



Creating the Regulatory and Compliance Framework for Multi-tenant Houses across Toronto

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To: Planning and Housing Committee
From: Chief Planner and Executive Director, City Planning
Executive Director, Municipal Licensing and Standards and
Executive Director, Housing Secretariat

Wards: All

SUMMARY

This report proposes the creation of a comprehensive city-wide regulatory framework for multi-tenant houses, using a human rights lens and ensuring regulatory oversight to protect tenant life safety and create liveable, well-maintained and affordable places to live. This consistent, coordinated approach is the outcome of collaboration amongst several divisions and brings together work programs that are already underway with work that has more recently begun. The purpose of this report is to inform the Planning and Housing Committee of planned enhancements to the licensing and enforcement framework for multi-tenant housing and to obtain the endorsement of the Committee for a public engagement program that will inform final recommendations on regulations for multi-tenant houses. The final recommendations and proposed by-law amendments will be brought forward to the Planning and Housing Committee in 2021.

Multi-tenant houses, commonly known as rooming houses or lodging houses, are found across the city. Current zoning and licensing by-laws for multi-tenant houses are fragmented and have not been harmonized since amalgamation. Despite this lack of harmonization, people continue to operate unlicensed multi-tenant houses outside the areas permitted by zoning, which may result in inadequate and unsafe living conditions. The pathway to achieving safe, liveable and affordable multi-tenant houses starts with legalization, which then enables regulatory oversight and effective enforcement.

This report summarizes four components of a proposed regulatory framework:

1. Enhanced operator licensing requirements to promote health and safety;
2. A strategic inter-divisional enforcement and compliance program that will ensure effective enforcement of non-compliant operators;
3. City-wide zoning standards that permit the use consistently and enable equal access to multi-tenant houses across the city; and
4. Initiatives to support tenants and maintain affordability of housing.

Challenges in Regulating Multi-tenant Houses

The zoning and licensing rules for multi-tenant houses in Toronto are an inconsistent assortment of by-laws from the former municipalities that were not updated after amalgamation. They make the establishment of multi-tenant houses difficult, and do not adequately address the current need, nor the growing demand, for this type of affordable housing.

Multi-tenant houses cannot be licensed if the use is not permitted through zoning. However, people continue to operate multi-tenant houses outside the areas permitted by zoning, often without the appropriate permits or inspections. As a result, some operators fail to meet minimum requirements for property standards, nuisance mitigation, and the Fire and Building Codes, potentially endangering the health and safety of tenants and affecting communities. In situations where there are safety concerns and the use is not permitted, there are no opportunities for operators to upgrade their buildings as the City cannot issue building permits when the use is not permitted. In the last 10 years, just over 10% of all Toronto residential fire fatalities took place in multi-tenant houses. In total, 14 multi-tenant houses were involved in 15 fire fatalities and four serious injuries, and the majority took place in unlicensed multi-tenant houses.

Proposed City-Wide Regulatory Framework

The objective of a comprehensive city-wide regulatory framework for multi-tenant houses is to encourage and regulate safe, liveable, well-maintained and affordable multi-tenant houses across the city.

This new regulatory framework includes an improved set of rules and standards; more rigorous and documented procedures and processes; a specialized and dedicated team; stronger inter-divisional partnerships; enhanced compliance measures; supports for tenants and operators; and a focus on outcomes for tenants and communities.

1. Enhanced Licensing Framework

City staff will also be bringing forward as part of a final report in 2021, the following proposed amendments to implement a new regulatory by-law with enhanced licensing conditions and standards.

- Updating the definition of multi-tenant houses to ensure consistency and clarity, as well as support prosecutions of non-compliant operators;
- New licensing requirements that enhance conditions for tenants, including a requirement for a property management plan that includes waste management, pest management, and a process for landlords to respond to tenant issues;
- Requiring new applicants to apply for, and obtain a Zoning and a Building Permit review from Toronto Building where construction renovation and/or change of use approval is required to confirm compliance with applicable zoning by-laws and that the building meets the life safety requirements of the Ontario Building Code;

- Requiring multi-tenant house operators to provide floor plans of the premises to City staff, in order to aid inspection and investigative efforts;
- Requiring multi-tenant houses that contain 10 or more rooms or units to undertake an electrical inspection by a licensed electrical contractor;
- Modernizing the appeal processes for the Rooming House Commission to improve transparency, accessibility, and quasi-judicial procedures; and
- Identifying potential new proposals such as implementing a similar registration program to RentSafeTO; as well as mandatory insurance, cost recovery fee for re-accommodation of tenants, and requiring a vital services disruption plan.

In conjunction with Toronto Public Health, Municipal Licensing and Standards (MLS) will also bring forward proposed amendments for personal care multi-tenant houses, in order to improve health and safety conditions for tenants and also support enhanced enforcement against non-compliant operators. City staff will consult with personal care multi-tenant house operators, tenants, and members of the public on the proposed amendments.

2. Enforcement and Compliance Strategy

In developing its multi-tenant housing compliance and enforcement strategy, MLS is leveraging its experiences in delivering the RentSafeTO program through a dedicated team and planned and proactive inspections. This report outlines a four-pillar approach to address the challenges of compliance among operators, addressing neighbourhood nuisance issues, and promoting health and safety standards for tenants.

- Inter-divisional strategic enforcement efforts, with a dedicated Municipal Licensing and Standards team, along with Toronto Fire Services, Toronto Building, Toronto Public Health and other divisional staff deployed as needed;
- Education and outreach to identify unlicensed operators and notify them of by-law requirements, and education/support for tenants and communities on complaints process;
- Compliance strategy including annual inspections of licensed multi-tenant houses and data-driven investigations of unlicensed operators; and
- Enforcement strategy that will include increased fines, modernized multi-tenant housing tribunal, and undertaking remedial action to ensure by-law compliance.

3. Zoning

The proposed zoning approach would establish city-wide permissions for multi-tenant houses with zone-specific regulations such as maximum number of rooms, and minimum parking. It would also introduce harmonized definitions for multi-tenant house and dwelling room, and is intended to provide consistency, and fairness in permissions, and an approach that reflects needs and is straightforward to administer.

Expanded city-wide zoning permissions will enable more effective regulatory oversight by City staff, including proper licensing and proactive annual inspections to ensure Fire Code compliance, compliance with property and building maintenance standards and other health and safety issues, helping to ensure safer living conditions for tenants and

increased compliance with nuisance by-laws. Without city-wide zoning permissions, there are no opportunities for operators to obtain permits to upgrade their buildings when life safety concerns are identified.

4. Housing Affordability and Supports for Tenants

The new framework may have significant cost impacts on some operators, particularly where operators are undertaking renovations to bring their property into conformance with the City's licensing requirements. Toronto Building, with the help of a Building Code Consultant, is exploring opportunities for alternative options for operators to achieve compliance with the fire and life safety requirements of the Ontario Building Code. The goal of this work is to provide greater certainty and transparency into the permit process, as well as reduce costs for property owners in achieving building code compliance. The Housing Secretariat is also considering ways to promote and support the safety and security of tenants with the aim of maintaining affordability of multi-tenant houses, including incentive programs.

Human Rights Lens and Maytree Foundation

The city-wide strategy for multi-tenant houses is the first City of Toronto policy to be developed using a human rights lens since the adoption of the HousingTO 2020-2030 Action Plan. In December 2019, City Council adopted the Action Plan, which resulted in the updating of the Toronto Housing Charter. The new charter adopts a human rights-based approach to housing and commits the City to developing policy and programs that further the progressive realization of the right to adequate housing affirmed in international law. The Action Plan also requires City divisions to screen and assess any housing-related policy to ensure compliance with the new Charter.

The comprehensive regulatory framework for multi-tenant houses is informed by recent federal legislation, provincial legislation, and City policies and directives to further the progressive realization to the right to housing. It recognises tenants' rights to equitable, affordable, adequate, safe, accessible and secure homes while balancing the need for compliance and enforcement. An interdivisional staff team is coordinating their divisions' work programs, to ensure successful implementation for tenants, landlords and neighbours.

In the absence of a Housing Commissioner function, which the City has committed to establishing in the near term, the City engaged the Maytree Foundation to provide advice on how a human rights-based approach applies to multi-tenant housing considerations. The Maytree Foundation's review has informed this report.

Consultation Approach

Policy 5.5.1(c)(ii) of Toronto's Official Plan requires community consultation for proposed zoning by-law amendments, to ensure a fair, open and accessible public process. This report proposes that City staff engage the public and stakeholders to provide information about the proposed zoning approach, and obtain feedback on regulations such as parking rates and maximum number of rooms. This will build on previous consultations that have been held, but since this is the first time that staff will

be consulting on a zoning approach that includes city-wide permissions and zone-specific regulations, additional consultation is required.

City staff will also conduct public and stakeholder engagement on personal care multi-tenant houses and additional licensing considerations not previously consulted on. Staff will report on the outcomes of the engagement and present final zoning and licensing recommendations in mid-2021.

A New Multi-tenant Housing Framework

The combination of a harmonized and updated zoning and licensing framework, an enhanced compliance and enforcement strategy, and supports for operators and tenants will represent a significant step towards providing safe, liveable, secure and affordable multi-tenant housing across Toronto and compliance with federal, provincial, and City human rights policies.

The efforts to maintain affordability, expand the zoning permissions, and introduce an updated licensing framework are aimed at encouraging operators to comply with the City's regulatory framework – and to support the goals of the strategic compliance and enforcement program.

In the final report back to the Planning and Housing Committee in 2021, a detailed and phased implementation plan for the overall regulatory framework will also be developed to identify how to effectively phase in the new licensing and zoning regulations using a streamlined, balanced, and coordinated approach.

This report has been prepared in consultation with Toronto Fire Services, Toronto Building, Legal Services, Shelter Support and Housing Administration, and Toronto Public Health.

RECOMMENDATIONS

The Chief Planner and Executive Director, City Planning; the Executive Director, Housing Secretariat; and the Executive Director, Municipal Licensing and Standards recommend that:

1. The Planning and Housing Committee direct the Chief Planner and Executive Director, City Planning in consultation with the Executive Director, Municipal Licensing and Standards, the Fire Chief and General Manager, Toronto Fire Services, Chief Building Official and Executive Director, Toronto Building, the Executive Director, Housing Secretariat, and other Divisions as appropriate, to conduct city-wide public and stakeholder engagement on the proposed zoning standards to introduce city-wide permissions for multi-tenant housing, as outlined in this report.
2. The Planning and Housing Committee direct the Chief Planner and Executive Director, City Planning and the Executive Director, Municipal Licensing and Standards, in consultation with other relevant divisions, to report back with recommended zoning by-law amendments and a new regulatory by-law for multi-tenant houses to the Planning and Housing Committee in mid-2021, along with an implementation plan to

phase in the updated by-laws and a coordinated approach to compliance and enforcement.

3. The Planning and Housing Committee direct the Executive Director of the Housing Secretariat to include in the 2021 Multi-Tenant Houses Implementation Plan recommendations on an incentive program to assist eligible property owners in complying with Fire and Building Code requirements; a communications strategy to inform tenants and property owners of their rights and responsibilities; soft landing considerations for tenants potentially displaced by City enforcement measures; and an approach for ongoing interdivisional collaboration to ensure the successful implementation of this important affordable housing option.

FINANCIAL IMPACT

There are no current financial impacts arising from the recommendations contained in this report.

There will be financial impacts in future budget cycles, and City staff of relevant divisions will identify and outline additional costs and staffing resources including but not limited to a dedicated enforcement team, costs for improved data collection, a potential compliance incentive program and any potential fee impacts as well as potential federal and provincial funding support required to implement the final recommendations, and report back in the final report to the Planning and Housing Committee.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

EQUITY IMPACT STATEMENT

The City recognizes the barriers presented by discrimination and the disadvantages faced by equity-seeking groups and vulnerable populations, including tenants of low-end of market rental housing such as dwelling rooms. This population is affected by the redevelopment of low-end of market rental housing, as often there are no other private market rental options available.

The recommended zoning approach for multi-tenant houses would expand the areas of the city where multi-tenant houses are permitted, to help ensure that low income and vulnerable populations have access to safe, adequate and affordable housing across the city. Zoning standards that reflect this approach would help equity-seeking groups and vulnerable populations maintain access to their communities and preserve the diversity of our neighbourhoods.

Current housing initiatives at all orders of government are endeavouring to adopt a human rights-based approach to the development of housing legislation, policy, and programs. In June 2019, the federal government enacted legislation which declares that it is the policy of the Government of Canada to recognize that the right to adequate housing is a fundamental human right affirmed in international law; to recognize that housing is essential to the inherent dignity and well-being of the person and to building

sustainable and inclusive communities; to support improved housing outcomes for the people of Canada. The legislation furthers the progressive realization of this right as recognized in the International Covenant on Economic, Social and Cultural Rights, to which Canada is a party.

At its meeting of December 17, 2019, City Council adopted the HousingTO 2020-2030 Action Plan, which updates the Toronto Housing Charter. Consistent with the federal legislation, the charter expresses that the City adopts a human rights-based approach to housing as defined in the federal legislation.

Access to good quality, safe, affordable housing for households in need and improving housing stability for residents struggling to maintain their existing homes are also fundamental goals of the City's Official Plan.

DECISION HISTORY

At its meeting of June 16, 2008, the Affordable Housing Committee referred a number of motions and submissions filed by speakers with respect to the Housing Opportunities Toronto Affordable Housing Framework, to the Deputy City Manager, for consideration and report back to the Affordable Housing Committee. One of the motions asked that City Planning staff be requested to review the feasibility of amending the Zoning By-Law to permit rooming houses in all residential zones in Toronto. It also requested staff to report on the advantages and disadvantages of extending the licensing requirements for rooming houses. The Committee's decision can be accessed at this link: <https://www.toronto.ca/legdocs/mmis/2008/ah/decisions/2008-06-16-ah07-dd.pdf>

At its meetings of November 13, 2008, and January 8, 2009, the Planning and Growth Management Committee considered a report that provided information on the feasibility of extending zoning to permit rooming houses throughout the city, as well as extending the licensing system for rooming houses. Staff were directed to include this work as part of the city-wide Zoning By-law. The reports can be accessed at these links: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2008.PG20.11>
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.PG22.5>

At its meeting of November 4, 2009, the Planning and Growth Management Committee postponed consideration of a status report that provided an update on the proposed zoning regulations for rooming houses. The report can be accessed at this link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.PG33.9>

At its meeting of January 6, 2010, the Planning and Growth Management Committee deferred a report which proposed a zoning approach for rooming house zoning regulations predicated on an associated licensing regime. The item was deferred until the next term of Council, with direction to be brought back no later than November 2011. The report can be accessed at this link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.PG34.2>

At its meeting of March 6, 2013, the Planning and Growth Management Committee requested that the Chief Planner and Executive Director, City Planning in consultation

with the Executive Director, Municipal Licensing and Standards report back to the Committee in October 2013 on a framework for introducing city-wide zoning regulations for dwelling room accommodation and on a process for public consultation. The Committee's recommendations can be accessed at this link: <http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getMinutesReport&meetingId=7425>

At its meeting of October 22, 2013, the Planning and Growth Management Committee considered a report that presented a framework for introducing city-wide Zoning By-law regulations for "dwelling room accommodation", including a process for public consultation. The recommendations of the report were revised to request MLS to produce an effective enforcement strategy, and with City Planning to engage in community consultation. The report can be accessed at this link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PG27.5>

At its meeting of August 20, 2014, Executive Committee directed the Executive Director, Municipal Licensing and Standards and the Chief Planner and Executive Director, City Planning to bring to Executive Committee a discussion paper on rooming houses that includes issues and preliminary findings based on research and extensive community-based consultations. The Committee's decision can be accessed at this link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX44.21>

At its meeting of September 2, 2015, the Affordable Housing Committee adopted a motion with respect to large single-room occupancy buildings. The motion requests that the rooming house review include a special focus on commercially operated single-room occupancy buildings with 15 or more dwelling rooms to examine, among other things, policy options for the City to provide protection for or replacement of this kind of affordable rental housing. The motion can be accessed at the following link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.AH3.6>

At its meeting of October 26, 2016, Executive Committee directed the Executive Director, Municipal Licensing and Standards and the Chief Planner and Executive Director, City Planning to conduct public consultation on the regulatory and licensing strategy for multi-tenant houses developed in response to the research and community consultations undertaken in 2016 and report back to Executive Committee in 2017. The Executive Committee directed that the report back include an enforcement strategy on multi-tenant houses, including enforcement in areas where multi-tenant houses are not permitted, as well. Additionally, the Executive Director, Municipal Licensing and Standards was directed to report in the first quarter of 2017 to the Licensing and Standards Committee with proposals to improve the renewal process for existing rooming house licenses. The Executive Committee's decision can be accessed at this link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX18.13>

At its meeting of October 12, 2017, the Planning and Growth Management Committee adopted a motion requesting the Acting Chief Planner and Executive Director, City Planning to report back in the second quarter of 2018 on a policy framework that protects dwelling rooms, similar to policies in the Official Plan that provide for the protection of self-contained rental units. The motion can be accessed at the following link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PG23.11>

At its meeting of May 22, 2018, City Council adopted a motion to amend former City of Toronto By-law, Chapter 285, Rooming Houses, so that a registered student fraternity or sorority houses may be required to be licensed, as set out in Chapter 285. City Council directed the Executive Director, Municipal Licensing and Standards, to conduct research and public consultation on potential licensing requirements for fraternities and sororities and to report back to the Licensing and Standards Committee in 2019. City Council's decision can be accessed at this

link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.LS25.2>

City Council, on May 14 and 15, 2019, adopted The Right to Adequate Housing presentation from the United Nations Special Rapporteur on the Right to Adequate Housing and requested the Director, Affordable Housing Office: to consider the presentation when updating Toronto's 2009 Housing Charter and the Housing Opportunities Toronto: Affordable Housing Action Plan 2010-2020; and, as part of the public consultation process on Toronto's housing plan, to include a "rights based approach" to housing in policy areas that fall within the City's jurisdiction.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH5.1>

At its meeting of June 18, 2019, City Council adopted the Official Plan Amendment to Address the Loss of Dwelling Rooms (OPA 453) pursuant to Section 26 of the *Planning Act*. Council's decision was appealed to the Local Planning Appeal Tribunal (LPAT), although no hearing date has been set. City Council's decision can be accessed at the following link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH6.1>

At its meeting of December 16-18, 2019, City Council adopted the HousingTO 2020-2030 Action Plan, and its recommended actions as the framework to guide the City's efforts over the next 10 years to strategically and effectively address housing needs for current and future residents, including a human rights based approach to housing. The report can be accessed at this

link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH11.5>

At its meeting of September 30–October 2, 2020, City Council adopted the HousingTO 2020-2030 Implementation Plan. The implementation plan calls for City divisions to begin reviewing their policies and programs to ensure compliance with the new Toronto Housing Charter. Additionally, Council recommended that the implementation plan include the creation of a housing data strategy to include the collection of data from across the housing continuum. The report and decision can be found at the following link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH16.5>

Also on September 30, 2020, City Council adopted Building on Laneway Suites: Fire Access Requirements. One of the recommendations of this report requires that the Chief Building Official and Executive Director, Toronto Building undertake a review of Code-related requirements for multi-tenant houses in order to identify generic alternative solutions that all property owners and designers can use to more easily meet Code requirements. City Council's decision can be accessed using the following link: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH16.10>

BACKGROUND

Multi-tenant Houses in Toronto's Housing Market

A multi-tenant house is a building in which private living accommodation is provided to persons in separate dwelling rooms. Dwelling rooms may have either a private bathroom or kitchen facilities, but not both. Because tenants in multi-tenant houses pay rent for individual dwelling rooms rather than self-contained dwelling units, multi-tenant houses are often one of the most affordable options in the private rental market. They serve a variety of individuals choosing, as a result of cost or simply as a preference, a congregate living environment. This includes students, young professionals, seniors on fixed incomes, and newcomers to the city.

Multi-tenant houses are often called "rooming houses" or "lodging houses", but this report proposes adoption of the term "multi-tenant house". This term more accurately describes the living arrangement of this housing type and aims to reduce stigma associated with the term "rooming house".

In 2017 and 2018, City Planning and Shelter, Support and Housing Administration (SSHA) retained consultants to conduct surveys of online rental housing listings in order to better understand the characteristics of private market rentals. Almost 30% of the 9,000 rental listings surveyed in 2018 were for shared accommodation (rooms for rent), and average asking rents for shared accommodation were significantly lower than those for self-contained rental units. Findings from both surveys confirmed that shared accommodation such as multi-tenant houses is often the most affordable option in the private rental market.

This affordable housing option is important now more than ever when an unprecedented number of Toronto residents have lost their jobs due to COVID-19. Rent for a room in a multi-tenant house ranges between \$400 and \$700 a month¹. In 2019, the average market rent for a bachelor apartment in Toronto was \$1,142². The current Ontario Works (OW) shelter allowance for a single person is \$390 and \$497 for a recipient of the Ontario Disability Support Program³. The 2018 Street Needs Assessment determined that 33% of those counted were OW recipients and 21% received ODSP. Multi-tenant houses are one of the few, if only, private market housing types that are affordable for those on government support or living on a low income.

Inconsistent Regulatory Framework

The zoning and licensing frameworks for multi-tenant houses in Toronto are an inconsistent assortment of by-laws from the former municipalities that were not updated

¹ Parkdale Proactive Eviction Prevention and Rooming House Preservation Project

² CMHC <https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/Table?TableId=2.2.11&GeographyId=2270&GeographyTypeId=%203&DisplayAs=Table&GeographyName=Toronto>

³ <https://www.toronto.ca/community-people/employment-social-support/employment-support/employment-seekers-in-financial-need/ontario-works-rates/>

after amalgamation. They do not adequately address the current need, nor the growing demand, for this type of affordable housing.

One of the challenges in accessing affordable housing across the city is that purpose-built rental housing, for a number of reasons, was not built city-wide. For example, only one quarter of all purpose-built rentals in the city are located in Etobicoke or Scarborough⁴. Despite this, people of all incomes choose to live across the city. As a result, properties are being converted into multi-tenant houses in areas of the city where they are not currently permitted, but where there is demand for this type of accommodation. It is difficult to estimate how many of these conversions exist across the city. It is believed that the number is greater than the number of licensed multi-tenant houses.

Due to the absence of zoning that permits these types of properties city-wide, a number of these conversions may have been constructed and maintained without municipal building permits, inspections and public safety oversight. The health and safety of tenants is paramount, and there is a corollary concern of the potential impact to neighbours and broader communities.

Currently, only multi-tenant houses in the former cities of Toronto and Etobicoke are subject to a licensing regime, which provides the City with additional tools to protect the health and safety of tenants. Licensed multi-tenant houses are subject to a number of requirements, including development of a fire safety plan, and undergoing annual or bi-annual inspections by MLS and Toronto Fire Services to verify that the buildings are safe for the occupants with respect to fire protection and life safety systems, minimum standards for buildings, and the Property Standards By-law.

Previous reviews and public engagement

In 2014, City Planning and MLS launched a multi-tenant house review to identify issues and opportunities related to multi-tenant houses in Toronto. The first phase of the review involved collecting feedback from more than 1,500 members of the public and key stakeholder groups, as well as research into regulatory approaches in other jurisdictions. The research and feedback received from the first phase informed the development of a proposed zoning approach and licensing strategy for multi-tenant houses in Toronto, which were endorsed for further consultation by Executive Committee in October 2016. The zoning approach endorsed for consultation was to permit multi-tenant houses with a maximum of seven rooms in five pilot areas for a period of three years.

Over the summer of 2017, City staff undertook public and stakeholder consultations on the proposed zoning approach and licensing strategy as part of the second phase of the multi-tenant house review. More than 1,000 participants across the city were engaged through public consultations, focus groups, key informant interviews, and an online survey. While there were concerns raised with expanding the zoning permissions for multi-tenant houses, a key message from the consultations was that multi-tenant

⁴ Toronto Housing Market Analysis, 2019 – Canadian Urban Institute, Canadian Centre for Economic Analytics

houses are a central part of Toronto's affordable rental housing stock that help meet the needs of diverse populations. In order for multi-tenant houses to be regulated through licensing, they first need to be permitted by zoning. A final report was not brought forward. The work undertaken and feedback received through the multi-tenant house review was integrated into the City's multi-divisional work on a comprehensive housing strategy, including the new Dwelling Room Protection policies.

In 2019, MLS staff conducted a third round of consultations to further refine the proposed improved licensing regime. The outcomes of those consultations have informed the development of the intended enhancements to the licensing framework, which are outlined in this report.

Final recommendations on a new harmonized licensing regime for multi-tenant houses will be presented at the same Planning and Housing Committee meeting as the report with final recommendations on zoning in mid-2021, pending Committee adoption of recommendations within this report.

More details on each phase of the multi-tenant house review can be found through the links under the Decision History section above. This report builds on this extensive past work, by using a human rights lens that is also informed by recent federal legislation, provincial legislation, and City policies and directives to further the progressive realization to the right to housing.

POLICY CONSIDERATIONS

Provincial Planning Policy Framework

The Planning Act

Section 2 of the *Planning Act* sets out matters of provincial interest, that the council of a municipality must have regard for when making planning decisions. Included in this list is the adequate provision of a full range of housing, including affordable housing.

Under Section 34 of the *Planning Act*, municipalities are authorized to enact zoning by-laws to regulate the use of land along with the height, size, bulk, floor area, setbacks, and location of buildings. Section 35(2) of the *Planning Act* stipulates that this authority “does not include the authority to pass a by-law that has the effect of distinguishing between persons who are related and persons who are unrelated in respect of the occupancy or use of a building or structure or a part of a building or structure, including the occupancy or use as a single housekeeping unit.”

Municipalities may enact zoning by-laws to regulate residential density based on intensity of use. They cannot regulate residential density on the basis of household size, type, or composition. For example, a zoning by-law cannot stipulate that a family rather than roommates must occupy a house. This is commonly known as the requirement for municipalities to zone for land use, not for people.

The Ontario Human Rights Commission (OHRC) has published *In the Zone: Housing, Human Rights and Municipal Planning* to guide municipalities on their human rights responsibilities in zoning for housing. The OHRC states that municipalities not only have a responsibility to zone for land use and not people, they must “also take steps to apply a human rights lens to decisions that could result in the loss of affordable housing.” The OHRC identifies multi-tenant houses as one form of affordable housing. It explicitly cites multi-tenant house zoning and regulations that act to reduce availability as an example of a municipal decision that may result in the loss of affordable housing. The Commission also states that unless municipalities take steps to mitigate the effects of this type of a decision on people who identify with Ontario Human Rights Code grounds (e.g. age, place of origin, family status and several other grounds), they may be at risk of human rights complaints.

The Provincial Policy Statement (2020)

The Provincial Policy Statement (the "PPS") provides province-wide policy direction on land use planning and development matters. The PPS is issued under Section 3 of the *Planning Act*. All decisions of Council in respect of the exercise of any authority that affects a planning matter must be consistent with the PPS.

Policy 1.1.1 of the PPS recognizes that healthy, liveable and safe communities are sustained by accommodating an affordable range and mix of residential uses, including multi-unit housing, second units and housing for older persons.

Policy 1.4.3 of the PPS requires planning authorities to establish and implement minimum targets for the provision of housing which is affordable to low and moderate income households and which aligns with applicable housing and homelessness plans. It requires planning authorities to permit and facilitate all housing options required to meet the social, health, economic and well-being requirements of current and future residents, including special needs requirements and needs arising from demographic changes and employment opportunities.

Policy 4.4 of the PPS sets out that the PPS must be implemented in a way that is consistent with the *Ontario Human Rights Code* and the *Canadian Charter of Rights and Freedoms*.

A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019)

A Place to Grow: Growth Plan for the Greater Golden Horseshoe (the "Growth Plan") provides a strategic framework for managing growth and environmental protection in the Greater Golden Horseshoe (GGH) region, with the City of Toronto forming an integral part. A guiding principle of the Growth Plan is to provide a diverse range and mix of housing options, including affordable housing, to accommodate people at all stages of life, and to accommodate the needs of all household sizes and incomes.

Policy 2.2.6.2 of the Growth Plan requires municipalities to support the achievement of complete communities by considering the range and mix of housing options and densities of the existing housing stock and by planning to diversify their overall housing stock across the municipality.

Toronto Official Plan

The Official Plan provides for a long-term vision for future growth in the city. It includes City Council's policies and objectives for the physical development and redevelopment of the City. Section 3.2.1 of the Official Plan contains policies pertaining to the provision of housing and for maintaining and replenishing the housing stock in the city.

Policy 3.2.1.1 states that a full range of housing, in terms of form, tenure and affordability, across the city and within neighbourhoods, will be provided and maintained to meet the current and future needs of residents. A full range of housing, the policy states, includes shared and/or congregate-living housing arrangements.

Policy 3.2.1.2 states that the existing stock of housing will be maintained, improved and replenished, and new housing supply will be encouraged through intensification and infill that is consistent with the Official Plan.

At its meeting on July 18, 2019, City Council adopted OPA 453, which includes policies providing for the protection and replacement of dwelling rooms in multi-tenant houses. OPA 453 has been appealed to the LPAT. It is not in force and effect; however, the City is working to achieve the intent of the Council adopted policy framework through the development review process in order to address the loss of dwelling rooms where redevelopment has been proposed. The policies in OPA 453 protect existing dwelling rooms by requiring replacement where six or more dwelling rooms will be lost as a result of redevelopment. These policies only apply to areas where multi-tenant houses are already permitted by zoning. As such, the policies would not protect the redevelopment of multi-tenant houses in low-density residential areas where they are not currently permitted. The purpose of the policies is to maintain the existing dwelling room stock in higher-density residential areas and commercial areas.

HousingTO 2020-2030 Action Plan

The HousingTO 2020-2030 Action Plan includes an action for the City to continue to measure, protect, and preserve multi-tenant houses, including security of tenure for tenants. It also updates the Toronto Housing Charter that was first adopted by Council in 2010. The updated Toronto Housing Charter states that the City adopts a human rights-based approach to housing that is rooted in several equity principles, including the principle that all residents have a right to equal treatment with respect to housing, without discrimination contrary to the Ontario Human Rights Code and to protection against arbitrary requirements that result in discrimination based on membership in groups protected by the Code or on housing status.

The Charter states that it is designed to guide City Council and the City's public service in its decision-making, resource allocation, policy development and in providing services and programs. One of the guiding principles is that in moving towards the progressive realization of the right to adequate housing that is affirmed in international law and in taking a human rights-based approach, the City will allocate the maximum available resources within its means and jurisdiction to support the Toronto Housing Charter. One such resource is land, and the zoning of land is a significant tool available to the City.

Human Rights

To assist the City in developing a City-wide strategy on multi-tenant houses that complies with the Toronto Housing Charter, as well as the Ontario Human Rights Code and the Charter of Rights and Freedoms, the Maytree Foundation conducted a human rights review of the proposed multi-tenant house policies. Their analysis aims to highlight key human rights considerations and implications to help guide the design and implementation of multi-tenant house policies that are consistent with the City's existing housing objectives and human rights obligations.

The Maytree Foundation was one of the lead organizations to advocate for the National Housing Strategy to implement a rights-based approach to housing. On June 21, 2019, the Government of Canada adopted the National Housing Strategy Act that recognizes housing as a human right. The City's Toronto Housing Charter was passed in December 2019, recognizing this same right.

To implement a right to housing approach, the Maytree Foundation outlined eight elements for the City to consider in the development of the city-wide strategy:

- **Equity** - Housing that meets all human rights standards must be equitably available to Torontonians of all races, genders, ages, incomes, abilities, faiths, languages and backgrounds;
- **Adequacy** - Habitability; cleanliness, adequate temperature, free of mould and pests, etc.;
- **Safety** - Multi-tenant housing tenants have comparable protections from fire, dis-repair and other hazards as other Toronto residents;
- **Affordability** - How to achieve rent levels at key price points for tenants such as: ODSP shelter allowance (\$497); 30% minimum wage for single person, 35 hours/week (\$637); 30% of OAS/GIS for single person. Ensure protection and expansion of supply of deeply affordable homes in all parts of the city;
- **Non-discrimination** - De-stigmatizing multi-tenant houses as a form of housing and the negative impacts it has on tenants. Ensuring zoning policy does not discriminate against equity-seeking groups by limiting their access to housing in some parts of the City;
- **Security of tenure** - Ensuring no tenant displacements except at tenants' request, and that voluntary moves do not result in a loss of affordable units or destabilize the security of other tenants. Any tenants who must be moved to protect their own safety will be supported to find an alternate home that meets their needs;
- **Accessibility & cultural appropriateness** - Ensuring that persons with disabilities, including mental health disabilities and addictions, have accessible homes, and the supports they require to live independently and with dignity. Recognizing the diverse definitions of "home," and residents' right to create homes that reflect their cultures, values, and needs;
- **Tenant participation** - Tenants are able to exercise their rights (e.g. to make a property standards complaint, to bring forward a complaint to the Landlord and Tenant Board) and participate in the policy development (informing, implementing and evaluating).

The full Maytree Foundation Report: *A Human Rights Review of Toronto's Rooming House Policies* is included as Attachment 1. City staff considered this Maytree Foundation review in developing their framework, and these considerations will be referenced in the following sections of the report.

Related City of Toronto Initiatives

In recent years, the City of Toronto has adopted several key plans and strategies that support the development of a city-wide regulatory and compliance framework for multi-tenant housing. Specifically, the Poverty Reduction Strategy identifies multi-tenant houses as one of the most affordable housing options in the city and called to ensure they are permitted in all parts of the city. The HousingTO 2020-2030 Action Plan resulted in the adoption of an updated Housing Charter that commits the City to a human rights-based approach to housing and furthering the progressive realization of the right to adequate housing, as affirmed by international law. Adopting a city-wide zoning by-law would be consistent with the updated charter and ensure affordable options are permitted in every part of the City. Attachment 2 provides greater detail on how these initiatives support the adoption of a city-wide multi-houses strategy.

A NEW MULTI-TENANT HOUSING FRAMEWORK

Below, staff have outlined plans for the comprehensive city-wide regulatory framework for multi-tenant houses. This approach is the outcome of inter-divisional collaboration to ensure regulatory oversight to protect tenant life safety and foster strong communities, and will be the basis of public engagement and final recommendations, expected in 2021.

1) Proposed Enhancements to Multi-Tenant House Licensing

Multi-Tenant House Licensing

There are approximately 350 licensed multi-tenant houses in Toronto. This number is relatively small, given the population of the city, and the current demand for housing. It is likely that the number of unlicensed multi-tenant houses is much greater than the number of licensed ones, and that the majority of the unlicensed houses are located in areas of the city where multi-tenant houses are not permitted.

Licensing for multi-tenant houses is intended to ensure that minimum health and safety standards are met, by requiring annual inspections (or biannual for owner-occupied multi-tenant houses) to ensure occupant safety, including compliance with the Ontario Fire Code and the Property Standards By-law. During consultations, tenants and housing workers noted that licensed multi-tenant houses tend to be in better condition than unlicensed ones. Expanded zoning permissions would allow many of these multi-tenant houses to be properly regulated by the City.

Since multi-tenant houses cannot be licensed unless they are permitted by zoning, the proposed zoning approach has the potential to enable operators of all multi-tenant

houses across Toronto to become licensed, thereby allowing the City to provide regulatory oversight and better protect the health and safety of tenants.

The COVID-19 pandemic has highlighted the importance and need for regulatory oversight of all multi-tenant houses. As exemplified with the COVID-19 measures in apartment buildings, adopted by City Council, oversight of multi-tenant houses would provide the City with an avenue to ensure that they have appropriate preventive measures in place during a public health crisis. Licensing also facilitates collaborative management of outbreaks should they occur. Implementing a City-wide strategy for multi-tenant houses would improve the health and safety of tenants in situations such as multi-tenant housing in a public health outbreak.

The current licensing regime for multi-tenant houses consists of two by-laws (former City of Toronto Municipal Code Chapter 285, Rooming Houses, and former City of Etobicoke Municipal Code Chapter 166, Lodging Houses) that have not been updated or consolidated since amalgamation. Further, multi-tenant houses are permitted in the former City of York without a requirement to become licensed.

MLS has been undertaking a multi-year and phased review of the licensing by-laws, including conducting previous consultations.

Challenges

Through research, a jurisdictional scan, and consultations with stakeholders, including multi-tenant house tenants and operators, residents, and associations, City staff have identified a number of challenges with the existing licensing regulations for multi-tenant houses. Challenges for tenants and operators include lack of clarity in how this type of housing is defined, issues with management and maintenance of property standards, and outdated standards. The existing Rooming House Licensing Commission, which issues, suspends, renews, and revokes licences for multi-tenant houses, can be improved. There are also enforcement challenges resulting from the outdated by-laws and investigating unlicensed properties.

Framework of Proposals

City staff will recommend a new and enhanced framework for the licensing and regulation of all multi-tenant houses. The proposals outlined in this section are being considered with the goals of improving the living conditions for tenants living in multi-tenant houses, streamlining applicable regulations to help operators better understand and comply with expected standards, and addressing third-party impacts in neighbourhoods.

The following sections outline multi-tenant housing requirements currently under consideration. Staff will report back on the by-law amendments and recommendations in the final report expected in 2021.

Updated Definition

Multi-tenant housing is defined in different ways in Chapter 285 (former City of Toronto), Chapter 166 (Etobicoke), the Zoning by-law, Ontario Building Code, and Ontario Fire Code. Establishing an updated definition will support operators in complying with the by-law, and enable more effective enforcement – it will make it clear which operators are

required to comply with the multi-tenant housing by-law and also allow officers to more effectively gather evidence to support the use of the by-law.

City staff will recommend a definition of multi-tenant housing that is harmonized with the zoning definition, which has a minimum threshold of four or more rooms. Currently, there are two definitions of multi-tenant housing in two separate licensing by-laws, and the definitions are not harmonized or always consistent with the zoning definition.

In the recommended definition, staff will also aim to align with the Fire Code and Building Code definitions of multi-tenant houses, and consider impacts of the definition on housing affordability, enforcement, and tenant needs.

Floor Plan

City staff propose that multi-tenant house operators be required to provide floor plans that include the relevant interior details of the premises (for example, the placement and use of various rooms) to City staff, to aid inspection and investigative efforts.

Zoning Review

Multi-tenant houses may only be located where zoning permits them. To ensure that multi-tenant houses are licensed only where they are permitted through the Zoning By-law, staff propose requiring all new multi-tenant house operator applicants to apply for, and obtain a zoning review from Toronto Building, to confirm zoning compliance of the proposed use as part of the licencing process. This requirement would help to ensure that any outstanding zoning issues are addressed before the application is submitted.

Building Code Compliance

The Ontario Building Code sets out administrative and technical requirements for the construction, renovation, change of use and demolition of buildings. The Code contains minimum standards for buildings including health life safety, fire protection, and structural sufficiency, among others. Currently, operators are responsible for ensuring that their property meets the appropriate fire and life safety requirements as set out in the Code for this building type.

In addition to the zoning review, City staff will propose a requirement that operators must provide proof of a building permit in order to demonstrate that the construction is in compliance with the Building Code upon a licensing application being submitted to MLS. The building permit process verifies compliance with other applicable laws (e.g., zoning) in addition to confirming that the building meets the applicable fire and life safety requirements of the Code. City staff are also undertaking measures to alleviate the cost impacts of this requirement, which is outlined later in the report.

Electrical inspection

Electrical safety is a particular concern in multi-tenant houses, as many of these houses are within buildings that have been converted from another use (for example, a converted single-detached dwelling). Electrical safety is regulated by the provincial Electrical Safety Authority, and recent changes in provincial legislation also emphasize the heightened risk of increased building occupancy i.e. increased number of persons living in a building.

Electrical inspections can help identify potential electrical hazards that could lead to a fire or electric shock. City staff will propose requiring larger multi-tenant houses that contain 10 or more rooms or units to undertake an electrical inspection by a licensed electrical contractor upon application for a new licence, and periodically if required, and maintain logs of any service conducted on the electrical system.

Property Standards

City consultations found that tenants had concerns about various maintenance standards, such as cleanliness, pests, repairs, and more. In addition, some of the key concerns from neighbourhood residents were around multi-tenant house management and maintenance, highlighting issues attributed to poor management, including absentee landlords, such as waste, pests, and property standards deficiencies.

Multi-tenant house operators are required to maintain their property so that it is clean and in good repair, and must comply with various applicable by-laws, including regulations around maintenance, grass and weeds, heating, and noise. In addition to these by-laws, City staff will propose additional requirements that enhance conditions for tenants, including a requirement for multi-tenant housing operators to create and implement property management plans that includes waste management, pest management, and a process for landlords to respond to tenant issues, and mitigate for any neighbourhood impacts.

The purpose of the plan is to help ensure compliance with applicable standards, improve tenant awareness of maintenance plans and processes, ensure that tenant requests are addressed in a timely fashion, and establish clear processes and responsibilities for effectively addressing issues of waste and pests.

RentSafeTO Alignment

City staff have identified opportunities to align regulations and administration of the RentSafeTO and multi-tenant house programs. City staff will consult with operators, stakeholders, and the general public on new proposals, prior to the final report.

Insurance, Cost Recovery, and Vital Services Disruption Plans

Under the RentSafeTO program, the City has the ability to recover from landlords the costs of providing emergency social services (such as temporary tenant accommodations) in certain situations where an apartment building is evacuated and/or vital services are disrupted. In addition, apartment building landlords are required to create and implement a vital services disruption plan in situations where vital services are impacted.

City staff will report back on whether insurance should be a mandatory requirement for multi-tenant house operators, and will assess the impacts of mandatory insurance on housing affordability, protection of tenants, and property maintenance. Existing insurance products for operators include Business Interruption Insurance and General Liability insurance.

Currently, the City can charge apartment buildings under RentSafeTO a cost recovery fee for providing tenants with emergency social services such as temporary

accommodation. City staff, including MLS and the Office of Emergency Management, will also report back on whether multi-tenant housing operators and personal care operators should be charged a cost recovery fee for providing emergency social services and be required to implement a vital services disruption plan.

City staff will identify any other potential areas for alignment between the RentSafeTO apartment building registration program and the multi-tenant house regulatory regime, and explore opportunities to apply learnings and best practices from RentSafeTO.

Modernized Licensing Review Process

The Rooming Housing Licensing Commission, comprised of a two-member panel, is a quasi-judicial body that may issue, suspend, renew, revoke, or place conditions on licences for multi-tenant houses located within the geographic area of the old City of Toronto. Through its licensing and licence renewal processes, MLS identifies multi-tenant houses that may be issued a licence by the Commissioner, or where there may be grounds for the Commissioner to refuse, revoke, suspend, or place conditions on a licence.

The Commission currently only has jurisdiction over the former City of Toronto, but multi-tenant houses are also permitted in parts of the former City of Etobicoke and City of York, and there is no adjudicative body that has oversight in those areas. In a new licensing framework, staff recommend expanding the Commission's authority to all areas where multi-tenant houses are permitted under City of Toronto rules.

In a new licensing framework, city staff will establish guidelines and procedures to provide transparency for the general public and affected parties. In addition, the Commission will implement improved processes that are in line with the best practices of quasi-judicial bodies to promote fairness, responsiveness, and transparency.

Personal Care Multi-tenant Housing

There are approximately 55 licensed personal-care multi-tenant houses (licensed as personal care rooming houses in the former City of Toronto, and Type B lodging houses in Etobicoke). Personal care multi-tenant houses provide additional support services beyond a typical multi-tenant house. This may include: housekeeping, laundry, meal preparation, and medication storage and reminders. MLS and Toronto Public Health (TPH) are exploring adding requirements for personal-care multi-tenant houses due to the vulnerable nature of people residing in these houses. Staff are currently considering the following as part of this review:

- **New requirements for training and qualification** of operators and persons-in-charge to ensure that those who work closely and provide direct services to tenants are adequately trained to help protect tenants;
- **Minimum standards for staffing, sanitation and cleaning** to ensure that tenants have access to adequate supervision and care when needed;
- **Clearer expectations for tenant admittance** that requires operators to consider whether they can provide the appropriate level of personal-care for the tenant;
- **Specific standards for the safe storage and access to prescription drugs** to ensure that they are only available to those tenants for whom they have been prescribed, and as ordered by the prescriber;

- **Enhanced standards for meal plans**, including mandatory reviews by a registered dietitian on an annual basis;
- **Food premise inspections** to ensure that all personal-care multi-tenant houses that meet the definition of "Food Premise" under the Health Protection and Promotion Act comply with the Food Premise regulations to ensure that facilities meet food safety requirements; and
- **New requirements for operators to maintain records** of emergencies and incidents, and provide the records upon request to City officials.

City staff will also be consulting with personal care multi-tenant house operators on the proposed recommendations, prior to reporting with final recommendations.

Facilitating Compliance with Ontario Building Code Requirements

At its meeting of September 30, 2020, Toronto City Council requested that the Chief Building Official and Executive Director, Toronto Building develop fire and life safety options for builders and owners of multi-tenant houses to assist them in achieving compliance with the Ontario Building Code. This work will support the proposed regulatory framework for this multi-tenant housing strategy.

Toronto Building will be undertaking this innovative approach with the assistance of a Building Code Consultant having fire protection engineering expertise. It is expected that this work will result in additional fire and life safety options to assist property owners in meeting building code requirements, while at the same time providing greater clarity and transparency of code requirements and in the end, reducing compliance costs.

Toronto Building will be working in consultation with Toronto Fire Services, City Planning, Municipal Licensing and Standards and the Housing Secretariat to carry out this work, which is expected to be completed in late 2021.

2) Strategic Compliance and Enforcement Program

Current Compliance and Enforcement Framework

MLS, Toronto Fire Services, Toronto Building and Toronto Public Health all have a role to play in the compliance and enforcement of multi-tenant house regulations, with the overall goal of ensuring health and life safety for tenants, preserving and encouraging this type of affordable housing, ensuring standards are met, and helping to foster harmonious neighbourhoods. MLS enforces to achieve compliance with licensing, maintenance standards, and other related regulations, by utilizing a complaints-based approach to respond to requests from the public about multi-tenant houses, including residents of these houses.

The top causes of complaints (service requests) about multi-tenant houses are related to maintenance and zoning. From 2012 to 2019, MLS laid 118 charges related to multi-tenant houses, 104 of which were for multi-tenant houses operating in places where they are not permitted through the Zoning By-law.

MLS works with Toronto Fire Services to facilitate referrals regarding licensed multi-tenant houses, in order for Toronto Fire Services to inspect life and safety issues in

multi-tenant houses. Toronto Fire Services is the authority having jurisdiction and enforces the requirements of the Ontario Fire Code. Any violation of the Ontario Fire Code is addressed as per the legal authorities outlined in the Fire Protection and Prevention Act, 1997.

The demand for affordable housing has resulted in the conversion of properties to multi-tenant houses, often without the appropriate permits or inspections. As a result, there may be multi-tenant houses that violate the Fire Code or pose an immediate public safety hazard, potentially endangering the health and safety of tenants.

According to data from Toronto Fire Services, between 2017 and 2019, 2,208 Fire Code inspections were conducted in multi-tenant houses. Throughout these inspections, 3,855 violations of the Fire Code were found, 92 of which were an “immediate threat to life” situation was identified and actions were taken to alleviate the risk; and seven resulted in immediate orders to close the structure and removal of the occupants.

In the last 10 years, just over 10% of all Toronto residential fire fatalities took place in multi-tenant houses. In total, 14 multi-tenant houses were involved in 15 fire fatalities and four serious injuries. Of those, 14 took place in un-licensed multi-tenant houses. Seven were located in neighbourhoods where the use is not permitted.

Expanded city-wide zoning permissions will ensure more effective regulatory oversight, enabling licensing and proactive annual inspections to ensure Ontario Fire Code compliance, property and building maintenance standards, and other health and safety issues, helping to achieve safer living conditions for tenants.

A New and Enhanced Program

MLS has faced a number of challenges with enforcement of multi-tenant houses, primarily due to the limiting and fragmented licensing and zoning by-laws, and outdated definitions. The current rules prevent adequate regulatory oversight, make it challenging to identify multi-tenant houses or gather evidence to pursue enforcement.

With new licensing and zoning by-laws that enable licensing of multi-tenant houses across the city, a strategic compliance and enforcement program that includes additional and dedicated resources will effectively focus on gaining compliance and enabling enforcement.

In the new and enhanced framework, MLS will leverage its experiences in regulating apartment buildings through the RentSafeTO program. RentSafeTO, the Apartment Building Standards By-law enforcement program, and has similar objectives of ensuring that operators are registered and in compliance with building safety and standards requirements.

Dedicated Resources

MLS has already made changes to how it enforces multi-tenant houses, dedicating an enforcement team of six officers that draws on the resources from the Specialized Enforcement and Resolution Team (SERT), when cases that involve vulnerable residents arise, and for additional resources where required. This leverages the unique

skillset of the SERT officers who are experienced working with complex issues and brings enhanced enforcement of multi-tenant houses. MLS has also initiated work on improving the current licensing application process, more comprehensive web content, and developing guidance for operators to aid compliance.

Staff are undertaking an analysis to determine additional resource needs and financial implications to implementing the new by-law, updating licensing processes, improving the appeal process, and enhancing the dedicated enforcement team, similar to what is in place for programs such as RentSafeTO e.g. a team of 15 to 18 officers. Any resource requests will be brought forward to City Council as part of a future budget request.

Number of Multi-tenant Houses





A new strategic compliance and enforcement program will also help to prepare MLS for regulating multi-tenant houses within the context of expanded zoning permissions. Due to the complexities of determining whether a house is a multi-tenant house and inability to license multi-tenant houses that operate in areas where they are not currently permitted by zoning, the total number of multi-tenant houses that exist across the city is unknown.

However, as previously noted, the demand for affordable housing and multi-tenant houses exists all across Toronto. MLS complaints data shows that from 2014 to 2019, there were over 1,200 complaints about multi-tenant houses annually, involving 732 properties on average. Of those, 645 properties, or 88% annually, were not licensed multi-tenant houses, suggesting that the number of multi-tenant houses that may be required to be licensed under a city-wide by-law may be greater than the number of currently licensed multi-tenant houses.

Four-pillar Enforcement Strategy

The enhanced enforcement strategy will focus on living standards, tenant health and safety and managing community nuisance, and will include a four-pillar approach, described in detail, below.

Figure 1: Four-pillar Enforcement Strategy

Collaboration & Inter-divisional Resources 	Education and Outreach 	Compliance 	Enforcement 
Coordinated approach among City divisions to gain compliance	Identify active unlicensed properties using data analytics and enhanced complaints processes	Conduct annual inspections of licensed properties	Increased fines of up to \$100,000 and more

Collaboration & Inter-divisional Resources	Education and Outreach	Compliance	Enforcement
MLS MTH Team dedicated to multi-tenant houses e.g. similar to 18-person RentSafe team	Notify operators of by-law requirements and available supports	Additional targeted enforcement against unlicensed and problematic houses	Conduct remedial action and charge costs to operators
Deploy Fire Services Officers; Toronto Building and Toronto Public Health, as required	Support tenants to access complaints processes	Conduct investigations of nuisance offences	Modernize multi-tenant housing tribunal

1. Collaboration and Inter-divisional Resources

City staff will collaborate inter-divisionally to coordinate enforcement and compliance measures as follows:

- Dedicated team of MLS officers that are solely focused on ensuring that operators comply with the multi-tenant framework, similar to the RentSafeTO dedicated team of officers that undertake data-driven enforcement measures;
- Deployment of staff from Toronto Fire to ensure compliance with the Fire Code;
- Deployment of staff from Toronto Buildings to ensure that operators provide proof of compliance with Building Code and zoning permissions;
- Deployment of staff from Toronto Public Health under their statutory authority to ensure compliance with health and safety standards e.g. kitchen inspections of personal care multi-tenant houses; and
- Deployment of other divisions as needed, including the Office of Emergency Management, Housing Secretariat, SSHA, and others to promote health, safety, and security for tenants.

2. Education and Outreach

- Identification of unlicensed operators and problem areas using complaints and licensing data, as well as education and support for tenants and communities on rules and the complaints process;
- A public awareness plan to raise awareness of new permissions and regulations with a focus on gaining compliance, including creating and sharing guidance materials with multi-tenant house operators to ensure they are aware of their responsibilities to comply with the new by-law and assist them in improving and maintaining multi-tenant houses;
- City staff will improve data collection on unlicensed and licensed operators in order to identify high-risk operators; enhance information-sharing among divisions; establish performance measures to better track enforcement outcomes, and undertake the necessary information technology improvements. This need was recently reinforced at the September 30 to October 2, 2020 City

Council meeting, with a recommendation calling for the creation of a housing data strategy to include the collection of data from across the housing continuum. This work will be led by the Housing Secretariat; and

- In collaboration with the City's Customer Excellence and Transformation and Innovation team (CXi), that recently developed a tenant portal on the City's website and new tenant facing material, City staff will also enhance the website, Open Data information and other communication channels to promote awareness among tenants and neighbours regarding their rights under the City's zoning and licensing regulations, provide clarity regarding complaints processes, and provide more information regarding appeal processes under a new licensing framework.

3. Compliance

- Bringing newly licensed multi-tenant houses into compliance by conducting annual inspections by MLS and Toronto Fire Services, and by Toronto Public Health on an as-needed basis;
- Conducting additional targeted and coordinated enforcement against unlicensed and problematic houses using complaint and licensing data analysis; and
- Leveraging dedicated team to proactively attend these areas to ensure compliance with the Property Standards By-law and other nuisance by-laws.

4. Enforcement

City staff will introduce significant offences and fines for operating without a licence, and for contravening the by-law, including:

- New set fines that can be easily used by officers on-site; new offences and court fines for escalated or complex issues, including maximum fines up to \$100,000; continuing offences with fines of \$10,000 a day; and special fines in an amount equal to any economic gain obtained from non-compliance; and
- New authority for MLS and TPH to undertake remedial action under the harmonized multi-tenant houses by-law. This is in addition to remedial action authority that the City has under existing by-laws, including Property Standards. Remedial action means that when a multi-tenant operator does not maintain the property to required standards that are specifically set out in the new harmonized by-law, the City can undertake the work and charge the cost back to the owner through property taxes.

This strategic compliance and enforcement strategy is supported by the efforts to expand zoning permissions, introduce supports for tenants and landlords (see section on Supporting Housing Affordability), and introduce an enhanced licensing framework. The City will leverage a multi-pronged effort as part of the overall strategy to encourage and compel operators to comply with the applicable laws and by-laws.

3) Proposed City-wide Zoning Approach for Multi-tenant Houses

Current Zoning Regulations for Multi-tenant Houses

As described in the Decision History section of this report, at its meeting of January 6, 2010, the Planning and Growth Management Committee deferred a report that proposed a zoning approach for multi-tenant house zoning regulations. The item was deferred until the next term of Council, with direction to be brought back no later than November 2011. This decision had the effect of separating the harmonization of these regulations from the city-wide zoning by-law exercise which was subsequently adopted by Council on August 25, 2010, and on May 9, 2013.

Section 150.25 of city-wide Zoning By-law 569-2013 recognizes multi-tenant houses as a specific land use referred to as a Rooming House with different definitions and regulations depending on the area of the city in which they are located. These area-specific regulations were carried over from the zoning by-laws of the former municipalities. They have yet to be harmonized.

The Zoning By-law identifies five Rooming House Overlay Areas across the city in which multi-tenant houses are currently permitted, with three areas in the former city of Toronto (Areas B1, B2, and B3) and one zone in each of the former cities of Etobicoke (Area A1) and York (Area C1). A map of the Overlay Areas in Zoning By-law 569-2013 is found in Attachment 3. Multi-tenant houses are not permitted in any parts of the former cities of North York, or Scarborough, or in the former borough of East York. All the zoning by-laws of the former municipalities, except East York By-law 6752, define a multi-tenant house or similar residential accommodation; however, not all of them permit the use. Some of the by-laws use the term "rooming house", "lodging house" or "boarding house". Central to the definitions is that living accommodation is provided in distinctly separate rooms. The rooms are distinguished from dwelling units or secondary suites by not having both sanitary and food preparation facilities. Attachment 4 provides further details about what is permitted in each the Former City of Etobicoke, former City of Toronto and former City of York.

Two appeals were filed before the LPAT with respect to the lack of harmonized multi-tenant houses regulations in Zoning By-law 569-2013. The two appellants are the Advocacy Centre for Tenants Ontario (ACTO) and the Rupert Coalition. These appeals are considered to be issue-specific appeals for the purpose of the appeal process established by the LPAT, and they have yet to be scheduled for a hearing. City Planning and Legal Services staff have met with the appellants, whose appeals are centred on opposition to the lack of city-wide permissions for multi-tenant houses. There is the potential for this matter to go to a hearing and for the LPAT to impose a decision on the City with respect to the zoning regulations for multi-tenant houses.

Overview of Zoning Proposal

The unharmonized and varied zoning definitions and regulations make the establishment of new multi-tenant houses and the investigation and enforcement of unlicensed multi-tenant houses in Toronto difficult. If the use is not permitted through zoning, it cannot be licensed.

The objective of the proposed zoning approach is to establish an appropriate framework to permit and regulate multi-tenant houses across the city ensuring that tenants have equitable access to affordable, adequate, safe, accessible and secure homes.

The proposed zoning would introduce harmonized definitions for multi-tenant house and dwelling room, and establish city-wide permissions for multi-tenant houses with zone-specific maximum number of rooms, minimum parking, and minimum number of washrooms. The zoning proposal is intended to establish consistency, fairness in permissions, and an approach which reflects needs and is straightforward to administer. This will also support effective implementation and enforcement in all neighbourhoods, since licensing and its associated requirements can only be applied in areas where zoning permits multi-tenant houses.

The proposed zoning approach reflects the permissions that have been in place in parts of Toronto for many years and is suitable to the typical scale of as-of-right development in Toronto. From a planning perspective, there is no rationale to prohibit multi-tenant housing as a residential use on a geographic basis. The proposed limits on the maximum number of dwelling rooms are reflective of the typical scale of house form buildings in residential areas across the city and of traditional commercial-residential buildings in mixed-use areas.

The zoning proposal supports the policies set out in the PPS with respect to the provision of a mix of housing types including the conversion of existing residential buildings for rooming houses. It also supports the achievement of complete communities as envisioned by the Growth Plan through a diverse range and mix of housing options.

Expanding the permissions for multi-tenant houses also encourages the provision of a full range of housing, including shared housing arrangements, across the city and within all neighbourhoods, in keeping with the Official Plan. It also furthers the objectives in the HousingTO Action Plan 2020-2030, TO Prosperity: Toronto Poverty Reduction Strategy, supports the progressive realization of the right to adequate housing that is recognized in international law, and reflects a human rights-based approach to housing.

The Maytree report suggests that the current zoning regulations, which do not permit multi-tenant houses across the city, are discriminatory. This issue has been previously raised by the Ontario Human Rights Commission (OHRC), which observed that it “falls short” of the Ontario Human Rights Code because it “does not allow rooming houses as of right in most parts of Toronto”. It also notes that the restrictions have “an ongoing, real and significant negative impact on many Code-protected groups.”

The Maytree report also found that where the zoning does not permit multi-tenant houses, it risks forcing operators and their tenants underground, creating further risks to safety and disproportionately affecting equity seeking groups, whom research shows are overrepresented in multi-tenant houses. Permitting multi-tenant houses across Toronto would not only address significant discrimination and equity issues, but it would also shift focus to increasing safety, and improving the adequacy and security of tenure.

Proposed Use Definitions

As previously noted, there are multiple definitions of a multi-tenant house in the former general zoning by-laws. The zoning proposal presents potential definitions for dwelling room and multi-tenant house which provide consistency and clarity for this use across the city:

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.

Multi-tenant House - means a building with four or more dwelling rooms that may have shared common facilities for sanitary and cooking.

The proposed definition for dwelling room is consistent with the definition provided in the proposed OPA 453 to Address the Loss of Dwelling Rooms, adopted unanimously by City Council at its meeting on June 18, 2019.

The definition for a multi-tenant house is based on a minimum threshold of four dwelling rooms in any residential building type other than those listed. This is consistent with the definition of short-term rental in Zoning By-law 569-2013, which allows for a maximum of three rooms in a dwelling unit. Regardless of whether the building type is a detached house, semi-detached house, duplex, townhouse, fourplex, or apartment building, the use would be considered a multi-tenant house if there are more than three dwelling rooms. It is not intended to apply to a room available for rent in a student residence, long-term care home or other institutional accommodation.

Consideration is also being given to establishing consistency with the definition for dwelling room and multi-tenant house in the licensing by-law.

Proposed Zone Permissions

It is recommended that multi-tenant houses be permitted in all zones in Zoning By-law 569-2013 that permit residential uses, subject to conditions. This would expand permissions for multi-tenant houses across Toronto's residential and mixed use neighbourhoods, consistent with Official Plan policy 3.2.1.1. It states that a full range of housing, including shared housing arrangements, will be provided and maintained across the city and within neighbourhoods to meet the current and future needs of residents.

The expanded permissions would list multi-tenant house as a permitted use in the Residential (R), Residential Detached (RD), Residential Semi-Detached (RS), Residential Townhouse (RT), Residential Multiple (RM), Residential Apartment (RA), Residential Apartment (RAC), Commercial Residential (CR), and Commercial Residential Employment (CRE) zones, subject to conditions.

Proposed Maximum Number of Dwelling Rooms

The proposed maximum number of rooms is consistent with what is currently permitted in the former City of Toronto Zoning By-law 438-86, and corresponds with an increasing

intensity in built form from residential zones, to residential apartment zones and to mixed commercial-residential zones. The proposed maximum number of dwelling rooms in a multi-tenant house is as follows:

- Six dwelling rooms in the RD, RS, and RT zones;
- No change in the R zone (currently allows for six or 12 dwelling rooms, depending on location);
- 12 dwelling rooms in the RM, RA and RAC zones; and
- 25 dwelling rooms in the CR and CRE zones.

The maximum number of six dwelling rooms proposed in the RD, RS and RT zones would be the same as having a four-bedroom single-detached home with a two-bedroom secondary suite. This is a typical living arrangement that can be found in neighbourhoods in all parts of the city.

Proposed Sanitary Facilities

It is proposed that multi-tenant house must have sanitary facilities, which include a toilet, wash basin, and a bath or a shower, at a minimum rate of one sanitary facility for every four dwelling rooms or part thereof.

This requirement is intended to ensure all residents of a multi-tenant house have good access to sanitary facilities. Insufficient bathroom facilities for residents results in a poor state of repair of bathrooms in multi-tenant houses. This requirement aims to address these concerns.

Proposed Parking Requirement

Parking rates vary widely where multi-tenant houses are currently permitted. Given that multi-tenant houses are one of the most affordable forms of residential accommodation on the market, it is possible that the demand for parking for this use is very low. Recent zoning by-law amendments to allow additional residential units in laneway suites and facilitate secondary suites did not require parking for these units, in most cases.

Parking rates for multi-tenant houses are currently being reviewed, including the potential application of new parking rates based on the Policy Areas in Zoning By-law 569-2013. The Policy Areas are based on the notion that less parking is required for uses that are located in proximity to public transit. For example, a use located in Policy Area 1 (the Downtown) would require less parking than the same use located in another part of the city because the Downtown is very well-served by transit. The review is also examining the parking rates established for similar uses and of parking rates for multi-tenant housing in comparable jurisdictions in North America. It is anticipated that the parking review will be concluded prior to the public consultation. The proposed parking rates will be one of the regulations staff seek feedback on.

In all zones where multi-tenant houses would be permitted, the development standards for lots and buildings in the respective zone, such as minimum lot frontage, maximum height, maximum height, maximum floor space index, and minimum building setbacks, would also apply to the lot and building with the multi-tenant house.

4) Supporting Housing Affordability and Tenants

Incentive Program

Multi-tenant houses represent one of the most affordable housing options for tenants in Toronto. A city-wide strategy aims to bring currently unlicensed multi-tenant houses into compliance, which will result in the need to comply with Fire and Building Code requirements, which can be costly. To support the development of this affordable housing type and ensure that tenants are living in adequate and safe housing, the City will consider the development of an incentive program to help offset the cost of compliance. The Housing Secretariat has a history of funding multi-tenant houses through retrofit programs through federal and provincial program support. The Toronto Renovates Program is one such example. As part of the implementation plan that will be presented to the Planning and Housing Committee in 2021, the Housing Secretariat will report back on potential options for program development including eligibility criteria and potential federal and provincial funding support.

Emergency Social Services/Shelter and Housing

In their report, the Maytree Foundation outlines the importance of providing relocation supports, referrals, rent subsidies, alternative options, and other tenant supports if a multi-tenant house is forced to close due to City enforcement measures. The City currently has a policy in place to assist tenants for a short-term period when they are displaced from their multi-tenant houses due to an emergency.

During emergencies ranging from small, simple incidents to larger, more complex events, individuals may find their normal support systems disrupted, leading to difficulty meeting basic needs. The Office of Emergency Management (OEM) works with its partners to provide short-term emergency social services to help meet these basic immediate needs, such as registration and inquiry, food, clothing, lodging, personal services (e.g., mental health support, pet services, first aid) and family reunification. The closure of a multi-tenant house due to fire and life safety issues outside of regular office hours could be considered an emergency and with additional consideration this support could be one option to assist displaced tenants due to an emergency closure.

In addition to exploring the opportunity to leverage the existing OEM process, the Housing Secretariat in consultation with other City divisions and community partners, will develop a soft landing approach for tenants displaced due to the City's enforcement measures. Considerations will include pathways to other housing opportunities, access to rental assistance measures and more. A coordinated approach will be included in the 2021 implementation plan.

Public Engagement Process

City Planning, in collaboration with Municipal Licensing and Standards, and other Divisions as appropriate, will engage the public and key stakeholders on the proposed zoning approach and alignment with the proposed licensing regulations through a public engagement process.

The process will be designed to inform the public about the proposed zoning and the rationale for why it is being recommended now. Staff will be seeking feedback on regulations such as parking rates and maximum number of rooms. The engagement will also solicit input on how zoning regulations may be used to ensure that multi-tenant houses are a successful part of neighbourhoods across the city, and will not be considering the use permission on the basis of the occupants.

In response to the Maytree report findings, the public engagement should include the successful engagement of tenants, "many of whom face barriers to participation and lack awareness of their rights, as well as trust in the system". Consideration will be given to the nature of public discussions so as not to further stigmatize tenants and discourage their participation. Maytree also recommended that local support agencies should also be involved to support organization of tenants and facilitate meaningful engagement.

Due to the COVID-19 pandemic, the engagement will be virtual and will include:

- Public open house/meetings;
- Focus group meetings with stakeholders such as tenants, owners and operators of multi-tenant houses, and housing-related organizations; and
- An online survey to allow for an additional opportunity for city-wide feedback. The survey questions will reflect the public engagement material.

As part of the overall public engagement process, MLS staff will also conduct public consultations on the personal care house recommendations and any other considerations not previously consulted on.

Information on the engagement activities and events will be readily available on the City website and regular updates will be shared through various City of Toronto social media accounts.

Implementation Plan

A detailed implementation plan for the overall regulatory framework will also be developed to identify how to effectively phase in the new licensing and zoning regulations, and will be shared as part of the final report. The phased implementation plan will consider how to transition from the existing system to the new regulatory framework using a streamlined, balanced, and coordinated approach.

In developing the phased implementation plan, the City's objective is ensuring access to safe, livable, and affordable multi-tenant houses across the city. In working toward this objective by implementing updated zoning and regulatory by-laws, the City plans to prioritize the following principles:

1. Coordinated City (inter-divisional) approach to working with operators and achieving compliance with applicable Codes and standards;
2. Focus on education, awareness and supports for tenants;
3. Immediate action on any imminent and serious threats to life safety;
4. Balancing tenant and community needs; and

5. Modernizing the customer experience, use of digital technology, and data collection.

In order to promote compliance among operators and encourage licensing, the City will also develop an enforcement transition plan. During the transition, enforcement would focus on legalization, inspections, compliance, collecting data and enforcing maintenance standards to promote tenants' health and well-being and address easy-to-remedy nuisances to neighbours.

Maytree has advised such a strategy could bring multi-tenant houses to meet the Ontario Building Code and Ontario Fire Code without tenant displacement or a reduction in the affordable housing stock, and could include tenant relocation supports where displacement is unavoidable.

The lessons from the Parkdale Pilot Program, which aimed to permit the regularization of bachelorettes and rooming houses in Parkdale, may offer lessons for the City on how to implement such a transition plan. Through the review and final report-back to the Planning and Housing Committee, MLS, Toronto Fire Services, and Toronto Public Health will also consider the impacts and feasibility of such a strategy, and identify and outline additional staffing resources required to implement the zoning, licensing, administration, and enforcement changes.

The enforcement transition plan and the overall implementation plan will consider how to move from a framework of outdated by-laws and unlicensed, potentially unsafe living conditions, to a modern set of regulations with legal and safe multi-tenant houses across the city.

Next Steps

Concurrent with the public engagement process, staff will also continue internal discussions and review of the policy proposals outlined in this report.

A final report containing the results of the public engagement along with a recommended zoning by-law amendments, revised licensing by-law and enforcement recommendations, and a phased implementation plan will be presented to the Planning and Housing Committee in mid-2021.

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ATTACHMENTS

Attachment 1: Maytree Foundation Report

Attachment 2: Related City Initiatives

Attachment 3: Map of permitted areas for multi-tenant houses in Zoning By-law 569-2013 (Rooming House Overlay)

Attachment 4: Overview of Current Zoning Regulations for Multi-Tenant Houses