

## **Extending the TCHC Moratorium on Evictions due to Non-Payment of Rent**

**Date:** February 16, 2021

**To:** Planning and Housing Committee

**From:** General Manager, Shelter, Support and Housing Administration

**Wards:** All

### **SUMMARY**

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On December 16, 2020, City Council requested the Board of Directors for Toronto Community Housing Corporation (TCHC) to implement a three-month moratorium on evictions due to non-payment of rent ("TCHC's moratorium").

The Province subsequently issued an emergency order to pause the enforcement of non-emergency residential evictions across Ontario, under its second state of emergency due to the COVID-19 pandemic declared on January 12, 2021 ("provincial moratorium"). On February 8, 2021, the Province announced that it is moving to a regional approach and that the provincial moratorium will only continue in regions where the provincial stay-at-home order is in effect. For Toronto, this stay-at-home order is currently in place until February 22, 2021, with the possibility of extension.

TCHC's moratorium requested by City Council has been superseded by the provincial moratorium. TCHC is currently adhering to and following the provincial moratorium as it unfolds. Should the provincial moratorium conclude before March 17, 2021, the initial end date requested by City Council, TCHC will resume and carry out its initial Council-requested moratorium.

In the absence of an extended provincial moratorium beyond March 17, 2021, this report recommends extending TCHC's moratorium for an additional three months to June 17, 2021. Consistent with the original terms, the extended moratorium will suspend the physical act of evictions due to non-payment of rent. This report also recommends that TCHC's Board of Directors consider whether to extend the moratorium beyond June 17, 2021, based on advice from the President and Chief Executive Officer of TCHC in consultation with the General Manager of Shelter, Support and Housing Administration, and the Medical Officer of Health.

TCHC continues to mitigate the risk of tenants falling into arrears and facing eviction once the moratorium is lifted. This includes notifying tenants of their arrears; educating tenants of the risks of non-payment; referring vulnerable tenants to support services; and negotiating reasonable repayment agreements.

## **RECOMMENDATIONS**

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

1. Should Ontario Regulation 13/21 cease to apply to the Toronto Public Health Unit prior thereto, City Council request the Board of Directors of Toronto Community Housing Corporation to continue a moratorium on evictions for non-payment of rent until June 17, 2021;
2. City Council request the Board of Directors of Toronto Community Housing Corporation to consider whether to extend the moratorium on evictions for non-payment of rent beyond June 17, 2021 based on advice from the President and Chief Executive Officer, Toronto Community Housing Corporation, in consultation with the General Manager, Shelter, Support and Housing Administration, and the Medical Officer of Health.

## **FINANCIAL IMPACT**

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There is no immediate financial impact resulting from the adoption of the recommendations in this report, however, should rental arrears increase during an evictions moratorium, there is a risk that the amount of unrecoverable debt will likewise increase, which will have future financial impacts for TCHC. 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**

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TCHC tenants encompass low-income and vulnerable individuals and families from a range of equity seeking groups, including seniors, persons with disabilities, and youth. Extending the moratorium on the physical act of evictions for an additional three months will help to ensure TCHC tenants remain sheltered during the COVID-19 pandemic.

## **DECISION HISTORY**

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At its meeting on December 16, 2020, City Council, as sole shareholder, requested that TCHC implement a three-month moratorium on evictions due to non-payment of rent (item no. MM27.2). At this meeting, City Council also requested that the General Manager, Shelter, Support and Housing Administration, in consultation with the Medical Officer of Health and the President and Chief Executive Officer, TCHC, report back to the Planning and Housing Committee with a recommendation on whether to extend the moratorium beyond March 17, 2021.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.MM27.2>

## COMMENTS

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### Background

TCHC is Canada's largest social housing provider, housing over 100,000 Toronto residents. Approximately 90% of TCHC units are provided to households in receipt of rent-gear-to-income (RGI) assistance, while the remaining 10% are provided to households who do not receive a subsidy and pay market rent.

At its meeting of December 16, 2020, City Council requested the Board of Directors for TCHC to implement a three-month eviction moratorium for non-payment of rent. City Council also adopted a recommendation to request the Premier of Ontario to immediately sign an Emergency Order to stop residential evictions during the COVID-19 pandemic.

The Province subsequently declared a second state of emergency on January 12, 2021, which included an emergency order to pause the enforcement of residential evictions across Ontario. On February 8, 2021, the Province announced it is moving to a regional approach and that the provincial moratorium will only continue in regions where the provincial stay-at-home order is in effect. For Toronto, this stay-at-home order is currently in place until February 22, 2021, with the possibility of extension.

### **TCHC Eviction Moratorium: Current status and recommended path forward**

TCHC is currently adhering to the provincial moratorium on evictions due to non-payment of rent and following prescribed timelines as they unfold. Should the provincial moratorium conclude before March 17, 2021 (the initial end date requested by City Council), TCHC will resume implementation of the council-requested moratorium.

In the absence of an extended provincial moratorium beyond March 17, 2021, this report recommends that TCHC extend their moratorium on evictions for an additional three months, until June 17, 2021. Consistent with City Council's original request, the moratorium will suspend the physical act of evictions due to non-payment of rent.

The majority of TCHC households are in RGI units and about 70% are in receipt of social assistance or have fixed incomes (e.g. pensions). As such, these households should not experience income disruptions related to the COVID-19 pandemic that will affect their ability to pay rent. If a RGI household experiences income loss, the rent is re-calculated to a new level equal to 30 percent of total household monthly income, with a minimum rent of \$129 per month. Additionally, the Province has passed legislation to freeze rent at 2020 levels, meaning no TCHC tenants will have rent increases in 2021. This includes RGI households who experience an increase in monthly income.

With consideration that loss of income is not impacting the majority of TCHC tenants' ability to pay rent, a focus on restricting the enforcement of evictions is a more effective approach to ensuring tenants remain sheltered during the pandemic, while avoiding the accumulation of arrears. Through this approach, TCHC is able to continue to mitigate the risk that tenants, who may have otherwise been able to pay rent, may gain a false

sense that do not need to pay rent and fall into arrears. The longer that arrears are accumulating, the more likely that the tenant will be unable to repay them and become at risk of losing their housing once the moratorium is lifted.

Support and intervention at the early stages of non-payment of rent, including issuing eviction, is key to avoiding the long-term risk of the accumulation of arrears. TCHC's arrears collection process involves the following eviction prevention activities that help tenants who fall into arrears bring their rental account back in good standing:

- Promptly notifying tenants of their arrears.
- Engaging with tenants to encourage the payment of arrears where possible, either fully or through a repayment agreement.
- Informing tenants of the possibility that arrears could lead to an eviction following the eviction moratorium period in the absence of a repayment agreement.
- Issuing appropriate notices to tenants with un-remedied arrears.
- Participating in Landlord and Tenant Board mediations and hearings.
- Referring applicable tenants to the Office of the Commissioner of Equity, which is an arms-length accountability office for TCHC that works to prevent evictions for seniors and other vulnerable groups living in TCHC units through services such as support negotiating repayment agreements, developing monthly spending plans, and identifying/securing income support entitlements.

## **Conclusion**

In the absence of an extended provincial moratorium beyond March 17, 2021, this report recommends an extension of TCHC's Moratorium to June 17, 2021. Consistent with City Council's original terms, the extended moratorium will suspend the physical act of evictions due to non-payment of rent.

TCHC continues to take this matter seriously and will take into careful consideration whether the moratorium should be extended beyond June 17, 2021 in consultation with Shelter, Support and Housing Administration and Toronto's Medical Officer of Health.

In order to support the housing stability and safety of residents and reduce the long-term risks of eviction, TCHC will continue to implement prevention processes that help tenants who fall into arrears bring their rental account back in good standing, including tenant education, support service referrals, and repayment agreements.

## **CONTACT**

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## **SIGNATURE**

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Mary-Anne Bédard, General Manager  
Shelter, Support and Housing Administration