



RentSafeTO (Apartment Building Standards): Colour-coded Rating System, By-law Amendments, and Program Updates

Date: November 24, 2020

To: Planning and Housing Committee

From: Executive Director, Municipal Licensing and Standards

Wards: All

SUMMARY

As directed by City Council in November 2019, this report proposes the creation of a colour-coded rating system for apartment buildings in Toronto and responds to outstanding directives related to the RentSafeTO program. This report was initially expected at the Planning and Housing Committee in April 2020, but was delayed as a result of the COVID-19 pandemic.

The RentSafeTO program is the first of its kind in Canada and builds on the City's previous Multi-Residential Apartment Buildings program. The objectives of the program are to strengthen enforcement of City by-laws, enhance tenant engagement and access to information, and promote proactive maintenance in apartment buildings to prevent the deterioration of critical housing stock. The program applies to all apartment buildings with 3 or more storeys and 10 or more units; this accounts for 30% of Toronto's residents who live in approximately 3,500 apartment buildings across the city.

The proposed apartment building rating system is modeled after the City's DineSafe program administered by Toronto Public Health, and the RentLogic program in New York City. The rating system would require apartment building owners/operators to display a colour-coded rating sign near the entrance in a prominent location visible to both tenants and the public. The rating sign would display the building's most recent evaluation score, provide information on the next evaluation or audit, and explain how to submit a service request to the City. All apartment building ratings will also be easily accessible on the City's webpage.

Buildings that score 50% or below would receive a red rating sign and the City would complete a full audit of the building. Buildings with a score between 51% and 65% would receive a yellow rating and be re-evaluated within a year. Buildings with a score between 66% and 85% will receive a light green rating and be re-evaluated within two years. Buildings with a score of 86% and above will receive a dark green rating and will

be re-evaluated within three years. The majority of buildings currently fall into the light green rating category.

The proposed apartment building rating system also introduces a process to allow building owners to apply for a re-evaluation. This is intended to encourage apartment building owners/operators to make improvements, and supports the overall objective of the RentSafeTO program to ensure apartment building owners/operators comply with building maintenance standards and continuously improve the quality of rental housing stock in Toronto. This process will be new and separate from existing standard protocols (that is, where By-law Enforcement Officers follow up on Orders to Comply or Notices of Violation issued to property owners to confirm compliance). A process to address downward movement in a rating (for example, a high-scoring building develops deficiencies prior to the next scheduled evaluation) is currently being designed.

To support the implementation of the colour-coded rating system, this report recommends a cost-recovery fee of \$316.06 for a re-evaluation application, as well as a \$26.88 fee for the cost to re-issue a rating sign. These fees would be waived for social housing providers, as defined in this report.

In February 2020, staff undertook a public consultation process to gather feedback on a potential rating system and fees. This included an online survey that had 1,930 respondents and a public consultation meeting with approximately 100 attendees. Residents were generally supportive of the proposed rating system, with higher support among renters in apartment buildings. Owners/operators of apartment buildings were generally not supportive of the proposed rating system. Survey respondents liked the readability of the signs and commented that the proposed system may increase accountability and transparency. Respondents highlighted concerns about the evaluation criteria that informs the rating score and the potential of colour-coded signs to shame or stigmatize tenants living in low-scoring buildings.

This report addresses other outstanding directives related to Chapter 354, Apartment Buildings. This includes an update on changes to the criteria and approach used to evaluate apartment buildings, the feasibility of mandating insurance coverage, increased fines for non-compliance with the Apartment Buildings By-law, and an update on the Voluntary Tenant Contact List related to heat in apartment buildings.

This report also provides updates on divisional initiatives that will have an impact on the RentSafeTO program, such as improvements to internal processes to better undertake remedial action, standard operating procedures and service standards, and details on the planning and implementation of an administrative penalty system.

Last, this report outlines the City's COVID-19 pandemic emergency response efforts as they relate to the RentSafeTO program, including the enforcement of temporary health and safety measures in apartment buildings, and provides an update on recent operational improvements.

This report was written in consultation with Shelter, Support and Housing Administration (SSHA), Social Development, Finance and Administration (SDF), Housing Secretariat, Legal Services, Solid Waste Management Services, and the Resilience Office.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards recommends that:

Apartment Building Rating System

1. City Council amend Toronto Municipal Code Chapter 354, Apartment Buildings, as follows:

a. Require apartment building owners and operators to post a rating sign in a form satisfactory to the Executive Director, Municipal Licensing and Standards, displaying the evaluation score of the apartment building near the entrance and in a prominent location visible from the outside the apartment building to those entering or passing by the apartment building.

b. Require apartment building owners and operators to ensure the rating sign is well-maintained, secured, and posted at all times.

2. City Council direct the Executive Director, Municipal Licensing and Standards to develop colour-coded rating signs to include red, yellow, light green, and dark green based on the evaluation score of the building.

Fees

3. City Council establish a fee to be applied when an application to re-evaluate an apartment building is submitted as detailed in Table 1 and amend the Toronto Municipal Code, Chapter 441, Fees and Charges accordingly.

Table 1: Chapter 441 Apartment Building Re-evaluation Application Fee

REF. NO.	SERVICE	FEE DESCRIPTION	CATEGORY	FEE BASIS	FEE	ANNUAL ADJ.
NEW	Private Properties	Apartment building re-evaluation	Full cost recovery	Per application	\$316.06	Yes

4. City Council establish a fee for the replacement of an apartment building rating sign, as detailed in Table 2 and amend the Toronto Municipal Code, Chapter 441, Fees and Charges accordingly.

Table 2: Chapter 441 Apartment Building Rating Sign Re-issuance Fee

REF. NO.	SERVICE	FEE DESCRIPTION	CATEGORY	FEE BASIS	FEE	ANNUAL ADJ.
NEW	Private Properties	Apartment building rating sign re-issuance	Full cost recovery	Per application	\$26.88	Yes

5. City Council waive the fees in Recommendations 3 and 4 for the following social housing providers:

- a. Toronto Community Housing Corporation;
- b. Non-profit providers of assisted or social housing under a program administered by the City of Toronto; and
- c. Dedicated supportive housing providers funded by the Province of Ontario.

Additional Amendments

6. City Council direct that the following changes be made to the Toronto Municipal Code Chapter 354, Apartment Buildings:

- a. Amend Section 354-3.2 to require apartment building owners/operators to post their waste management plan on the tenant notification board.
- b. Amend Section 354-3.7 to clarify that the state of good repair plan for each apartment building must be developed and maintained in a form and manner satisfactory to the Executive Director, Municipal Licensing and Standards.
- c. Add a provision that the mailing address, email address, and phone number provided to MLS through the registration and renewal process is up to date at all times, and that any written communication to an apartment building owner/operator from MLS shall be deemed received by the owner/operator when delivered to the mailing address or email address on file.
- d. Add a provision that in addition to services required by statutory authority, notice may also be given by email as it relates to the property of a registered apartment building owner/operator.

Technical Amendments

7. City Council amend Section 442-6 of the Toronto Municipal Code, Chapter 442, Fees and Charges, Administration of, to state that a service set out in Appendix C, Schedule 12 of Chapter 441, Fees and Charges that has been provided by the City or on the City's behalf shall be paid for by the person or persons receiving the service whether or not they requested the service.

8. City Council direct that the following changes be made to the Toronto Municipal Code Chapter 354, Apartment Buildings:

- a. Amend Section 354-2.1 to require that building owners and operators provide an email address as part of the apartment building registration and renewal processes.
- b. Delete Section 354-7-1F and replace with the following: "When a corporation fails to comply with an order or other direction made under this Chapter, every director or officer who concurs in such contravention is guilty of an offence and on conviction is liable to a fine of no more than \$100,000."

Effective Dates for By-law Changes

9. City Council direct that the changes to the Toronto Municipal Code Chapter 354, Apartment Buildings, and Toronto Municipal Code Chapter 441, Fees and Charges come into effect on June 1, 2021.

10. City Council direct that the changes to the Toronto Municipal Chapter 442, Fees and Charges, Administration of, come into effect once adopted by City Council.

FINANCIAL IMPACT

Staff will take a phased approach to implementation, with the first phase beginning in the first half of 2021. This will entail the administration of the rating system, including the development and distribution of rating signs, as well as education and outreach to inform tenants, landlords and the public of the new by-law requirements.

Implementation throughout 2021 is expected to include the development of an online solution for the rating system, as well as hiring a third-party to support the development of a new evaluation tool. The following phase of implementation will introduce the new evaluation process in advance of the scheduled building evaluations for 2022.

Staff recognize the City's current fiscal circumstance and will absorb the costs associated with the first phase of implementation within the proposed 2021 budget. Additional resources for the next phase of implementation will be requested through the 2022 budget process, as needed. The new evaluation process may require additional staffing resources to adequately deliver the program, particularly if resources are further impacted depending on the evolution of the COVID-19 pandemic.

This report also recommends creating two new cost-recovery fees to be used by the RentSafeTO program:

- The first proposed fee would be applied when MLS receives an application to re-evaluate an apartment building. The proposed fee for re-evaluation is \$316.06 per application.
- The second proposed fee would be used for the re-issuance of a colour-coded rating sign. The proposed fee for re-issuance is \$26.88 per sign.
- These fees would be waived for social housing providers.

Applications for re-evaluation and reissuance of rating signs will not take place until after the implementation date of June 1, 2020. It is difficult to estimate the number of applications that the City will receive for re-evaluation or the frequency of replacing lost/damaged rating signs, and therefore difficult to estimate the projected revenue. The revenue collected through these fees is projected to have a minimal net revenue impact which will be reflected through the budget process moving forward.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

EQUITY IMPACT

Access to good quality and safe housing is an important determinant of health and improves the social and economic status of an individual. Nearly half of Toronto residents are renters, and that number continues to grow. Apartment buildings make up a large part of the City's rental stock, and over 500,000 Torontonians live in high-rise apartment towers that are more than 35 years old and face risks identified by the [City of Toronto's Resilience Strategy](#). Many families, newcomers, seniors, and vulnerable individuals reside in apartment buildings. According to the City's Resilience Strategy, approximately 40% of families living in apartment buildings are low income.

The RentSafeTO program seeks to positively impact lower-income and vulnerable individuals and families by ensuring apartment building owners comply with building maintenance standards, thereby improving living conditions within apartment buildings. The program has the potential to increase the opportunity for lower-income and vulnerable individuals and families to access safe, healthy, and adequate housing.

DECISION HISTORY

On September 30, 2020, City Council adopted Item HL20.1, Response to COVID-19: Reopening and Preparation for a Potential Resurgence, which extended COVID-19-related temporary by-laws for apartments (By-laws 541-2020 and 664-2020, and Chapter 354, Apartment Buildings) until the end of City Council's first meeting of 2021. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.HL20.1>

On June 29, 2020, City Council adopted Item MM22.19, Reducing the Risk from COVID-19 for Residents of Multi-Tenanted Buildings, which amended Chapter 354, Apartment Buildings to require owners/operators to provide hand sanitizer, close non-essential common areas, frequently clean touch surfaces, and post COVID-19 signage. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.MM22.19>

On July 28, 2020, City Council adopted Item CC23.3, Update on the City's Response to COVID-19 and Financial Impacts, which enacted a separate temporary by-law requiring the owners/operators of apartment buildings to have a mask/face covering policy. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC23.3>

On November 27, 2019, City Council adopted Item PH10.4, Amendments to Chapter 354, Apartment Buildings, and Progress Update on RentSafeTO, which directed MLS to create a colour-coded rating system for apartment buildings and to evaluate the feasibility of expanding the criteria for building evaluations, requiring apartment building owners/operators to provide information about RentSafeTO when issuing N2 forms, and requiring apartment building owners/operators and/or tenants to obtain insurance that covers the costs of accommodations in cases where an apartment building becomes uninhabitable. Staff were also directed to report back on service standards, remedial action, administrative penalties, and increased set fines. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH10.4>

On January 30, 2019, City Council adopted Item OM2.1, Heat Relief Services, which directed the interdivisional Heat Relief Working Group to include in its work plan the creation of a by-law for property owners to maintain an up-to-date voluntary contact list of their tenants to be used in extreme weather emergencies.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.OM2.1>

COMMENTS

The focus of this report is on the creation of a new colour-coded rating system for apartment buildings in Toronto and the evaluation approach used to inform the rating system. This report also provides updates on additional matters related to the RentSafeTO program and is structured as follows:

1. Creation of an apartment building rating system
2. Updated building evaluation approach
3. Feasibility of mandating insurance
4. Increased fines for non-compliance
5. Update on remedial action
6. Standard operating procedures and service standards
7. Update on the implementation of an Administrative Penalty System
8. Update on the Voluntary Tenant Contact List
9. The use of Notice of Rent Increase (N2) forms
10. Update on tenant engagement
11. COVID-19 emergency response efforts
12. By-law amendments and further operational improvements

1. Creation of an Apartment Building Rating System

City Council directed staff to create a rating system for apartment buildings under the RentSafeTO program, similar to the City's DineSafe program administered by Toronto Public Health for food premises. Council also directed that this new system require apartment building owners/operators to post a colour-coded rating sign that displays the City's rating in a prominent, publicly identifiable location, along with posting the same information on the RentSafeTO website (toronto.ca/rentsafeto).

Based on this direction, staff have developed a proposed rating system that requires apartment building owners/operators to display a colour-coded rating sign with the RentSafeTO evaluation score. Samples of the draft colour-coded rating signs can be found in Attachment 1. In developing the proposed rating system, staff undertook a public consultation process that provided tenants, owners/operators, and the general public the opportunity to provide feedback through an online survey and an in-person public consultation meeting.

This proposal has been developed to support the overall objectives of the RentSafeTO program, which include ensuring that apartment building owners/operators comply with building maintenance standards and continuously improve the quality of rental housing stock in Toronto.

Proposed Approach

The proposed rating system would use the City's building evaluation score to assign one of four colour categories (red, yellow, light green, and dark green). This allows for a direct correlation between the building score, the enforcement outcome, and rating sign colour, as detailed in Table 3. The current evaluation process assesses cleanliness and maintenance of common areas of both the interior and exterior of the building. Through the public consultation process, staff heard that the evaluation score should include issues identified in individual units. Staff will be updating the evaluation tool and exploring options to include new categories such as outstanding Orders to Comply; more information about this is provided in this report in Section 2 (Updated Building Evaluation Approach).

Buildings that fail their evaluation would be issued a red rating sign and a building audit would be undertaken. An audit differs from a building evaluation and consists of a more comprehensive inspection, additional enforcement action, and an engagement component for tenants to submit service requests for issues in their units. MLS currently uses the evaluation scores to prioritize audits of apartment buildings that are more likely to negatively impact quality of life and that have a greater likelihood of deficiencies.

The proposed colour categories are based on the current evaluation process and categorization of outcomes, which will help enable a smooth initial transition and adoption. These categories are slightly different than the model that the public provided feedback on, which was a three-tiered system similar to the DineSafe model. These new categories will maintain some consistency with DineSafe, but including a fourth category will provide a more nuanced rating, and enable implementation with the program's existing resource model. These colours are also similar to those used by New York City's RentLogic system, which has been highlighted by many stakeholders as an international best practice.

Table 3: Building evaluation score, next step, and rating sign colour

SCORE	NEXT STEP	RATING SIGN COLOUR (NEW)
50% and below	Building to receive full audit	Red
51% to 65%	Building to be evaluated in 1 year	Yellow
66% to 85%	Building to be evaluated in 2 years	Light Green
86% and above	Building to be evaluated in 3 years	Dark Green

Buildings that pass their evaluation would receive a yellow, light green or dark green rating sign depending on their score. Buildings with a score between 51% and 65% will receive a yellow rating and will be re-evaluated within a year. Buildings with a score between 66% and 85% will receive a light green rating and will be re-evaluated within two years. Buildings with a score of 86% and above will receive a dark green rating and will be re-evaluated within three years.

It is expected that the majority (73%) of Toronto's registered apartment buildings would be issued a light green rating sign under the new rating system approach (Table 4). This is based on the most recent evaluation scores of registered apartment buildings. The distribution will change when the evaluation tool is updated (as discussed in Section 2, below) and as apartment buildings are re-evaluated. Note that the evaluation score and associated rating reflects the condition of the building at the time of inspection, with respect to certain conditions.

Table 4: Current distribution of building scores

SCORE	RATING SIGN COLOUR (NEW)	NUMBER OF BUILDINGS	PERCENT OF TOTAL BUILDINGS
50% and below	Red	30	1%
51% to 65%	Yellow	373	11%
66% to 85%	Light Green	2,521	73%
86% and above	Dark Green	523	15%

After a building evaluation is conducted and a score is determined, the apartment building owner/operator will be issued a detailed evaluation score sheet and their new colour-coded rating sign. The by-law currently requires that the evaluation score sheet be posted on the Tenant Notification Board, and evaluation scores are available online through the City's Open Data Portal. Under the proposed rating system, owners/operators will also be required to post the colour-coded rating sign near the entrance of the building. Staff recommend maintaining both of these requirements, as the colour-coded rating sign offers an overall summary the condition of the common areas of the building and the evaluation score sheet provides tenants who live in the building with detailed information about how the building scored in each category.

Potential Challenges

While using the DineSafe model and branding is beneficial for public recognition, there are some key differences between the two programs that present challenges in applying this model to apartment buildings. Toronto Public Health has the authority to immediately close a food premise by issuing a red notice when a health hazard is identified. It is important to note that the issuance of a red rating sign does not mean that the apartment building is closed or uninhabitable. MLS does not have the authority to close the premises of an apartment building, which would result in the de-housing of residents.

During public consultation, there was support for using red signs to indicate that a building has failed their evaluation. However, there are concerns that the use of red may mislead people to believe that their building is closed, dangerous or uninhabitable. There are also concerns around the potential stigma that tenants may experience living in a low-scoring building that receives a red or yellow sign – particularly when placed in a prominent location.

It is also important to note that the score is only determined based on property and maintenance standards enforced by MLS. If any life safety concerns arise, or staff find deficiencies that are beyond the scope of MLS enforcement, staff make the necessary referrals (such as: to Toronto Fire Services or Electrical Safety Authority). However, the evaluation score and rating does not currently incorporate such infractions.

The scale of the DineSafe program, number of public health inspectors and dedicated resources to conduct regular inspections, as well as the nature of infractions in eating establishments, also enables the flexibility to respond to changes in the score more quickly than what is possible for apartment buildings. For example, correcting a deficiency in an apartment building may require large scale capital improvements (such as exterior cladding) which takes considerable time and investment. However, MLS will utilize the enforcement tools available (such as issuing Notices of Violation, Orders to Comply, fines and undertaking remedial action) to ensure that the apartment building rating system is nimble and responsive to building infractions.

Proposed Rating Sign Design

Apartment building owners/operators will be required to post the rating sign near the entrance of the building and in a prominent location visible to all those entering the building and passing by the building, and must ensure the rating sign is well maintained (that is, secured in a way that cannot be removed, and not vandalized or defaced in any way) and posted at all times. This aligns with Toronto Public Health's DineSafe program, which requires the DineSafe notice to be posted at a conspicuous place at or near the entrance of the food premise.

Staff in MLS worked with Toronto Public Health to identify best practices and receive advice on creating readable and informative City-issued signs. The proposed design is based on the successful DineSafe program, which has been in place since 2001. This is intended to leverage the public awareness and brand recognition that DineSafe has established in an effort to support City-wide consistency.

The design drafts of each proposed rating sign (red, yellow, light green, and dark green) can be found in Attachment 1 and include the following components:

- Building information (address and building owner/operator);
- Evaluation score;
- Date that the evaluation was conducted;
- Information on what the rating means;
- The outcome of the evaluation (that is, whether an audit is required or next evaluation will be scheduled within one, two, or three years);
- Information on how to contact the City if building issues arise; and
- Information on how to learn more about the RentSafeTO program.

Accessing Apartment Ratings Online

City Council directed that information related to the rating of each building also be provided on the RentSafeTO webpage. Currently, the results of building evaluations are

made available publicly on the [City of Toronto Open Data Portal](#). However, staff recognize that this format is not an ideal way for most people to access this information. As such, staff have worked closely with Civic Hall Toronto and Gathering Residents to Improve Technology (GRIT) to design an online solution for tenants, apartment building owners/operators, and the public to interact with the new rating system. Civic Hall Toronto is an organization that connects governments with entrepreneurs, technologists and residents to collaboratively address civic challenges. GRIT Toronto is an inclusive user research and usability testing service of Code for Canada, and sister program to Civic Hall Toronto.

As part of this collaboration, a User Experience (UX) designer developed a series of online prototypes to test with a diverse group of participants in May 2020. Due to physical distancing requirements as a result of the COVID-19 pandemic, all sessions were conducted virtually.

Participants shared their experiences living as a tenant in Toronto, provided feedback on the apartment building rating system and the usability of the prototypes. Participants were supportive of the overall concept of the rating system, with some expressing concern regarding potential stigma for residents in low-scoring buildings if the rating was visible on the building itself. Participants felt that the online rating system would help them make informed decisions about housing, particularly if they were looking for a new apartment. Participants felt that maintaining the City corporate webpage design, and well as the similarity to the DineSafe model, were beneficial to the overall usability of the prototype.

The full report from Civic Hall Toronto and GRIT summarizing these testing sessions can be found in Attachment 3.

Staff are working to integrate this feedback into the development of a web tool for Toronto residents to access the apartment building rating system online. It is anticipated that this will be implemented following the introduction of the rating signs.

Re-evaluation Process

As part of the new rating system, staff recommend introducing a new process and associated fee that will allow building owners to request a re-evaluation prior to their next scheduled evaluation. If a building owner receives an evaluation score that reflects any number of deficiencies, the owner may wish to correct those deficiencies so that their score can be improved. Note that a deficiency is a component of a building that has been identified as needing improvement and may impact an evaluation score. For example, a building may receive a 60% score (a yellow rating) as a result of building lobby and exterior cladding deficiencies. If the building owner makes necessary improvements, their score could reflect a higher rating. This process would be similar to the current evaluation process; By-law Enforcement Officers would attend the property, assess building elements against the evaluation criteria, and ensure that the noted deficiencies have been corrected. If the evaluation score improves, MLS would issue a new rating sign to reflect the changes.

The re-evaluation process will provide an opportunity for apartment building owners/operators to have recent building improvements reflected in their evaluation score and rating sign. This supports the overall objective of the RentSafeTO program of ensuring that apartment building owners/operators comply with building maintenance standards and continuously improve the quality of rental housing stock in Toronto. Pending Council's approval, staff will develop a process and criteria for building owners that apply for a re-evaluation; it is anticipated that this will include a minimum length of time during which a re-evaluation can be requested and a maximum number of one re-evaluation permitted for each prior evaluation, as well as a standard to determine whether the improvements are substantial enough to warrant a re-evaluation. It is not yet known how many apartment building owners/operators may apply for a re-evaluation; as such, it is not possible to accurately estimate the potential fee revenue or impact of staffing resources that this new process may have.

In addition to the building owner/operator being able to request a re-evaluation of their building to improve the score, staff are exploring options for the rating system to also respond to negative changes in the building in between evaluations. Regardless of this aspect, if tenants are experiencing issues with their building that are not being addressed by the apartment building owner/operator, they can contact the RentSafeTO team through 311 at any time to submit a service request at no cost. A By-law Enforcement Officer will attend the property to investigate potential deficiencies and violations.

Staff recommend amending the Toronto Municipal Code, Chapter 441, Fees and Charges, to introduce a fee to recover the costs associated with conducting a re-evaluation. This new fee would allow apartment building owners/operators to have their building re-evaluated upon request. The proposed fee of \$316.06 is cost-recovery and determined by analyzing the estimated amount of staff time and resources needed to administer this new process. Staff also recommend introducing a fee to recover the costs associated with administering a new rating sign in the event that the City must replace a sign that has been lost or damaged, or is otherwise not compliant with the by-law. The proposed fee of \$26.88 is cost-recovery and allows the City to charge the apartment building owner for the labour, material, and shipping costs associated with re-issuing the rating sign.

Staff recommend that these proposed fees be waived for social housing providers. Social housing providers include Toronto Community Housing Corporation, non-profit providers of assisted or social housing under a program administered by the City of Toronto, and dedicated supportive housing providers funded by the Province of Ontario. This aligns with the current program fee structure, which waives all fees for registration, renewal, and audits for social housing providers.

This report also recommends amending the Toronto Municipal Code, Chapter 442, Fees and Charges, Administration of, to explicitly specify that any service in the MLS' Schedule of the Fees and Charges By-law (Chapter 441) is paid for by the person receiving the service, whether or not they requested the service. This would apply to all services provided by MLS in Appendix C, Schedule 12 of Chapter 441 and provides clarity to members of the public, including apartment building owners/operators.

Public and Stakeholder Consultation Process

In developing the proposed rating system for apartment buildings, staff undertook a public consultation process that included both an online survey and an in-person public meeting. The public consultation process was promoted through:

- The City's Get Involved webpage and RentSafeTO webpages;
- A news release;
- Updates to the City's 311 Knowledge Base;
- Online event postings (BlogTO and Now Magazine);
- The City's corporate social media (Facebook, Instagram, Twitter), including paid advertising; and
- Outreach to Councillors, apartment building owner/operator organizations, tenant advocacy organizations and e-Updates subscribers.

Online Survey

An anonymous online survey was developed to provide interested members of the public with the opportunity to provide feedback on the proposed rating system. Note that the draft rating system that was presented during public consultation used three colour categories to align with the DineSafe model, which is slightly different than the proposed model in this report. A total of 1,930 people responded to the survey. Of these, 1,263 respondents identified as tenants, with 944 stating that they rent in an apartment building that qualifies under the RentSafeTO program (that is, they live in a building with 3 or more storeys and 10 or more units).

The online survey, hosted by the City, did not have the scientific controls that a third-party public opinion survey would. The results of the survey should not be considered representative of the general population, but rather used to provide additional insight into public opinion related to the proposed rating system.

Results from the City-hosted survey are provided in Attachment 2. Key findings include:

- 81% of all respondents agreed or strongly agreed that the rating system is a good idea. 88% of renters in RentSafeTO buildings agreed or strongly agreed with the same statement.
- 54% of respondents who identify as registered building owners/operators under the program disagreed or strongly disagreed with the statement that the rating system is a good idea.
- 88% of all respondents agreed or strongly agreed that buildings that fail the evaluation and require an audit should be issued a sign that is red in colour. 92% of renters in RentSafeTO buildings agreed or strongly agreed with the same statement.
- 86% of all respondents agreed or strongly agreed that the proposed rating sign should be placed near the entrance in a prominent place. 69% agreed or strongly agreed that the sign should also be visible from the street or sidewalk so that anyone can see the building's rating.

Public Meeting

Staff hosted a drop-in public consultation meeting in February 2020 at Toronto City Hall. Approximately 100 people attended the public meeting. Feedback that was heard at this meeting was similar to the feedback received through the public opinion survey.

Feedback from the public, tenants and tenant associations included:

- **Overall approach:** Staff heard that the proposed rating system was an important step to increase accountability and transparency, and suggested that this be expanded to include detailed evaluation scores online. Staff also heard that the evaluation criteria should be updated to include service requests, Notices of Violation, and/or Orders to Comply. Some noted that what they liked least about the system was the length of time between re-evaluations, particularly for buildings that would be re-evaluated in three years.
- **Sign design:** Tenants felt that the wording is simple and clear, that the colours made sense, and that the overall design is readable. Some suggestions to improve the design included increasing the font size and making it clearer what the evaluation score means and includes (that is, assessment of common areas). Staff also heard that the red rating signs must be clear that the building is not being shut down by the City and that no one will be de-housed.
- **Evaluation process:** Many tenants expressed disappointment that the evaluation score only considers common areas and does not include issues within individual units. Others noted that many tenants will not contact the City about issues within their unit because they fear retaliation from their landlord. Some stated that they do not think that the evaluations are done consistently across the City or year-over-year, citing cases where score increased without any identifiable improvements.
- **Stigmatization:** Some tenants expressed concern that the issuance of a yellow or a red rating sign will cause stigmatization and feeling of embarrassment among tenants who may not have a choice to live elsewhere. This was highlighted to be a particular concern if the rating signs are visible from the street.
- **Housing concerns:** Many of the comments heard by staff were related to broader concerns about the rental housing market in Toronto. Staff heard that rent increases above the provincial guidelines are becoming commonplace, that the Landlord and Tenant Board processes are intimidating and difficult to navigate, and that the City should encourage the Province to take more action to address the housing crisis.

Feedback from apartment building owners/operators and associations included:

- **Overall approach:** In general, apartment building owners/operators were less supportive of the proposed apartment building rating system than tenants. Some owners/operators questioned the intent of the system, citing that the purpose, outcomes, and financial impact on the City and tenants has not been fully considered. However, some supported the rating system, telling staff that the program may improve the quality of the rental housing stock and is useful to provide more information to prospective tenants about the quality of a building.
- **Evaluation process:** Apartment building owners/operators expressed concerns with the evaluation process, citing issues with consistency and transparency. Some told staff that the evaluation score is not consistent between buildings and unfairly targets older buildings, even if they have been well-maintained.

- **Other concerns:** Many apartment building owners/operators expressed concern about the overall RentSafeTO program, stating that the regulations have become burdensome, difficult to keep up-to-date on, and unfairly targets small business (individual operators) and good owners/operators.

Changes Made to Proposed Rating Signs

As a result of the public consultation process, the following changes were made to the design of the draft rating signs:

- **Readability and accessibility:** Staff heard that there were opportunities to improve readability of the rating signs through better contrast, larger text, and considering individuals with low vision and individuals whose first language is not English. Wherever possible, font size was increased, language was simplified, and non-essential information was removed.
- **Prioritizing important information:** Staff heard that the way the information in the rating sign was organized could be re-arranged to ensure that the most important information is conveyed as clearly as possible. The information in the sign has been prioritized to focus on the rating and the meaning of the rating. Language was updated to provide clearer advice to tenants on how to have issues within their units addressed by the City.
- **Additional colour category:** Staff added a fourth colour (light green) to the colour categories that were presented during public consultation as a way to provide more nuance, similar to the RentLogic program in New York City and align with the program's current enforcement outcomes.

Housing Stakeholder Feedback

Staff consulted with internal City divisions and external partners involved in housing, including social housing, to gather additional feedback on the rating system. Concerns were raised about the use of red coloured signs for buildings that fail their evaluation, as the use of red signs in the DineSafe system indicate that a restaurant is unsafe and therefore closed to the public. Concerns included that tenants who reside in buildings that fail their evaluation may fear that their building is unsafe to live in or will be closed. Staff have incorporated this feedback into the revised signs to specify that the building needs improvements and will ensure that public education and communications will clarify that red rating signs do not indicate closure.

Staff also heard concerns about the placement of the sign itself; specifically that the signs may be vandalized or damaged. Staff recommend requiring that apartment building owners/operators ensure the rating sign is well maintained, secured, and posted at all times. By not prescribing how the sign is to be protected, apartment building owners/operators will be able to determine what works best in their specific building, provided that the sign is prominently and visibly placed at all times.

Housing stakeholders also raised concerns that the high visibility of the rating signs may have unintended consequences for housing affordability. For example, owners of high-scoring buildings may attempt to use their score as a means to raise rental prices, particularly for those that are not subject to provincial rent control regulations or upon a change in tenancy. Buildings that receive a low rating, and need to rectify deficiencies in order to improve their score, may apply to the provincial government for Above

Guideline Increases (AGI). Approved AGI applications allow a landlord to raise rents above the set guideline in order to cover the costs of capital repairs.

While capital repairs are important to improving Toronto's housing stock, an increase in AGI applications raises concerns around affordability. To address this issue, the City has previously requested that the province amend section 126 of the Residential Tenancies Act to eliminate eligibility of capital expenditures that constitute general repair and maintenance of the property. This request also included an amendment to the RTA to require landlords to save 10% of rental income for a maintenance account to be accessed for capital expenditures.

Implementation

The new rating system will require significant staffing and technology resources, as well as the administration of rating signs and online system changes that will require development, testing and ongoing monitoring. The capacity of MLS to undertake this work may be affected by growing COVID-19 infection rates in the City and subsequent response efforts, as By-law Enforcement Officers play an important role in enforcing provincial orders, including ensuring compliance with physical distancing requirements and gathering limits.

As such, staff will be taking a phased approach to implementation. The first phase (Q1/2 2021) will entail the introduction of the rating system and signs. Apartment building owners/operators will be required to comply with the new requirement to post the signs prominently near the entrance of the building by June 1, 2021.

Staff will communicate all by-law changes and new requirements to owners/operators in advance of this implementation date and the RentSafeTO website will be updated accordingly. Staff will also undertake a public education and awareness campaign to educate residents about the new rating system and what it means for tenants living in buildings registered under the RentSafeTO program.

Following the introduction of the rating system and signs, staff will be working with divisional partners to develop a user-friendly online platform for the public to access the evaluation score and colour-coded rating for all registered apartment buildings in the City, using the outputs and outcomes from Civic Hall Toronto and GRIT's prototype testing and a foundation.

Staff will continue to monitor staffing and service levels during each phase of implementation to determine whether additional resources will be required, and may submit a request for an in-year budget adjustment or request additional funding through the annual budget process.

2. Updated Building Evaluation Approach

The proposed rating system uses a building's most recent evaluation score to determine the rating sign colour and percent score; as such, the evaluation tool and the proposed rating system are closely related.

The evaluation tool that MLS currently uses has been in place since 2017. It assesses 20 categories and provides a grade (from 1 to 5) for each. This results in a final evaluation score that is used to provide a high-level assessment of the condition of the building and determine next steps. During the evaluation, a By-law Enforcement Officer inspects:

- Amenities (e.g. laundry rooms, swimming pools and recreational areas).
- Common areas, including the lobby, stairwells and hallways (e.g. state of floors, walls, windows and ceilings).
- Elevators, including availability, maintenance and condition of cab.
- Exterior building, including condition of cladding/bricks/paint, flashing and drain pipes.
- Exterior grounds, including condition of walkways and retaining walls, maintenance of grass, trees, and shrubs and presence of garbage.
- Garbage and recycling management, including chutes, storage and screening.
- Lighting, including condition of fixtures and confirming all common areas are well-lit
- Mechanical systems (e.g. heating and ventilation).
- Parking facilities and garages, including lighting, condition of paint and pavement and signage.
- Security systems (e.g. cameras, self-closing external doors and intercom systems).
- Overall cleanliness of the building common areas.

Based on the evaluation findings, the building is given an overall percentage score, which determines whether the building is required to receive a full building audit. The building score also determines when the next building evaluation will be scheduled.

Staff received a considerable amount of feedback about the evaluation score through the public consultation process in February 2020 and throughout 2019. Members of the public, particularly tenants, told staff that a comprehensive apartment building rating system must consider issues within individual units and that known violations should be reflected in an apartment building's evaluation score. Staff heard that this is needed to ensure that the City's evaluation score is an accurate reflection of the overall quality of the apartment building and, as a result, a useful metric for current and prospective tenants. Staff also heard that the evaluation score should be reflective of whether landlords have met requirements under Chapter 354, Apartment Buildings, such as mandatory plans (such as: cleaning, waste management, and capital repairs).

Staff are in the process of reviewing the evaluation tool used by the RentSafeTO program in order to address these issues and better reflect the lived experience of tenants. Staff anticipate that the re-designed evaluation tool will include additional elements including, but not limited to:

- **Orders to Comply:** Service requests investigated by the City that result in the issuance of Orders to Comply will be included in the re-designed evaluation tool. Orders to Comply are issued when evidence of non-compliance with Chapter 629, Property Standards is determined. By-law Enforcement Officers issue these, typically with compliance dates, and follow up through re-inspections. This will ensure that known issues that have been validated by the City are factored into the

overall evaluation score. Staff do not recommend including all service requests (complaints) received for a building, as it is important to ensure that only reported violations that have been validated are used to have an impact on the evaluation score. By including Orders to Comply, the evaluation tool will more accurately reflect the overall maintenance of the building.

- **Tenant Notification Board and Mandatory Plans:** The updated evaluation tool will include compliance with requirements outlined in Chapter 354, Apartment Buildings, such as requirements to post materials on the Tenant Notification Board and plans for capital repairs, pest management and vital service disruptions.
- **Updated weighting:** the current evaluation score does not apply a weighting to categories based on impact to quality of life (that is, all categories are weighted equally). This has been identified as a necessary area of improvement. Where feasible, staff will adjust the weight of categories that have a more significant impact on quality of life when updating the evaluation tool. These include issues such as confirmed pests, low/no heat, and inoperable elevators and will include Orders issued by MLS; this will allow for a more accurate and meaningful evaluation score.

In November 2019, City Council requested MLS to review the feasibility of including six additional categories as part of the evaluation tool: building roofs, pest infestations, the presence of mould, water pressure, the condition of unit windows, and compliance with existing Tenant Notification Board requirements. While some of these items may be included, others are not feasible. These categories, along with MLS' response, have been included in Table 5.

Table 5: Feasibility of including additional categories in RentSafeTO evaluation tool

CATEGORY	FEASIBILITY
Building Roof	<p>Staff expect to include Orders related to water damage in the updated evaluation tool. Staff do not recommend including a physical inspection of the building roof as a component of the evaluation process. The current evaluation tool includes deficiencies observed related to damaged and leaky ceilings in common areas. Issues related to ceilings in units that are damaged by water or in disrepair are identified through service requests received from tenants.</p> <p>Due to issues related to the safety of By-law Enforcement Officers, it is not recommended that the evaluation tool require staff to access building roofs. MLS has the authority to require apartment building owners/operators to provide a structural engineering report if there is a concern about the integrity of the roof.</p>

CATEGORY	FEASIBILITY
Pest Infestations	<p>Staff expect to include Orders related to the presence of pests within units in the updated evaluation tool. Pest infestations can significantly impact the quality of life for tenants and it is anticipated that Notices and Orders related to pests would be weighted more heavily than other, more minor, by-law infractions.</p> <p>Currently, By-law Enforcement Officers assess pest infestations in common areas as part of the evaluation process. Pest infestations within individual units are addressed through service requests, received either through 311 or through the tenant engagement process during an audit. Apartment building owners/operators are also required to post pest management information on the tenant notification board, including treatment schedules.</p>
Mould	<p>Staff expect to include the presence of suspected mould and mildew as part of the updated evaluation tool, which will also include Notices and Violations related to these issues within individual units. Currently, the evaluation process assesses water damage in common areas.</p> <p>Although By-law Enforcement Officers are not trained to identify mould, Officers have the authority to issue Notices and Orders related to water damage. Complaints specifically related to mould are shared with Toronto Public Health for follow-up.</p>
Water Pressure	<p>Staff expect to include Orders related to water pressure in individual units as part of the updated evaluation tool. Issues with vital services within units, including both water pressure and water availability, will also continue to be addressed through service requests made to 311 or the tenant engagement process during an audit. MLS has the authority to request plumbing reports from apartment building owners/operators.</p>
Unit Windows	<p>Staff expect to include Orders related to the condition of unit windows as part of the updated evaluation tool. The evaluation process currently assesses windows in the common areas that are dirty, in disrepair, or missing. If there is a broken window observed during an evaluation, MLS requires that the apartment building owner repair the window immediately.</p> <p>Unit windows are most commonly exterior windows, which are visible to By-law Enforcement Officers during evaluations and are a component of the current evaluation tool. The most common deficiency is inoperable window sashes that allow windows to open greater than 4 inches; this poses a health and safety risk. In such cases, MLS identifies those windows to the apartment building owner and directs that the violation be corrected immediately.</p> <p>Issues with in-suite windows and doors will also continue to be addressed through service requests made through 311 or the tenant engagement process during an audit.</p>

CATEGORY	FEASIBILITY
Tenant Notification Board Requirements	Although By-law Enforcement Officers have the ability to issue charges for missing or incomplete Tenant Notification Boards, the current evaluation tool does not assess compliance with Tenant Notification Board requirements under Chapter 354, Apartment Buildings. This is an important component to include and will be added as part of the updated evaluation tool.

MLS is currently modernizing the information technology system that supports RentSafeTO as part of an ongoing division-wide transformation initiative. Once complete, this will enable improvements and refinements to the evaluation tool. The evaluation data currently collected is stored in one of MLS' legacy information systems (IBMS). This system is over 20 years old and, as a result, the potential for using it to implement changes to the evaluation tool is limited. MLS is collaborating with the City's Technology Services division to modernize its legacy information systems to a single cloud solution for case management and customer relationship management. A modern system will allow MLS to expand the evaluation tool to include additional inputs to provide a more comprehensive rating of each apartment building registered by the City. It is anticipated that RentSafeTO will be using this new system by early 2022.

Throughout 2021, staff will be undertaking a review of the existing building evaluation approach and criteria, and will be working with an external organization to develop an updated tool that better reflects the lived experience of tenants.

Staff expect to have the updated evaluation tool in use by 2022, as it will require adequate time to design, develop, test, deliver, and train staff on the updated tool. The new evaluation tool will apply to approximately 3,500 apartment buildings and staff will ensure that the proper testing and training is done so that the evaluation process is consistent city-wide and that the objective of producing a meaningful and accurate evaluation score is achieved.

3. Feasibility of Mandating Insurance

Apartment building owners/operators are responsible for rehousing tenants in the event of the building becoming uninhabitable. If the apartment building owners/operators do not provide rehousing, the City will ensure housing is provided on an emergency basis and charge the cost to the owner/operator.

Following MLS' 2019 review of the RentSafeTO program, Council asked staff to further explore the feasibility of requiring apartment building owners/operators and tenants to obtain insurance products that cover the costs of temporary accommodations in the event that an apartment building becomes uninhabitable.

Apartment Building Owner/Operator Insurance

There is currently no insurance product on the market for apartment building owners/operators that specifically provides coverage for the cost of temporary accommodation for tenants. Existing insurance products for owners/operators include property/building insurance, general liability insurance, and business interruption

insurance. However, none of these products directly cover the costs associated with temporary housing for displaced tenants.

Property/building insurance covers loss or damage to the physical elements of the building. General liability insurance insures building owners/operators against claims related to bodily or personal injuries, advertising liability, and property damage to third parties occurring on the premises. Neither property/building nor general liability insurance provides the building owner/operator with coverage for living expenses associated with re-housing tenants elsewhere.

Business interruption insurance covers the actual loss of business income caused by a suspension of operations as a result of an insured unexpected event. For apartment building owners/operators, this may replace lost rental income during a period of time whereby a property is being restored and tenants are not occupying the unit and paying rent. However, it does not compel a building owner/operator pay for a tenants' temporary accommodation elsewhere. With this insurance product, it would be a business decision that the building owner/operator would make regarding whether to spend the insurance money to fund temporary accommodation for tenants.

It is not recommended to mandate insurance for apartment building owners/operators. Obtaining an existing insurance product in order to use the payouts to cover the cost of temporary accommodations for tenants is a business decision that can be made by the owner/operator.

Tenant Insurance

Tenant insurance products exist on the market that include coverage for additional living expenses, specifically coverage for the cost of accommodations and living expenses for people who are prohibited from returning to their home or because their home is unlivable as a result of insured damage.

According to the Insurance Brokers Association of Ontario (IBAO), some coverage examples include "reduced coverages packages", which can provide coverage up to \$2,000 for additional living expenses, which may provide coverage for temporary accommodation. There is also a "best-in-class coverage package" that can include up to \$10,000 of coverage for additional living expenses. There are also tenant insurance products only provide coverage for contents only, and do not include coverage for potential living expenses.

Tenant insurance can cost approximately \$250 to \$500 annually for private market rentals. There are also insurance products available specifically for tenants in social housing through the Housing Services Corporation; and Ontario Works clients and recipients of Ontario Disability Support Program benefits may be able to have costs of this insurance covered as an allowable expense under their shelter allowance.

The cost of tenant insurance depends on multiple factors, including: how much coverage a tenant needs, the location of the dwelling, a tenant's claims and credit history, the insurance company's claims experience, the age of the dwelling and how

the unit or apartment building was constructed (for example, there are typically higher insurance costs for buildings with aging infrastructure).

Insurance payouts are decided on a case-by-case basis and dependent on the situation of each tenant, and there is no guarantee that a tenant will be paid for expenses they claim for additional living expenses. In addition, the City would need to address challenges in implementing a mandatory requirement for insurance, as it could have cost and resource impacts to conduct enforcement activities to ensure that units in RentSafeTO buildings are in compliance. Furthermore, the Apartment Buildings By-law was not intended to, and does not intend to, impose obligations on tenants.

Given these factors, it is not recommended that the City require tenants to purchase insurance products. Landlords may require proof of insurance coverage as part of their lease agreement with a tenant, which is permitted through the provincial Residential Tenancies Act. It is not a legal requirement for all tenants to purchase insurance coverage, but rather an optional choice for landlords to pursue and enforce.

4. Increased Fines for Non-compliance

City Council requested that staff report back on increased fines for infractions under Chapter 354, Apartment Buildings. In July 2020, staff submitted an application to the Province requesting an increase of \$100 per fine to all existing fines, as well as new set fines for temporary measures introduced in response to the COVID-19 pandemic (see Section 11). The application was approved by the Regional Senior Justice on July 21, 2020, and the increased fines are now in place.

An infraction under Chapter 354, Apartment Buildings may generate a Part I or Part III offence. A Part I offence, often referred to as a ticket, may be settled out of court by payment of a set fine or the recipient may dispute it by means of a trial. The set fine may not be more than \$1,000. If a Part I offence is disputed, the court will determine the amount of the fine, which may be less or more than the set fine, to a maximum of \$1000.

A Part III offence involves issuing a summons and requires the individual to appear in court. Under the City of Toronto Act (COTA), the City has authority to establish the range of fines available including setting higher maximum penalty amounts (for example, no more than \$100,000), establishing a daily penalty for a continuing offence (where the total of all daily fines may exceed \$100,000) and making every director or officer of a corporation liable to a penalty in addition to the corporation. These fine amounts already exist in Chapter 354. However, ultimately, it is the presiding judge's determination of the amount to impose once a person has been convicted of an offence.

The City cannot independently set the fine amounts for Part I offences. The City must send an application to the Ministry of the Attorney General, which reviews it and on finding the application satisfactory, forwards it to the Ontario Court of Justice's Regional Senior Justice for Toronto for approval.

5. Update on Remedial Action

City Council directed staff to report on enhancing the capacity of MLS to undertake remedial action. A key component of enhancing this capacity is ensuring that the City has adequate contracts in place with contractors that can undertake the work necessary to rectify building deficiencies - particularly those within large multi-residential buildings.

Status of Remedial Action Efforts

MLS currently has contracts for services related to long grass and weeds, waste removal, graffiti removal, and structural engineers. MLS has also undertaken a review of the RFQs that would be necessary to enhance the capacity of undertaking remedial action, and has begun the process of obtaining those services. Staff have completed an RFQ for cleaning, which has been submitted to the City's Purchasing and Materials Management Division (PMMD) for posting as of Q4 2020.

In addition, an RFQ for painting is being developed and will be submitted to PMMD. As a result of realignment of resources and delays caused by the COVID-19 pandemic, it is anticipated that the cleaning contract will be in place by the end of Q1 2021, and the painting contract is estimated to be in place by the end of Q3 2021. If there is a need for remedial action for a one-off service, staff will instead issue a Low Value Quote, which is a simple and quick process, based on the value of the work.

Context: Remedial Action

Remedial action is a tool available to MLS when seeking to gain compliance with many of the by-laws that MLS enforces. It involves a City contractor undertaking the work, to the satisfaction of the City, and the City adding the cost of this work to the property owner's property tax bill. Remedial action is not typically a mechanism that is used immediately to respond to non-compliance, but rather used after all other feasible options, such as the issuance of Notices of Violation and Orders to Comply, have been exhausted.

To use remedial action, a contract is required between the City and a contractor. A multi-year blanket contract done through a public Request for Quotes (RFQ) process, as opposed to creating one-off contracts, is the most efficient way to coordinate remedial action. This allows the City to repeatedly call upon the contracted vendor to undertake various work, rather than needing to create separate contracts each time work is required. The City's RFQ process requires staff resources to scope, create, and issue the RFQ, as well as in assessing vendor submissions, contract creation, and signing. However, once these are in place, enforcement staff can call upon the contracted vendor to undertake work that is within the scope of the contract.

The types of contracts required for large apartment buildings are different than those needed for other properties that MLS investigates, such as smaller-scale homes and businesses. Because of the need for specialized services, careful consideration is necessary to ensure that the RFQs are successful in procuring contractors that are able to properly undertake the work.

6. Standard Operating Procedures and Service Standards

City Council requested that staff develop standard operating procedures (SOPs) and service standards for 2020, with targeted timelines by violation category to bring landlords into compliance with City by-laws from the date an order is issued, and make the standards available to the public on the RentSafeTO website. The following section provides updates MLS service standards and new SOPs since November 2019.

Standard Operating Procedures

SOPs establish the steps involved in various enforcement processes across the division to ensure consistency in service delivery. Through public consultation, staff heard concerns from both tenants and apartment building owners/operators regarding the consistency and effectiveness of building evaluation and audit processes.

In response to this, MLS has updated its standard operating procedures for RentSafeTO, including both evaluation and audit processes, as well as for the Toronto Community Housing Liaison Program, and have trained staff accordingly. These guidance documents will assist dedicated By-law Enforcement Officers on the RentSafeTO team and ensure consistency and effectiveness.

Service Standards

Service standards refer to the target response times that MLS sets for the various work performed by the division. The RentSafeTO team works to meet an initial response time of 5 days for non-emergency service requests (complaints). This is the same service standard that applies to service requests made for other services provided by the broader Investigation Services team such as property standards, waste, long grass and weeds, and zoning. Emergency service requests have a response time of 24 hours and include no heat in apartment buildings, abandoned appliances, issues with pool fence enclosures, and hate graffiti.

Although the current service standards are useful metrics, MLS recognizes that they are insufficient for the public, as performance standards should be linked to the desired outcome (for example, if residents are better off). Staff are reviewing the existing processes related to investigation and enforcement to improve effectiveness and efficient use of resources, and to employ consistency in compliance and enforcement efforts. Ongoing improvements include modernizing technology, updating information for the public, consistently implementing standard operating procedures for investigations, using a Results-Based Accountability framework, and continuing the development and implementation of a priority response model that uses strategic priorities to determine the urgency and potential impact in addressing complaints.

More information on these planned improvements and an analysis of compliance timelines for common service requests can be found in a recent staff report from MLS on divisional performance standards, which was considered at the March 9, 2020 General Government and Licensing Committee meeting (Item [GL12.10, Municipal Licensing and Standards - Performance Standards](#)).

In response to Council's direction to make service standards easily accessible to the public online, the RentSafeTO website (toronto.ca/rentsafeto) has been updated to include information for tenants about service standards for service requests submitted to both apartment building owners/operators and the City. Information about what tenants can expect from their apartment building owner/operator has been prominently placed on the webpage, as well as information to clarify the process for submitting service requests to the City, including how to submit, check the status, and escalate a complaint.

Staff continue to make further improvements to the RentSafeTO webpages for both tenants and building owners/operators in order to increase transparency and provide more information about the program. MLS is working closely with Strategic Communications to make these improvements, and continues to participate in key interdivisional initiatives to address tenancy issues and access to information for tenants, such as the development and promotion of a new Tenant Information Portal (see Section 9).

7. Update on the Implementation of an Administrative Penalty System

City Council directed staff to report to the Planning and Housing Committee with a proposed Administrative Penalty System (APS) for offences under Chapter 354, Apartment Buildings. While MLS has consulted with Legal Services, Court Services and Technology Services to determine the resourcing and costs required to develop an APS, it has been delayed as a result of the COVID-19 pandemic.

An APS is a dispute resolution structure that diverts offences from the Provincial Offences Act (POA) system. Administrative penalties are imposed without a court hearing and can include the option to dispute and/or pay online. If the recipient of an administrative penalty chooses to dispute the penalty, then the appeal is heard by City-appointed Screening Officers rather than judicial officers (Justices of the Peace). Recipients may appeal a Screening Officer's review to an Administrative Penalty Tribunal Hearing Officer, who is appointed by City Council. Court Services and Legal Services administers and staffs the AP system at the City of Toronto and ensures the system operates independently.

There are many benefits to using an APS, such as timely resolutions, improved customer service, reducing use of court facilities and resources, and a decrease in expenditures for the enforcement of by-law infractions and the administration of the POA system over the long term. However, successful implementation of an APS requires a technological solution(s) to manage its online service delivery. In addition to new technology systems, an AP system requires additional staffing, such as Screening Officers. Screening Officers would be appointed by the City Solicitor and staff assigned to this position would be part of the Legal Services Division.

The City fully implemented an AP system for parking infractions in 2018 as a more cost and time-effective alternative to the Provincial Offences Act (POA) system. As MLS continues to modernize, and as directed by City Council, staff are exploring the introduction of an AP system. Project initiation and planning has begun and will continue over the next three years.

8. Update on the Voluntary Tenant Contact List

In January 2019, City Council requested the interdivisional Heat Relief Working Group to explore the possibility of introducing a requirement for property owners to maintain a voluntary contact list of their tenants, to be used during extreme weather (heat) emergencies. In the interim, in April 2019, City Council approved amendments to the Apartment Buildings by-law that were developed in response to recent incidents in apartment buildings that resulted in loss of vital services and/or evacuations. One of these changes was to require apartment building owners/operators under the RentSafeTO program to maintain a voluntary contact list of tenants who may self-identify as requiring additional assistance or support during periods of evacuation or temporary discontinuance of vital services. The list may be used by City services or emergency responders, such as Toronto Fire Services.

Staff considered the potential utility of a voluntary tenant contact list for heat emergencies. Since the City does not require apartment building owners/operators to take specific actions during times of extreme heat, the utility of such a list would be limited to voluntary actions by owners/operators. Additionally, extreme heat can put everyone at risk for heat related illness but can impact people in different ways depending on their age, underlying medical conditions and ability to acclimatize to hot weather conditions. Often, individuals who have identified vulnerabilities or risks in certain areas (for example, socially isolated seniors, those with chronic or pre-existing illnesses) could also be vulnerable in other situations, such as extreme heat. Therefore, these people may already be captured on the existing voluntary tenant contact list. In the absence of specific requirements for apartment building owners/operators related to the list, and to avoid duplication of the existing list, staff do not recommend a voluntary tenant contact list for heat emergencies.

Staff will continue to support efforts to provide heat relief to tenants, through existing by-laws and awareness programs/campaigns. Access to cooling is a key intervention to reduce the effects of hot weather on health. As of March 1, 2020, apartment building owners/operators are now required to post not only information about the closest public cooling location and air conditioned spaces in the building, but also information about other places on the property that offer relief from uncomfortably warm indoor temperatures, including a cooling room or shaded area. Staff will continue to assess the effectiveness of this new requirement.

Through the Toronto Heat Relief Strategy, the City also provides residents with information and support during the hot weather season, including Beat the Heat tips for keeping cool, and a Heat Relief Network that provides the public with over 300 spaces across the city to cool down, including libraries, community centres and pools, some Civic Centres and City facilities, drop-ins, and several private and non-profit organizations, such as shopping malls and YMCA locations. These cooling spaces are available during their regular business hours, and during the summer are actively promoted to the public. Shelters and 24-Hour Respite centres are also available for cooling for individuals experiencing homelessness. An interactive online map identifies these cool spaces and information on hot weather and health at toronto.ca/keepcool.

The Heat Relief Network was significantly modified in 2020 since the majority of cool spaces were closed for all or part of the heat season due to COVID-19. The Heat Relief

Network was supplemented by an Emergency Cooling Centre program as part of the City's 2020 Heat Relief Strategy and emergency response to COVID-19.

9. The Use of Notice of Rent Increase (N2) Forms

City Council requested that staff evaluate the feasibility of requiring that apartment building owners/operators provide all tenants with information about RentSafeTO when issuing N2 forms. An N2 form is provided to tenants by a landlord when a landlord increases rent by an amount higher than the annual guideline increase set by the Ontario Ministry of Municipal Affairs and Housing. Apartment building owners/operators of newer buildings (that is, buildings occupied for the first time for residential purposes after November 15, 2018) may increase rent above the guideline without approval from the Landlord and Tenant Board.

Similarly, N1 forms are provided to tenants to notify of an increase in rent within buildings that cannot raise rent above the guideline. N1 forms are more common among registered RentSafeTO buildings as they are older buildings. Landlords must provide both of these notices at least 90 days prior to the rental increase taking effect.

The issuance of N1 and N2 forms is a requirement under provincial legislation and the process does not involve the City of Toronto. Apartment building owners/operators can choose to implement a rental increase and provide notice to tenants at any time throughout the year, and By-law Enforcement Officers are not informed when N2 forms are issued. It would be challenging to enforce a requirement for RentSafeTO information to be provided at the time of the issuance of an N1 or N2 form.

As of March 1, 2020, apartment building owners/operators are now required to provide RentSafeTO information to tenants annually, upon signing a lease agreement, and upon request. This meets the objective of sharing information at least once a year and more frequently if the tenant requests it, regardless of whether an N1 or N2 form is provided.

Interdivisional Efforts to Protect Affordable Rental Housing

MLS is also working with other City divisions and external partners to report to the [Subcommittee on the Protection of Affordable Rental Housing](#) on matters relating to illegitimate evictions (namely, N12 and N13 forms). In December 2019, the Planning and Housing Committee requested that an Interdivisional Working Group be established with the Housing Secretariat, Shelter Support and Housing Administration, City Planning, Municipal Licensing and Standards, Toronto Building and Legal Services to report to the Subcommittee on tenancy issues.

To guide and inform this work, the group is also engaging an external advisory committee consisting of people with lived-experience, tenant advocacy groups, landlords, and legal clinics.

City staff brought forward a report in October 2020 with recommendations to address evictions and tenancy issues, including updates on key changes to the City's website to provide more coordinated information for tenants on their rights, responsibilities and programs, as well as advice from the external Advisory Committee on improving

eviction prevention programs, and proposals for a data collection initiative to track tenancy trends.

As part of this work, MLS worked closely with partner divisions and the Customer Experience Transformation and Innovation (CXi) team to develop a user-friendly online portal for tenants to access a wide range of information and services. The new Renter Help webpage (toronto.ca/renterhelp) was launched on September 25, 2020, and includes information on rental housing standards such as the RentSafeTO program and requirements under the Property Standards by-law.

MLS will continue to work with this interdivisional group on future reports related to tenancy issues, as well as a partner in developing and prototyping new solutions to tenant engagement (for example, SMS pilot for tenants to ask the City questions via text) and exploring new opportunities to share renter information and resources through the RentSafeTO program.

10. Update on Tenant Engagement

City Council directed that staff allocate \$60,000 of the RentSafeTO program budget for door-to-door tenant engagement, and consider issuing a Request for Proposal (RFP) to obtain a qualified organization to conduct this work. Staff had moved forward with this and issued the RFP in February 2020. However, this process has been postponed indefinitely as staff are unable to safely move forward with in-person engagement efforts as a result of the COVID-19 pandemic and public health advice.

Staff have made improvements to tenant engagement processes throughout 2020, adapting as necessary to keep tenants informed during the COVID-19 pandemic. Staff are currently in the process of drafting a new RentSafeTO engagement strategy for 2021, which will find alternative ways to safely and meaningfully engage tenants in consultation with Toronto Public Health.

11. COVID-19 Emergency Response Efforts

As a result of the COVID-19 pandemic, the City of Toronto responded with temporary and permanent changes to programs and policies in order to support residents and businesses across the city. Among these changes were two temporary measures to keep tenants safe in multi-residential buildings.

On June 29, 2020, City Council adopted Item MM22.19, Reducing the Risk from COVID-19 for Residents of Multi-Tenanted Buildings, which amended Chapter 354, Apartment Buildings, to require apartment building owners/operators to:

- Provide hand hygiene stations or alcohol based hand sanitizer in all essential common rooms areas that remain open (such as laundry rooms);
- Close non-essential common areas such as gyms, playrooms, and other high traffic areas to be consistent with provincial restrictions (that is, remaining closed until provincial restrictions are lifted to permit gyms, playrooms, etc.);

- As part of the existing cleaning plan requirement, to add a schedule for the cleaning of frequently-touched surfaced in common areas (such as doorknobs, elevator buttons, handrails) twice daily and when visibly dirty; and
- Post Toronto Public Health signage as recommended by the Medical Officer of Health.

These amendments were associated with a sunset clause in the by-law, expiring in October 2020. On September 30, 2020, City Council voted to extend these requirements until the end of City Council's first meeting of 2021.

On July 28, 2020, City Council also adopted Item CC23.3, Update on the City's Response to COVID-19 and Financial Impacts, which enacted a separate temporary by-law requiring the owners/operators of apartment buildings as well as condominium corporations to have a policy to ensure masks or face coverings are worn by individuals in enclosed common spaces (such as lobbies, elevators, laundry rooms), subject to appropriate exemptions for those unable to wear a mask for medical reasons, children under two years old, and other reasonable accommodations. On September 30, 2020, City Council also voted to extend these requirements until the end of City Council's first meeting of 2021.

The RentSafeTO program and its dedicated By-law Enforcement Officers have played a key role in working with both landlords and tenants to provide education and ensure compliance with these new provisions. MLS will continue to dedicate its resources to support the City's public health measures as the COVID-19 pandemic evolves, which may impact the program's operational capacity and implementation of the new rating system and evaluation tool changes.

12. By-law Amendments and Further Operational Improvements

This report recommends that City Council make technical and additional amendments to Toronto Municipal Code Chapter 354, Apartment Buildings. These amendments, along with their rationale, are provided in Table 6, below.

Table 6: Recommended amendments to Toronto Municipal Code Chapter 354, Apartment Buildings, and Rationale

AMENDMENT	RATIONALE
Amend Section 354-3.2 to require apartment building owners/operators to post their waste management plan on the tenant notification board.	<p>Landlords are currently required to develop a waste management plan, and requires that waste diversion literature be posted in at least one common area.</p> <p>In consultation with Solid Waste Management Services Division, staff recommend that the by-law be amended to require that this plan be posted to the tenant notification board, alongside other important information such as the cleaning plan and capital plan. This will improve access to information for tenants, as well as enforcement efforts to ensure compliance.</p>

AMENDMENT	RATIONALE
<p>Amend Section 354-2.1 to require that building owners/operators provide an email address as part of the apartment building registration and renewal processes.</p> <p>Add a provision that the mailing address, email address, and phone number provided to MLS through the registration and renewal process is up to date at all times, and that any written communication to an apartment building owner/operator by MLS shall be deemed received by the owner/operator when delivered to the mailing address or email address on file.</p>	<p>The names and contact information of the property owner(s) and property operator(s) of an apartment building are required as part of the registration process. However, email addresses are not currently required, which limits the ability of the City to communicate effectively with landlords. The need for the City to communicate with landlords virtually has been emphasized by the COVID-19 pandemic.</p> <p>Staff recommend amending the by-law to require that email addresses be submitted through the registration/renewal process, and consider an application incomplete if this information is not provided. Staff also recommend clarifying in the by-law that information must be kept up to date, and that information will be considered received by a landlord when delivered to the email or mailing address on file.</p>
<p>Amend Section 354-3.7 to clarify that the state of good repair plan for each apartment building must be developed and maintained in a form and manner satisfactory to the Executive Director, Municipal Licensing and Standards.</p>	<p>Currently, the by-law does not specify how state of good repair plans (sometimes called capital plans) must be developed and maintained, although it does set out what types of building structures should be included.</p> <p>This amendment will allow staff to develop a standard template form for capital plans to be recorded on, providing consistency between buildings and ensuring that all state of good repair plans meet minimum standards.</p>

Operational Improvements and Updates

In addition to the improvements listed above (such as obtaining increased set fines, new SOPs, remedial action progress), staff have made further operational improvements to the RentSafeTO program to enhance customer service, streamline enforcement, and modernize processes. Notable changes include:

- **Air conditioning clarification:** in response to uncertainty among tenants and apartment building owners/operators about responsibilities as they relate to air conditioning, MLS prepared a [frequently asked questions document](#) and posted it online on the [RentSafeTO for Tenants](#) and [RentSafeTO for Building Owners](#) webpages.
- **Building evaluations process updates:** the way the City notifies apartment building owners/operators about upcoming evaluations has been improved to be more clear about what is inspected during an evaluation and to highlight the importance of evaluations. In addition, MLS updated the Standard Operating Procedure for conducting building evaluations to ensure consistency and hosted a comprehensive officer training in September in advance of the 2020 evaluations.

- **Clarifying Tenant Notification Board requirements:** in response to concerns from tenants and apartment building owners/operators, staff created a [sample Tenant Notification Board](#) graphic to better demonstrate the mandatory components of these boards and posted it publicly on the [RentSafeTO for Building Owners](#) webpage.
- **Improvements to the tenant engagement process:** in response to COVID-19, the tenant engagement process during building audits was updated to allow for social distancing and the hardcopy form used to submit service requests to the City during an audit was substantially redesigned to be more user-friendly and minimize staff to resident interactions.
- **Updating the Building Owner Handbook:** the [handbook](#) available to building owners/operators has been updated to include the latest by-law amendments and reflect the scope of the RentSafeTO program. The handbook has been made fully accessible and AODA compliant and is publicly available on the City's [RentSafeTO for Building Owners](#) webpage.
- **Website updates:** in consultation with Strategic Communications, content on the [RentSafeTO webpages](#) has been substantially updated to provide clearer information and to assist tenants and building owners in understanding the program and how to ask questions and submit service requests to the City. A fully accessible updated registration form has been posted to improve the registration process. These updates align with the broader updates and key changes to the City's [Rental Housing and Tenant Information](#) portal to provide coordinated information for tenants on rights, responsibilities, and resources available.

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SIGNATURE

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ATTACHMENTS

Attachment 1 - Draft Rating Sign Designs
Attachment 2 - Survey Results: Proposed Colour-Coded Rating System
Attachment 3 - RentSafeTO Online Rating System: User Research and Usability Testing Report