A New Regulatory Framework for Multi-tenant Houses (MTH)

Planning and Housing Committee

June 28, 2021
Multi-tenant houses are...

• single-room accommodation with shared kitchen and/or washroom

• one of the most affordable options in the private rental market

• homes for diverse communities

• an important part of the housing stock and complete communities
Existing regulations for MTH

- zoning, which sets out where the use is permitted, and what land use standards apply
- licensing, which ensures that they are safe and well-maintained
- outdated and inconsistent across the city
- under appeal (zoning)
Issues today

- despite lack of zoning permissions, MTH exist across the city
- MTH cannot be licensed if they are not permitted by zoning
- unlicensed and illegal MTH can result in inadequate and unsafe living conditions for tenants, and property maintenance and nuisance concerns for communities
- a need for affordable housing, but opportunities are inequitable across the city
Safe and well-maintained houses are only achievable through effective regulation

• affordable and livable housing choices in all neighbourhoods

• safe and well-maintained housing that meets the needs of tenants

• property maintenance and nuisance concerns are addressed to meet the needs of communities

• equitable and fair permissions across the city, consistent with a human rights-based approach to housing
Five Components of the New Regulatory Framework
1. City-wide Zoning Strategy

- Permitted in all zones that permit residential uses
- Maximum number of dwelling rooms to control intensity of use
- Consistent and harmonized definitions
- Parking and washroom requirements based on number of rooms

Maximum number of dwelling rooms would be **6 dwelling rooms** in most residential neighbourhoods.
2. Enhanced Licensing Framework

New licensing by-law with increased standards and reviews for compliance across related rules

- Updated definition of multi-tenant house
- Property standards plan
- Floor plans and maximum occupancy numbers
- Electrical evaluations
- Zoning review
- Building Code compliance confirmation
- New Multi-Tenant Housing Tribunal
- Regulatory oversight framework for personal care MTH
Coordinated, inter-divisional and dedicated resources will take action to promote safe and liveable houses

<table>
<thead>
<tr>
<th>Collaboration</th>
<th>Education and Outreach</th>
<th>Compliance Strategy</th>
<th>Enforcement Strategy</th>
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<tr>
<td>Dedicated Municipal Licensing and Standards (MLS) enforcement team along with Toronto Fire Services, Toronto Building, Toronto Public Health and other divisional staff as needed.</td>
<td>Identify unlicensed operators and notify them of bylaw requirements; provide <strong>education and support</strong> for tenants, operators, owners and communities on the process to submit a complaint.</td>
<td><strong>Annual inspections</strong> of licensed multi-tenant houses and investigations of unlicensed operators.</td>
<td><strong>Increased fines</strong>, modernized housing tribunal and remedial action.</td>
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4. Supporting Tenants and Maintaining Housing Affordability

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<tr>
<th>Concerns</th>
<th>Recommendations</th>
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<tr>
<td>Potential cost impacts on operators, potential for cost to be trickled down to tenants</td>
<td>• Options to comply with OBC and Fire Code</td>
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<td>• Financial incentive program for operators to offset costs</td>
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<td>Possible displacements due to room caps and closures</td>
<td>• Proactive planning for emergency relocations and potential displacements</td>
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<td>New zoning by-law would perpetuate trend of crowded student housing in neighbourhoods</td>
<td>• Acceleration of discussions with post-secondary institutions to develop affordable student housing on/near campuses</td>
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5. Implementation Plan

City is developing an overall implementation plan and phased approach to ensure a smooth and orderly transition to a new framework.

**Year 1**
Sep 2021 – Nov 2022
- Dedicated enforcement team
- Project management team
- Tribunal
- System changes
- Building code consultant
- Post-secondary opportunities

**Year 2**
Nov 2022 – Nov 2023
- Zoning / licensing in effect
- Education and outreach
- Focus on enforcement for high-risk operators
- Transition licensed operators
- Identify and transition unlicensed operators
- Monitoring any displacement

**Year 3**
Nov 2023 +
- Focus on licensing new operators
- Monitor impacts on housing affordability, communities and tenants
5. Implementation Plan: Financial Impact Analysis

No financial implication this year

Financial impacts in the future as the program is phased in

MLS projects that implementation costs will be $4,359,605

Includes implementation for licensing and enforcement

Toronto Fire Services projects implementation costs of $1,775,790

Potential annualized impact on the operating budget in 2022 and 2023

Divisions will request funding for implementation in their respective budgets

2022 and 2023 operating budget processes
Thank you