PNLT](#)
To: [Planning and Housing](#)
Subject: Submission: PH5.2 - Dwelling room OPA
Date: April 27, 2019 11:52:09 PM
Attachments: [PNLT-DwellingRoomOPA-submission.pdf](#)

Hello,

Attached is a submission from the Parkdale Neighbourhood Land Trust and the Dwelling Room Preservation Policy Working Group for item PH5.2 for Tuesday's meeting.

Thanks so much,

Melissa Goldstein

Melissa Goldstein

Rooming House Policy Researcher & Organizer,

**The Neighbourhood Land Trust (NLT) &
Parkdale Neighbourhood Land Trust (PNLT)**

#204, 1499 Queen Street West, Toronto

Office: (416) 537-2262 ext 275

[Join the Rooming House Preservation
Policy Working Group!](#)



Held. Together:

Community Ownership / Community Benefit

[WEB](#) / [TWITTER](#) / [FACEBOOK](#)

Official Plan Amendment to Address the Loss of Dwelling Rooms: Response to the revised draft OPA & Recommendations

While the draft OPA represented a meaningful improvement to address our affordable housing crisis, this revised draft OPA is hugely disappointing, as it contains additions with perverse consequences that will make a bad situation much worse than if the City did nothing at all. The following changes must be made to ensure the policy functions to preserve our affordable housing supply and protect vulnerable tenants from homelessness.

See Attachment 1a at the end of this document for the specific amendments that must be made.

1. Eliminate the provision that specifies that the policy does NOT apply to situations where “all of the Dwelling Rooms have rents that exceed Dwelling Room Mid-Range rents at the time of application” and replace it with an exemption that names the nature of the properties to be exempted.

We recognize the need to exempt certain classes of rooms, such as long-term care home rooms with rooms renting at long-term care rates, however as currently worded, this addition to the draft OPA creates a huge incentive for landlords to empty buildings of tenants and raise rents: a serious existing problem that will be worsened significantly by this policy. This provision functions as a huge loophole that allows landlords to avoid being subject to all of the requirements in the OPA (replace no units, provide no assistance to tenants) if they force their current tenants with affordable rents out of their buildings and jack up rents to unaffordable levels. As worded, this provision will function to expedite the loss of affordable rental housing, increase the harassment and manipulation of already vulnerable tenants, and cause vulnerable tenants to be forced from their homes and into homelessness. **This provision makes the OPA worse than doing nothing.**

2. Expand the requirement to keep rents similar to those in effect at the time of the development application so that it applies not only to replacement “dwelling rooms,” but to all replacement housing that will be occupied by returning tenants.

The staff report states that this was the intention of the policy, but this is not how the policy is currently written.

3. Require all replacement housing to be rented at the same rates as those in effect at the time of the development application.

The purpose of this OPA is to preserve the existing supply of low-end of market housing. That requires preserving the rent levels of lost dwelling rooms. In allowing landlords to set replacement unit rents higher than rates in effect at the time of the development application, the OPA will not achieve that objective. Rents should be set at the same rate as those in effect at the time of the development application. There should only be one set of rent rules, not different rules for units for returning tenants vs non-returning tenants: allowing landlords to set higher rents for units where tenants aren't returning, rewards landlords significantly for not housing the very people this OPA is meant to be helping. It encourages landlords to find ways (legal or not) to keep tenants from returning to replacement units.

4. Eliminate the definitions for Dwelling Room Affordable Rent and Dwelling Room Mid-Range Rents.

The addition of these definitions is unnecessary, as rents should be set at the same rent as tenants had been paying at the time of the development application for the reasons stated above. Additionally, the definitions for Dwelling Room Affordable Rent and Dwelling Room Mid-Range Rent are not based on dwelling room rent data and it is therefore inappropriate to use them. Dwelling rooms are not self-contained units, by definition, and market rent for them is less than a bachelor unit. The OPA contradicts the City's own practice of using the Hostel Rate <https://tinyurl.com/y5qvqy7h> (less than AMR for bachelor units) to set affordable rates for dwelling rooms.

5. Change the affordability period for replacement housing back to 25 years.

Allowing landlords to raise rents to whatever they like after 10 years means that the most this policy will ever achieve is a 10-year delay in the permanent loss of deeply affordable housing. Given the staff resources necessary to implement this policy, it hardly seems worth the trouble. Allowing landlords to raise rents to whatever they like after 10 years once a tenant has vacated the replacement unit, incentivizes landlords to find ways to evict tenants after the 10 years is up. This policy will subject the vulnerable tenants who are occupying replacement units to housing insecurity & predatory landlord practices (harassment & manipulation) a mere 10 yrs into their tenancies.

Sincerely,

The Parkdale Neighbourhood Land Trust and the Dwelling Room Preservation Policy Working Group

Background and analysis

This Official Plan Amendment (OPA) was meant to address a situation that is all too common in Toronto: a developer purchases a rooming house building, forces all the tenants to leave, and builds a high end condo or fancy hotel in its place. The City loses even more of the exceedingly rare housing units accessible to tenants with very low incomes, and tenants are out on the street with nowhere to go that they can afford.

The goal of this Official Plan Amendment is to preserve the City's supply of deeply affordable housing and support vulnerable tenants. The first draft of the OPA proposed doing that by placing a number of requirements on property owners who would be redeveloping a rooming house property causing many rooms to be lost. Those requirements included requiring that developers replace the units that would be destroying with affordable units in the new building, compensate tenants for their loss of housing, and give tenants the opportunity to return to a unit in the new building at a similar rent as to what they had been paying. The policy requirements would have made redeveloping rooming houses less attractive to developers, would have slowed the loss of some of the last housing accessible to the most vulnerable tenants in our city, and would have provided tenants with some support and compensation in the event that they lost their housing.

The City asked for feedback on their first draft of the OPA and PNLT (in consultation with rooming house tenants and other agencies involved in rooming houses and tenant support), suggested several modifications to the proposal that would have improved its effectiveness in preserving affordable housing and protecting tenants. The City revised that first draft based on the feedback they received, but the vast majority of our recommendations weren't included in this revised version. Instead, the original draft proposal has been revised to not only make the OPA completely ineffective, but to make the situation it was meant to address even worse: instead of preserving affordable housing and protecting tenants, this policy will now speed up the loss of affordable housing and make tenants even more vulnerable to harassment, manipulation, and losing their housing.

Revised OPA: <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-131946.pdf>

The City outlines the feedback they received and explains their revisions in this staff report: <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-131945.pdf>

We will now go through the OPA revisions and explain elements of the policy and the changes:

The situations this policy applies to:

The revised policy would apply to "New development that would have the effect of removing all or part of a private building or related group of buildings, and would result in the loss of six or more Dwelling Rooms."

- >The first draft only applied to buildings where 10 or more dwelling rooms would be lost. We asked them to lower the threshold to 6 dwelling rooms, so the policy would apply to more situations, and they did, which is great.

However the second draft now specifies that the policy would NOT apply to situations where "all of the Dwelling Rooms have rents that exceed Dwelling Room Mid-Range rents at the time of application,"

- **X** This new provision is a significant loophole that **will not only render this OPA completely ineffective in achieving its goal of preserving the supply of affordable housing and protecting vulnerable tenants, but will have the opposite effect.** It gives landlords the opportunity to avoid all the requirements of this OPA, including [the very expensive requirement of] having to replace dwelling rooms that would be lost through redevelopment and developing a tenant support and relocation plan, if they first jack up the rent of their dwelling rooms so that they exceed mid-range rents. By giving landlords a **huge** incentive to empty their buildings of tenants paying affordable rents and jack up rents to unaffordable levels, this provision **will expedite the loss of affordable rental housing, increase the harassment and manipulation of already vulnerable tenants, and force vulnerable tenants from their homes and into homelessness. This provision makes the OPA worse than doing nothing.**

- The staff report states that affordable and mid-range rent thresholds were added to the revised OPA “to provide similar clarity” on rent thresholds for replacement rental units where there is no returning tenant as the Official Plan policy for replacing rental units does. The staff report clarifies that the thresholds are used to establish rent levels when there are no returning tenants. The only explanation provided as to why the above change was made to the applicability of the policy is:
 - To be consistent with the existing demolition and replacement policies for rental units.
 - Buildings where all of the rooms exceed mid-range rent levels (\$1,306/mo in 2019) “are typically higher-end specialized rental buildings, such as private for-profit retirement homes. The policy is not intended to apply to this type of housing.” ...this claim is being made in spite of the fact that the City does not have data on the rents dwelling room tenants are currently paying (the asking rent for dwelling rooms in Parkdale is about \$1,200/mo) and in spite of the fact that landlords are free to raise rents to whatever they like and will undoubtedly do so to avoid being subject to this policy.

How dwelling rooms lost due to redevelopment will be replaced:

This section sets out the details for what the requirement to replace units will look like.

The size and number of replaced units:

The first draft of the proposal required that at least the same amount of residential gross floor area be replaced and maintained as “rental housing.”

- We noted that this was a problem because it allowed property owners to replace several dwelling rooms (home to many tenants) with a single 1-bedroom apartment, which would prevent most of the tenants of the original building from accessing housing in the new building. We recommended that property owners be required to replace the lost dwelling rooms with the same number of units in the new building so that all the original tenants could potentially be rehoused in the new building. We also recommended giving property owners the option to give the City a cash payment, equal to the value of building the replacement units, for the purposes of financing non-profit dwelling room preservation and replacement.

In the second draft they added that in situations where the number of replacement Dwelling Rooms or units is less than the number of existing Dwelling Rooms lost, where an increase in height and/or density is sought, the provision of additional replacement Dwelling Rooms or units to achieve at least the same number of existing Dwelling Rooms lost will be secured;

- What this means is that if the property owner wants to build a bigger building than what is allowed, they will be allowed to build that bigger building in exchange for replacing both same amount of residential gross floor area and the same number of units as they are destroying. That’s fine.
- **X** There is still no cash-in-lieu option to finance non-profit dwelling preservation and replacement

The affordability of the replaced units:

The first draft of the OPA required that rents for the replacement housing have rents similar to those in effect at the time of the development application for a period of at least 25 years with a five year phase-out.

- We recommended that the replacement housing be permanently affordable, given that we want to preserve our supply of affordable housing, not simply push the problem into the future and make it someone else’s problem. We also recommended that the rents be “the same” and not just “similar” to ensure existing tenants would continue to be able to afford them.
- We also had concerns about the use of “similar,” noting that rents need to be “the same” to ensure that tenants are able to afford them and to ensure that affordability is preserved through rental replacement.

In the second draft, the City did the opposite of what we recommended and **reduced** the affordability period from 25 years to **“at least 10 years,”** and limited the requirement to keep rents similar to those in effect at the time the development application **to only replacement “dwelling rooms,” that will be occupied by returning tenants.** (The staff report states that “For any existing tenants that return to replacement housing, their rent would be similar to the rent they paid for the dwelling room regardless of the replacement housing type,” but that’s not what the revised policy says.) In this revised policy, returning tenants will be covered by rent control and affordable rents (assuming they are paying the same rent as for the dwelling room that were forced to leave) as long as they are occupying the replacement unit.

- Allowing landlords to raise rents to whatever they like after 10 years means that this policy will simply delay the loss of low-end of market housing for 10 years.
- Allowing landlords to raise rents to whatever they like after 10 years once a tenant has vacated the replacement unit, incentivizes landlords to find ways to evict 10 tenants after the 10 years is up so that landlords can get much higher rents. The fact that landlords find the affordability period requirements objectionable, indicates their intention to raise rents as soon as possible, which will require the eviction of tenants. This means that tenants occupying replacement units will be put in situations of housing insecurity and will be necessarily subject to predatory landlord practices (harassment and manipulation) 10 years into their tenancies.

The City also added the provision that if there is no returning tenant to the replacement units, property owners can replace dwelling rooms that had “Dwelling Room affordable rents” with units at 80% of CMHC Average Market Rent, by unit type, and can replace dwelling rooms with “Dwelling Room mid-range rents,” with units with 120% of CMHC Average Market Rent, by unit type.

- There are numerous problems with this:
 - **X** The definitions of Dwelling Room Affordable Rent and Dwelling Room Mid-Range Rent are inappropriate and their use has significantly negative implications. The staff report explains how these definitions were developed:
 - “Eighty per cent (80%) of the 2018 CMHC City of Toronto AMR for a bachelor unit is \$871/month. This affordable rent threshold represents small, affordable self-contained units, aligns with the City’s 2018 rental market survey results of asking rents for shared accommodation and is a standard threshold for affordable housing funding programs. The mid-range dwelling room rent threshold would be \$1,306/month (i.e. 1.5 times 80% of the CMHC City of Toronto AMR for a bachelor unit). As per the 2018 rental market survey, the highest average asking rent for shared accommodation by location was for the former City of Toronto at \$1,000/month, which is below the proposed dwelling room mid-range rent threshold.”

This definition is not based on data about dwelling room rents and the logic used to justify the use of this definition is illogical and inappropriate. Dwelling rooms are not self-contained units, by definition, and market rent for them is less than for a bachelor unit. The City of Toronto requires the use of CMCH “hostel rate” averages for the calculation of affordable dwelling room rates <https://tinyurl.com/y5qvqy7h>; this policy contradicts the City’s own policy to the benefit of property owners. The definition for Dwelling Room Mid-Range Rent is similarly inappropriate.
 - **X** Replacement units should be provided at the same rents as the units they are replacing, otherwise they are not functioning to replace the supply of affordable housing that is being lost. The statement in the staff report that “The inclusion of dwelling room rent level definitions and rent thresholds based on 80% of the annual CMHC City of Toronto AMRs [for bachelor units] will result in deeper affordability and ensure that replacement housing continues to address the lower-end of private rental market” is blatantly untrue: instead it will ensure replacement units are significantly more expensive than what they are replacing and will contribute to gentrification and rising rent levels in the neighbourhood. **This revision ensures the OPA will fail to preserve the affordability of housing supply, as it was intended to do.**
 - **X** By allowing landlords to set rents on replacement units at much higher rents if tenants don’t return to the building, landlords are encouraged to find ways (legal or not) to keep tenants from returning to units in the building. Landlords are rewarded significantly for not housing the very people this OPA is meant to be helping.

Comments on the Staff Report:

The staff report states that, “based on this feedback and further discussion with relevant City Divisions, the following key actions have been identified to be undertaken or continued as part of the City’s ongoing work” and goes on to list a number of actions that were already being pursued by the City before consultations had begun. This is in spite of the fact that we made numerous suggestions of things that City could and should be undertaking as part of the City’s ongoing work. We will endeavour to have some of these things included in the Toronto Housing Plan and added to the City’s agenda.

The Dwelling Room Preservation Policy Working Group is an initiative of the Parkdale Neighbourhood Land Trust and is comprised of 20 stakeholders from across Toronto (including dwelling room tenants, non-profit housing providers and rooming house operators, tenant advocates, and housing policy experts), that is working to develop community-based policy options to prevent the loss of dwelling rooms and the displacement of dwelling room tenants.

Attachment 1a: Revisions Incorporated into the Draft Official Plan Amendment

City of Toronto By-law No. ~-20~

AMENDMENT NO. ~~~ TO THE OFFICIAL PLAN OF THE CITY OF TORONTO

Section 3.2.1 Housing, is amended by:

1. Adding the following policy as a new Policy 11:

"New development that would have the effect of removing all or part of a private building or related group of buildings, and would result in the loss of **ten six** or more Dwelling Rooms will not be approved unless:

Deleting from proposed new Policy 11:

a. all of the Dwelling Rooms have rents that exceed Dwelling Room Mid-Range rents at the time of application, or

and rename "b" to "a"

b. in cases where planning approvals other than site plan are sought, the following are secured:

i. at least the same amount of residential gross floor area is replaced and maintained as rental housing;

A. where the number of replacement Dwelling Rooms or units is less than the number of existing Dwelling Rooms lost, in accordance with and subject to Section 5.1.1 of this Plan where an increase in height and/or density is sought, the provision of additional replacement Dwelling Rooms or units to achieve at least the same number of existing Dwelling Rooms lost will be secured;

ii. any available replacement housing not occupied by returning tenants will be offered to eligible households, as approved by Council;

Deleting from Policy 11:

iii. for a period of at least 25 10 years with a 5 year phase out, the rents for replacement housing Dwelling Rooms will be similar to those in effect at the time the development application is made, or at Dwelling Room Affordable Rent or Dwelling Room Mid-Range Rent as applicable if there is no returning tenant, with the rent at first occupancy increased annually by not more than the Provincial Rent Increase Guideline or a similar guideline as Council may approve from time to time;

iv. for a period of at least 10 years, the rents for replacement rental units not occupied by a returning tenant will be the following, with the rent at first occupancy increased annually by not more than the Provincial Rent Increase Guideline or a similar guideline as Council may approve from time to time:

A. Where the existing dwelling room(s) had Dwelling Room Affordable Rents, 80% of the average City of Toronto rent, by unit type, as reported annually by the Canada Mortgage and Housing Corporation;

B. Where the existing dwelling room(s) had Dwelling Room Mid-Range Rents, one and one-half times 80% of the average City of Toronto rent, by unit type, as reported annually by the Canada Mortgage and Housing Corporation;

And replacing it with the following:

iii. for a period of at least 25 years, the rents for replacement housing will be the same as those in effect at the time the development application is made with the rent at first occupancy increased annually by not more than the Provincial Rent Increase Guideline or a similar guideline as Council may approve from time to time; and

v. Notwithstanding policies 3 and 4, the City will seek opportunities to secure rents for replacement housing for a period of at least 49 years; and

Deleting from Policy 11:

vi. an acceptable tenant relocation and assistance plan addressing the right to return to occupy the replacement housing at similar rents, the provision of alternative accommodation at similar rents, and other assistance to lessen hardship.

And replacing it with:

vi. an acceptable tenant relocation and assistance plan addressing the right to return to occupy the replacement housing at the same rents, the provision of alternative accommodation at the same rents, and other assistance to lessen hardship.

c. in Council's opinion, the supply and availability of low-end of market rental housing in the City has returned to a healthy state and is able to meet the housing requirements of current and future residents. This decision will be based on a number of factors, including whether:

i. low-end of market rental housing in the City is showing positive, sustained improvement as demonstrated by significant net gains in the supply of low-end of market rental housing including significant levels of

production of low-end of market rental housing, and continued projected net gains in the supply of low-end of market rental housing;

ii. the overall rental apartment vacancy rate for the City of Toronto, as reported by the Canada Mortgage and Housing Corporation, has been at or above 3.0 per cent for the preceding four consecutive annual surveys;

iii. the proposal may negatively affect the supply or availability of low-end of market rental housing or rental housing sub-sectors including affordable units, units suitable for families, or housing for vulnerable populations such as seniors, persons with special needs, or students, either in the City, or in a geographic sub- area or a neighbourhood of the City; and

iv. all provisions of other applicable legislation and policies have been satisfied."

2. Adding the following policy as a new Policy 12:

"New development that would have the effect of removing all or part of a private building or related group of buildings, and would result in the loss of one or more **rental units or Dwelling Rooms** will provide assistance to lessen hardship for existing tenants."

3. Adding the following as "Housing Definitions":

Dwelling Room means a room used as living accommodation that is available for rent and that is not self-contained. A dwelling room may contain private sanitary facilities or cooking facilities, but not both."

Dwelling Room Affordable Rent means rent that is 80% of the average City of Toronto rent for a bachelor unit, as reported annually by the Canada Mortgage and Housing Corporation.

Dwelling Room Mid-Range Rent means rent that is one and one-half times 80% of the average City of Toronto rent for a bachelor unit, as reported annually by the Canada Mortgage and Housing Corporation."

Delete from Policy 11:

3. Adding the following as "Housing Definitions":

Dwelling Room means a room used as living accommodation that is available for rent and that is not self-contained. A dwelling room may contain private sanitary facilities or cooking facilities, but not both."

Dwelling Room Affordable Rent means rent that is 80% of the average City of Toronto rent for a bachelor unit, as reported annually by the Canada Mortgage and Housing Corporation.

Dwelling Room Mid-Range Rent means rent that is one and one-half times 80% of the average City of Toronto rent for a bachelor unit, as reported annually by the Canada Mortgage and Housing Corporation."

And replace with:

3. Adding the following "Housing Definition":

Dwelling Room means a room used as living accommodation that is available for rent and that is not self-contained. A dwelling room may contain private sanitary facilities or cooking facilities, but not both."