

Renoviction Policy - Creating a Framework to Protect Affordable and Mid-range Rental Homes and Deter Renovictions

Date: June 20, 2022

To: Planning and Housing Committee

From: Executive Director, Housing Secretariat

Wards: All

SUMMARY

Three key strategic priorities identified in the [HousingTO 2020-2030 Action Plan](#) ("HousingTO Plan") are to: prevent homelessness and improve pathways to housing stability for residents across the city; ensure well-maintained and secure homes for renters; and to maintain and increase access to affordable rents. The City's *Housing Charter: Opportunity for All*, also states that, "the City will take action to prevent arbitrary eviction, homelessness and other threats to human security and dignity, ensuring that City policies and programs are designed to avoid residents from being made homeless." Residential evictions pose a direct challenge to realizing these goals, and puts the housing stability of over half a million tenant households in Toronto at risk.

As a result of various factors impacting Toronto's housing market (including low vacancy rates, lack of purpose-built affordable rental homes, wages that have not kept pace with the increased cost of living and the financialization of housing) many low-income and marginalized residents, including those from equity-deserving groups, are struggling to find and maintain safe, secure and affordable homes. These conditions have resulted in increased rates of evictions.

In particular, there has been a growing trend of "renovictions" in Toronto whereby a landlord illegitimately evicts a tenant by alleging that they need vacant possession of a residential unit to undertake renovations or repairs. Evictions, including renovictions, result in the displacement of tenants, housing instability, increased rates of homelessness and the permanent loss of affordable and mid-range rental homes.

To address this issue, in December, 2019, through Item [PH11.11](#), the Planning and Housing Committee directed staff to: explore an approach to coordinate City processes to identify and prevent potential instances of illegitimate evictions; potential mechanisms and data sources to track and monitor data on evictions; and make improvements to City programs, policies and processes to address evictions. In May, 2021, through Item

[PH23.20](#), the Committee also directed staff to report back with a proposed Renovictions Policy, having regard for best practices from other jurisdictions, as applicable. This report responds to the Committee's requests.

The proposed Renoviction Policy (Attachment 1) sets out a framework to help preserve affordable and mid-range rental homes across the city. This report also recommends that staff report back to Council by the second quarter of 2023 with a new regulatory by-law to protect affordable and mid-range rental homes, a detailed implementation plan to phase in the by-law, including required resources, and a coordinated approach to compliance and enforcement.

While this Policy and companion future by-law cannot stop renovictions, as this is within the jurisdiction of the Province, they do leverage the City's authorities under the *City of Toronto Act, 2006* to deter the practice of renovictions which negatively impact the health, social and economic well-being of the city and its people.

To support implementation of the proposed Renovictions Policy and future companion by-law, this report also seeks Council authority for staff to establish a Housing At-Risk Table (Attachment 2) which will review eviction data, analyse the data and report regularly on identified trends; review complaints received from residents; and connect people to supports as needed. The primary objectives of these activities are to preserve the city's affordable and mid-range rental housing supply and help support tenants who are at risk of being evicted.

Successful implementation of this Policy and future by-law will support delivery of the HousingTO Plan and help improve health, social and economic outcomes for tenants across Toronto. However, successful implementation will require a coordinated approach across various City divisions and programs plus additional dedicated resources in order to achieve the intended outcomes.

Furthermore, recognizing that addressing evictions (including renovictions) requires a whole-of-government approach, and that the levers to effect the systemic and structural changes to address the issue exist outside municipal jurisdiction, this report recommends that City Council request the federal and provincial governments to take a number of actions to enhance existing legislations or introduce new policy and financial tools to complement the City's efforts.

RECOMMENDATIONS

The Executive Director, Housing Secretariat recommends that:

1. City Council approve the proposed Renoviction Policy (Attachment 1) as a broad framework to guide the development of a new by-law to preserve affordable and mid-range rental housing in the city and deter renovictions.
2. City Council direct the Executive Director, Housing Secretariat, in consultation with the Executive Director, Municipal Licensing and Standards, the Executive Director, Building and Chief Building Official, other relevant divisions, to report

back to the Planning and Housing Committee by the second quarter of 2023 with a new regulatory by-law to protect affordable and mid-range rental housing stock, along with a detailed implementation plan to phase in the by-law, including required resources, and a coordinated approach to compliance and enforcement.

3. City Council authorize the Executive Director, Housing Secretariat to establish a Housing At-Risk Table as set out in Attachment 2 to this report, subject to the proposed Housing At-Risk Table being subject to a review and assessment by the City Clerk to confirm compliance with respect to the City's obligations under the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and other Information management obligations.
4. City Council request the Government of Ontario to amend the *Residential Tenancies Act, 2006*, and/or related regulations to:
 - a) require landlords to provide a copy of a building permit to the Landlord and Tenant Board as part of an N13 Notice, and require evidence that the permit was delivered with the N13 Notice as part any L2 application filed on that basis;
 - b) require landlords of residential units to be responsible for finding temporary accommodation for their tenants if they need to leave a unit so that it can be repaired or renovated, and the tenants intend to move back post-repair/renovation;
 - c) provide the same rights afforded to tenants in buildings with five (5) or more units to those in buildings with less than five (5) units;
 - d) re-introduce rent control to cover units occupied after November 15, 2018;
 - e) amend Above Guideline Increase (AGI) rules to make expenditures that are necessary to address non-compliance with municipal property standards/municipal orders around health, safety or maintenance standards to be ineligible for AGIs; and
 - f) require landlords to provide tenants with clear, detailed information about the scope of work to be performed on a rental unit well in advance of it being carried out, and to provide evidence of actual costs incurred, in order to be eligible for an AGI.
5. City Council request the Government of Ontario to enhance investments in the provincial Rental Housing Enforcement Unit to establish an after-hours emergency line for tenants or landlords needing help outside of regular office hours, add more inspectors, and increase the frequency of site visits to investigate complaints about alleged offences under the *Residential Tenancies Act, 2006*.

6. City Council request the Government of Ontario to make the Landlord and Tenant Board more accessible to individuals and groups of tenants seeking reduction in rents when their rental units fall into disrepair.
7. City Council request the Government of Ontario to introduce vacancy control legislation which ties rents to residential units rather than tenants.
8. City Council request the Government of Ontario to create a centralized data system and registry to:
 - a) register all rental properties in Toronto including purpose-built rentals, secondary suites, condominiums in rental tenure, and multi-tenant homes;
 - b) include the owners of rental properties, including details of beneficial ownership if the property is held in trust for another entity;
 - c) make owners of rental properties, including corporations and their beneficial owners, publically accessible and searchable; and
 - d) make the data available to the public.
9. City Council reiterate its request to the Government of Ontario to:
 - a) identify tenants in need of housing support services through the eviction process and provide these services for every household that is evicted through the Landlord and Tenant Board, with a goal of timely re-housing;
 - b) provide and fund emergency shelter spaces and related supports for households evicted through the Landlord and Tenant Board, at no cost to municipalities, until housing can be provided for those households; and
 - c) invest in the development of new affordable rental homes and housing benefits in municipalities, commensurate with population and core housing need, and prioritize access for tenants who have been evicted as well as those who are paying more than 30 percent of income on rent and may be at risk of being evicted.
10. City Council re-iterate its request to the Province of Ontario to improve the adequacy and structure of social assistance by using data and evidence to increase social assistance rates so that recipients are better able to meet their basic needs, including the cost of living (including housing) in Toronto, equalize the benefit rate across the Ontario Works and the Ontario Disability Support Program, and adjusts utility scales and social assistance rent scales for residents living in social housing who are in receipt of Ontario Works or Ontario Disability Support Program supports.
11. City Council request the federal and provincial governments to fund eviction support and prevention programs that build on successful City of Toronto's programs such as Eviction Prevention in the Community (EPIC), Rent Bank,

Housing Stability Fund and Toronto Tenant Support programs, or to provide funding to the City to enhance these programs to address the growing rate of evictions.

12. City Council request the provincial and federal governments to provide funding to support tenant education, advocacy and organizing efforts, and legal clinics to help tenants maintain their housing.
13. City Council request the federal government, through the Minister of Housing and Diversity and Inclusion and in collaboration with the City of Toronto, to advance commitments outlined in the Minister's mandate letter to address renovictions and expedite the development and/or implementation of policies, programs and investments including to:
 - prevent renovictions;
 - amend to the *Income Tax Act* to require landlords to disclose in their tax filings the rent they receive pre- and post-renovation and to pay the taxing authority a proportional surtax if the increase in rent is excessive;
 - introduce an anti-flipping tax on residential properties, requiring properties to be held for at least 12 months;
 - impose a temporary ban on foreign buyers of non-recreational residential property in the Canadian housing market so that housing does not sit vacant and unavailable to Canadians;
 - review and reform the tax treatment of Real Estate Investment Trusts;
 - develop policies to curb excessive profits in investment properties while protecting small independent landlords;
 - increase the down payment requirements for investment properties; and
 - respond to housing price fluctuations.
14. City Council re-iterate its requests to the federal and provincial governments to establish acquisition programs that would support the acquisitions and renovations/ conversions for all types of private market residential properties and other properties, to create new permanent affordable rental and supportive homes.
15. City Council reiterate its requests to the federal and provincial governments in invest in the HousingTO 2020-2030 Action Plan which will increase the supply of new affordable and supportive homes, protect existing rental stock including through retrofit programs, and help residents across the city to maintain their existing homes.

FINANCIAL IMPACT

There are no financial impacts to the City in 2022 as a result of approving the recommendations in this report. However financial impacts are anticipated for future

years for support and implementation of the proposed Housing At-Risk Table, Renovictions Policy and future by-law.

Any financial implications will be identified to Council as part of the 2023 and future years' budget processes.

The Chief Financial Officer has reviewed this report and agrees with the financial implications as stated in the Financial Impact statement.

EQUITY IMPACT

The [HousingTO 2020-2030 Action Plan](#) ("HousingTO Plan") envisions a city in which all residents have equal opportunity to develop to their full potential. It is also centred on a human rights-based approach to housing which recognizes that housing is essential to the inherent dignity and well-being of a person and to building healthy, inclusive sustainable and liveable communities.

Protecting the existing stock of permanent affordable and mid-range rental housing across the city and addressing illegitimate evictions is critical to preventing homelessness and improving housing stability for residents.

These actions also help systemically and structurally vulnerable and marginalized individuals, including Indigenous Peoples, Black and other racialized people, seniors, women and 2SLGBTQ+ persons to access and maintain safe, healthy and adequate homes.

Safe, secure, affordable housing is a key determinant of health. It also improves social and economic outcomes for individuals, families and communities. Furthermore, good quality, affordable housing is the cornerstone of vibrant, healthy neighbourhoods and supports the environment and economic health of the city, region and country as a whole.

DECISION HISTORY

At its meeting of June 28, 2021 the Planning and Housing Committee adopted Item PH25.23 - "Actions to Address Renovictions in Toronto", and directed staff to develop a Renovictions Policy and accompanying procedures for consideration, having regard for best practices from other jurisdictions, as applicable

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH25.23>

At its meeting of May 20, 2021 the Planning and Housing Committee adopted Item PH23.20 – "Evaluating New Westminister Renoviction Prevention Measures" and directed staff to evaluate the New Westminister, BC by-law addressing renovictions and how it could be adapted for Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH23.20>

At its meeting of November 23, 2020, the Subcommittee on the Protection of Affordable Rental Housing adopted Item PH4.2 – "2021 Work Plan on the Preservation of Affordable Rental Housing" and approved the creation of a new Tenant Advisory Committee to work with staff to co-develop work plans to address issues including the consideration of a renovictions policy. Staff were also directed to engage an external consultant to assist with data collection on evictions.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RH4.2>

At its meeting of November 23, 2020, the Subcommittee on the Protection of Affordable Rental Housing adopted Item RH4.1 – "Tenant Support Grant Program Updates" which recommended expanding the scope of the Tenant Support Grant Program to include N13 notices as an eligible grant application type and increasing the Tenant Defence Fund 2021 budget by \$100,000.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RH4.1>

At its meeting of September 24, 2020, the Subcommittee on the Protection of Affordable Rental Housing adopted Item RH3.1 – "Actions to Promote the Protection of Residential Rental Tenancies" and, among other things, requested staff to develop an assessment tool that will guide staff in determining work which may legitimately result in the need for the tenant to vacate a property either temporarily or permanently.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RH3.1>

At its meeting of November 20, 2019, the Subcommittee on the Protection of Affordable Rental Housing adopted Item RH2.1 – "Promoting the Security of Residential Rental Tenancies" and directed staff to explore options to address illegitimate evictions including data collection, investigation measures and provincial advocacy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.RH2.1>

COMMENTS

Human Rights-Based Approach

All orders of government have recently taken steps to apply a human rights lens to the development of housing legislation, policies and programs.

In June 2019, the federal government enacted the National Housing Strategy Act which stated, "It is declared to be the housing policy of the Government of Canada to recognize that the right to adequate housing is a fundamental human right affirmed in international law".

In December 2019, as part of the HousingTO 2020-2030 Action Plan, the City adopted a new Housing Charter with a specific principle that states, "All residents have a right to a safe, secure, affordable home in which they can live in peace and dignity and realize their full potential". Through the adoption of an updated "*Toronto Housing Charter: Opportunity for All*", the City, within its jurisdiction, is highlighting its commitment to the progressive realization of the right to adequate housing. This human rights-based

approach recognizes that housing is essential to the inherent dignity and well-being of a person and to building inclusive, healthy, sustainable and liveable communities. Preserving the City's existing housing stock will increase the opportunity for lower-income and vulnerable individuals and families, as well as those from equity-seeking groups to access safe, healthy and adequate homes.

At the provincial level, the Ontario Human Rights Commission (OHRC) states municipalities have human rights responsibilities in their roles as facilitators of affordable housing and take steps to apply a human rights lens to decisions that could result in the loss of affordable housing.

The proposed Renovictions Policy and recommendations in this report aim to leverage the City's legislative authorities under the *City of Toronto Act* to deter the practice of renovictions. Deterring renovictions will help protect the city's affordable and mid-range rental housing stock, including deeply affordable homes. It will also support residential tenants by helping to build awareness with both tenants and landlords about their rights and responsibilities as they pertain to repairs and renovations.

Legislative Context

A. Residential Tenancies Act, 2006

The *Residential Tenancies Act, 2006* (RTA) sets out the rights and responsibilities of landlords and tenants who rent residential properties in Ontario.

Section 1 of the RTA states that its purposes are to provide protection for residential tenants from unlawful rent increases and unlawful evictions, to establish a framework for the regulation of residential rents, to balance the rights and responsibilities of residential landlords and tenants and to provide for the adjudication of disputes and for other processes to informally resolve disputes.

1. Eviction for repair or renovation

Section 50(1) of the RTA allows a landlord to serve a notice of termination if the landlord intends to: (1) demolish the rental unit; (2) convert it to a purpose other than residential premises; or (3) do repairs or renovations to it that are so extensive that they require a building permit and vacant possession of the rental unit (an "N13 Notice").

The termination date on the N13 Notice must be at least 120 days after the notice is given.

- i. **Properties with more than 5 units** - If the rental unit is located in a residential complex that contains five residential units or more, and the tenant does not give the landlord a written notice advising that they want to move back after the repairs are completed, the landlord must give the tenant an amount equal to three months' rent or offer another rental unit that is acceptable to the tenant. If the tenant gives written notice that they will be moving back into the rental unit once the repairs are complete, the landlord must give the tenant an amount

equal to the rent for the lesser of three months and the period of time that the unit is undergoing repairs or renovations.

- ii. **Properties with less than 5 units** - If a tenant is given an N13 Notice and resides in a residential complex that contains fewer than five residential units, and does not give the landlord a written notice stating that they want to move back after the repairs are completed, the landlord must give the tenant an amount equal to one month's rent or offer another rental unit that is acceptable to the tenant. If a tenant is given a notice because the rental unit is being repaired or renovated, and the tenant gives written notice that they will be moving back into the rental unit once the repairs are complete, the landlord must give the tenant an amount equal to the rent for the lesser of one month's and the period of time that the unit is undergoing repairs or renovations.

It should be noted that compensation to tenants is never required if the landlord has been ordered to do the repair or renovation or if the tenant resides in a social housing rental unit.

2. Above Guideline Increase (AGI)

Section 126 of the RTA landlord permits landlords to apply to the Landlord and Tenant Board (LTB) for an order permitting the rent charged to be increased by more than the guideline for any or all of the residential units in a residential complex in any or all of the following cases:

- i. There is an extraordinary increase in the cost for municipal taxes and charges;
- ii. To recover eligible capital expenditures incurred as a result of major repairs and renovations; and
- iii. To recover operating costs related to security services provided by persons not employed by the landlord.

Landlords may also apply multiple AGIs to the same residential unit, effectively raising the rent significantly more than 3 per cent. These increases may result in tenants being unable to afford their homes.

3. Annual rent increases

Section 120 of the RTA provides that rent increases on residential units occupied prior to November 15, 2018, are limited to no more than the guideline. The guideline is the maximum a landlord can increase most tenants' rent during a year without the approval of the LTB. Section 120 of the RTA also stated that the guideline for a calendar year shall be not more than 2.5 percent.

In November 2018, the RTA was amended to remove rent control on new purpose-built rental housing occupied after November 15, 2018, in an effort to further spur the development of purpose-built rental housing. This means that annual rent increases on units occupied after November 15, 2018, are not limited to guideline amount and as

such, landlords of these units can impose unrestricted annual rent increases for existing tenants, making rents unaffordable.

4. Recommendations to address gaps in the RTA

To address gaps in the RTA and complement the City's Renovictions Policy, the report recommends that the City Council request the Province of Ontario to amend the RTA to:

- i. require landlords to provide a copy of a building permit to the LTB as part of an N13 Notice, and as part any L2 application filed on that basis;
- ii. require landlords to be responsible for finding temporary accommodation for their tenants if they need to leave a unit so that it can be repaired or renovated, and the tenants intend to move back post-repair/renovation;
- iii. provide the same rights afforded to tenants in buildings with 5 or more units to those in buildings with less than 5 units;
- iv. re-introduce rent control to cover units occupied after November 15, 2018;
- v. amend AGI rules to make expenditures that are necessary to address non-compliance with municipal property standards/municipal orders around health, safety or maintenance standards to be ineligible for AGIs; and
- vi. require landlords to provide tenants with clear, detailed information about the scope of work to be performed on a rental unit well in advance of it being carried out, and to provide evidence of actual costs incurred, in order to be eligible for an AGI.

B. City of Toronto Act, 2006

Renovictions rates have been increasing in Toronto, resulting in tenant displacement and the permanent loss of affordable and mid-range rental housing. These actions are exacerbating the affordable housing crisis and impacting the health, social and economic well-being of Toronto residents. Renovictions also have negative impacts on other City resources, including emergency shelters.

Leveraging the City's authorities under *City of Toronto Act, 2006* (COTA) to establish a by-law to protect the affordable and mid-range rental housing stock for the public is an important and necessary objective of the City. Encouraging landlords not to take steps to obtain vacant possession of a unit until receiving a building permit will support this objective.

Eviction Trends in Toronto

A. Eviction rates are increasing and affordable and mid-range rental homes being lost

A 2020 report from the Wellesley Institute, "*Forced Out: Evictions, Race, and Poverty in Toronto*" shows that from 2010 to 2018, over 150,000 eviction applications were filed in Toronto for non-payment of rent alone, with no other reason included on the eviction

application.¹ Further, eviction applications not related to payment of rent have more than doubled from 1,800 in 2010 increasing to nearly 4,300 in 2018.

Data from the LTB also show that renovation or demolition eviction applications (N13), which are filed when a landlord is attempting to evict tenants to renovate or demolish a unit, increased by 232 percent from 2015 to 2018, rising from 47 to 156. While not all eviction applications result in evictions, these numbers suggest a growing and significant risk for tenants. The numbers from the LTB are also limited as they only account for formal eviction applications. A significant numbers of evictions occur informally, without documentation, and can often be illegitimate.

In addition to the above, the Canada Mortgage and Housing Corporation (CMHC) 2021 [Rental Market Report](#), released in February 2022, shows that while there was an increase in rental supply in Toronto, affordable units (at 30% of monthly income), for low-and middle-income renter households decreased from the previous year, down 0.6% and 0.4% for the second- and third-income quintiles, respectively. The report also suggests that the physical removal of these units were primarily due to demolition, condominium conversion, or for the owners' own use.²

B. Racialized and low-income tenants are at higher risk of eviction

Data from the [Canadian Housing Survey, 2018](#) (CHS) shows that in 2018, individuals belonging to groups designated as visible minorities had almost twice a greater need for core housing (13.9%) compared to those not belonging to a visible minority group (7.2%).³

The Wellesley Institute also found that Black Torontonians may be at higher risk of eviction, including renovictions. The study found that census tracts with 36 per cent Black tenant households have twice the eviction filing rates compared to census tracts with 2 per cent Black households, even after taking poverty and other important factors into account. Additionally, the report found that poverty is a major factor contributing to evictions rates. Specifically, census tracts with 53 per cent tenant poverty have 2.5 times higher eviction filing rates on average compared to census tracts with 21 per cent poverty.⁴ There was also a noted link between gentrification and evictions in Toronto.

Further, the City's 2021 Street Needs Assessment revealed that the largest percentage (31 percent) of the homeless population in Toronto identified as Black.

¹ Leon, S., & Iveniuk, J. (2020). *Forced Out: Evictions, Race, and Poverty in Toronto*. Wellesley Institute.

² The Rental Market Reports are released annually by Canada Mortgage and Housing Corporation, using data from the fall Rental Market Survey results released annually. These reports provide in-depth analysis for major centres across Canada.

³ The Canadian Housing Survey gathers information on the housing conditions of Canadian households every 2 years including: if those most in need are able to access affordable housing, impacts from the pandemic, if people are satisfied in homes and communities; and the role of housing in people's well-being.

⁴ Leon, S., & Iveniuk, J. (2020). *Forced Out: Evictions, Race, and Poverty in Toronto*. Wellesley Institute.

C. There is a lack of affordable housing and rents are becoming more unaffordable

Housing affordability remains one of the most pressing issues in Toronto and other large urban centres across Canada. Insufficient purpose-built rental supply, unhealthy vacancy rates, wages that have not kept pace with the increased cost of living, etc. continue to further compound the issue.

To highlight this point, the [Toronto Housing Market Analysis](#) found that between 2006 and 2016, the total number of tenant households in Toronto rose from 446,850 to 525,830, meaning 78,980 new tenant households were formed. Over the same period, however, only 1,466 net new primary rental units were added to the city's housing stock.

The Toronto Housing Market Analysis also noted that 87 per cent or 122,250 low-income tenant households are living in unaffordable housing, paying over 30 per cent of their income on rent. And, almost half these households are living in severely unaffordable housing, paying over 50 per cent of their income on rent.

Additionally, the 2018 CHS has highlighted that among Canada's 10 largest census metropolitan areas, households in Toronto were the most likely to be in core housing need (18.7%), defined as living in unsuitable, inadequate or unaffordable dwelling, and not able to afford alternative housing in their community.

Between 2000 and 2021, average market rents in Toronto have significantly increased, while incomes have not kept pace, as shown in Table 1 below:

Table 1: Growth of tenant household incomes and average market rents

	Measure	2000	2021	Annual growth rate	Total growth
Incomes	January Consumer Price Index (Toronto)	93.1	141.0	2.00%	51.5%
	50th percentile tenant household income (all household sizes)*	\$35,271	\$50,793	1.75%	44.0%
	60th percentile tenant household income (all household sizes)*	\$42,787	\$62,692	1.84%	46.5%
Rents	Studio Average Market Rent	\$626	\$1,211	3.19%	93.5%
	One-bedroom Average Market Rent	\$772	\$1,431	2.98%	85.4%
	Two-bedroom Average Market Rent	\$924	\$1,661	2.83%	79.8%
	Three-bedroom Average Market Rent	\$1,099	\$1,887	2.61%	71.7%

*2021 tenant household incomes are estimated based on 2016 census results for the City of Toronto and adjusted using the Consumer Price Index for the Toronto Census Metropolitan Area.

To help preserve affordability and support housing stability for tenants, this report recommends that City Council request the province to re-introduce rent control to cover units occupied after November 15, 2018.

This report also recommends that both the federal and provincial governments invest in the City's HousingTO Plan to create new affordable homes, support acquisitions of market rental properties at-risk of being lost, and invest in preserving the existing housing stock.

D. The financialization of housing is contributing to evictions

In 1997 the Province of Ontario introduced the *Tenant Protection Act* which replaced the 1992 *Rent Control Act*. The new legislation introduced vacancy decontrol which permits landlords to increase rents by any amount upon unit turnover. This new legislation provided an opportunity to generate additional revenue when a unit turned over, making Toronto's housing market attractive for corporate landlords and investors.

Between 1997-2000 alone, the Toronto rental market saw asking rents increase by 20% for one and two-bedroom units and 23% for a bachelor apartment upon unit turnover.⁵ As shown in Table 1 above, rents have continued to significantly increase year-over-year between 2000 and 2021.

Linked to these factors, renovictions in particular have been on the rise resulting in the displacement of tenants and the permanent loss of affordable rental homes. In many cases, the renovations/repairs which are cited as the reason for requiring vacant possession of a unit, are not actually carried out. Or, in cases where they are, tenants may not need to move out and/or are not given the right to return to their units post-renovation. These units are then rented to new tenants at much higher rents.

To help curb the financialization of housing, preserve affordability and support housing stability for tenants, this report recommends that City Council request the province to introduce vacancy control legislation which ties rents to residential units, not tenancies.

It is also recommended that Council request the federal government to advance policies, programs and investments to achieve their commitments to implement a ban on the purchase of non-recreational residential property by foreign buyers in the Canadian housing market, so that housing does not remain unoccupied and unavailable to Canadians. This item is currently included in Bill C-19 which, as of the writing of this staff report, has passed the House of Commons and is being considered at the Senate of Canada.

This ban would complement the City's efforts through the recently implemented [Vacant Home Tax](#).

⁵ Leon, S., & Iveniuk, J. (2020). *Forced Out: Evictions, Race, and Poverty in Toronto*. Wellesley Institute.

E. There are gaps in eviction data

As mentioned earlier, the City of Toronto does not currently have sufficient data to understand the full impacts and scale of evictions. While limited information concerning "formal evictions" addressed under the *Residential Tenancies Act* may be available to the City. Currently, the City does not have operations that would allow it to reliably capture sufficient information concerning illegitimate evictions, including evictions without documentation or otherwise, which occur outside of the formal LTB process.

The Executive Director, Housing Secretariat has identified that the City's existing operations have resulted in the following gaps in data collection, preventing sufficient data to understand the full impacts and scale of evictions in the City of Toronto:

- i. **Informal and illegitimate evictions** - The City is not currently regularly collecting data concerning informal and illegitimate, or other forms evictions otherwise occurring outside of the formal LTB process. There are indications that many, if not most, evictions take place long before a formal eviction application or order is produced. For example, the CHS found that only 4% of Canadian respondents who had been evicted moved out following a court/ regulatory order. Of the survey respondents, 68% received an eviction notice and moved out, and a further 28% were told by the landlord and moved out.
- ii. **Equity indicators** - The City is not currently regularly collecting sufficient information to adequately and reliably measure disparities in evictions with respect to equity-deserving groups. Currently the City's equity analyses rely either on ecological correlations or 2018 CHS data, both of which have limitations. The City is utilizing various methods to estimate inequities through imputation; however it is the Executive Director, Housing Secretariat's opinion that these methods are insufficient for the City to be able to obtain sufficiently reliable information to address this significant issue of disparities in evictions with respect to equity-deserving groups.
- iii. **Displacement** - Currently the City is not regularly collecting sufficient information regarding where tenants go after they are evicted, for example whether individual tenants are able to find new housing in their communities, remain in the city but are homeless, or underhoused, or whether tenants leave the city altogether. It is the Executive Director, Housing Secretariat's opinion, due to this data gap, City staff cannot evaluate or address displacement related evictions pressures and impacts at the individual, community, and neighbourhood levels.

Due to these identified data gaps, it is proposed that these issues be considered and addressed by the Housing At-Risk Table, as outlined below. The Executive Director, Housing Secretariat believes improvements to current data collection practices are required to allow City Staff to understand the full impacts and scale of evictions in the City of Toronto and provide effective advice and recommendations with respect to the proposed Renovictions Policy and companion by-law.

Actions to Address Evictions

A. Proposed Renoviction Policy and Regulatory Framework

This report recommends City Council approval of the proposed Renoviction Policy in Attachment 1 to guide the development of a by-law and future by-law along with a detailed implementation plan to phase in the by-law and a coordinated approach to compliance and enforcement.

In developing a renovictions compliance and enforcement strategy, staff will leverage existing tools to coordinate efforts, to the extent possible. The primary intended outcome of the policy is voluntary compliance by landlords, and staff will use an education-first approach. Where the City finds evidence of non-compliance that is not resolved through education, progressive and appropriate enforcement action may be taken. As the City does not have direct oversight of landlords, investigations into any by-law violations will be done on a reactive, complaint basis.

The approach to addressing the challenges of compliance among landlords and promoting housing stability for tenants will include:

- 'Housing At-Risk Table' – which will include an interdivisional team to coordinate responses/actions to prevent the loss of affordable rental housing and support successful implementation of the future renovictions by-law.
- Inter-divisional strategic compliance and enforcement efforts and other divisional staff deployed as needed to investigate violations and take appropriate enforcement action;
- Education and outreach to identify potential cases of illegitimate evictions, and education/support for tenants and communities on complaints process; and
- Coordination of City programs to support tenants.

Along with a new regulatory by-law, and based on updated data and evidence (including current LTB evictions data), staff will report back to the Planning and Housing Committee and Council in Q2 2023 with more specific details on a coordinate approach to compliance and enforcement, including resource implications.

B. Housing At-Risk Table

This report recommends City Council approval of a Housing At-Risk Table (HART) to support implementation of the proposed Renoviction Policy and future by-law (Attachment 2). Prior to operation HART will be subject to a full assessment by the City Clerk to ensure that all operations and processes of the HART are established and conducted in full accordance with all of the MFIPPA and other Information Management obligations imposed on the City.

Once the Information Management review and assessment is complete, the Housing At-Risk Table (HART) will operate to coordinate interdivisional planning and responses to mitigate the loss of affordable and mid-range rental homes and support tenants who face evictions.

HART will also make recommendations to the City Manager concerning policy or program changes to address systemic and structural gaps that contribute to the loss of affordable and mid-range rental homes, and housing precarity for tenants. Further, HART will review "data gaps" in City processes with respect to obtaining information required for its other work. HART will propose operational changes to improve data collection, including entering into data sharing agreements with Ontario Landlord & Tenant Board (LTB), Statistics Canada and other government entities, as may be required to address "data gaps". HART will submit proposed operational changes to improve data collection for review and assessment by the City Clerk to confirm compliance with respect to the City's obligations under MFIPPA and other Information management obligations. HART will receive the results of these reviews, and adopt modifications as required, and then HART will make recommendations to the City Manager concerning City processes with respect to obtaining information to address data gaps.

Key activities/functions to be performed through HART include, but are not limited to:

- Supporting implementation of the proposed Renoviction Policy and future by-law
- Coordinating emergency relocations and supports for tenants who have been evicted;
- Reviewing complaints received from residents for purposes of triaging complaints within the City administration for action (including further investigation); and
- Connecting people to supports and information, including external resources, as needed.

C. Modernized Social Assistance Rates

Income is a key social determinant of health and wellbeing. A stable and adequate income is needed to afford the cost of housing, food and other basic necessities. Without access to quality employment, many people rely on income supports from social assistance.

Ontario's social assistance program is delivered through two main programs: Ontario Works (OW) is aimed at adults in serious financial need, and the Ontario Disability Support Program (ODSP) is aimed at people with serious financial need and a disability. Both programs are provincially funded and are similar in design, but ODSP has a higher benefit rate and offers more extensive health benefits and supports.

The level of financial support provided by OW and ODSP have not kept up with rising costs and the nature of our economy and labour market, resulting in more households falling into deep poverty across the city. For instance, in 2022, the [Average Market Rent](#) of a one-bedroom apartment in Toronto is \$1,446 per month while a studio is \$1,225. Actual asking rents for private market rentals are even higher. In this context, the shelter portion of OW and ODSP benefits for a single person household - \$390 and \$479 respectively per month – is inadequate for people to afford housing in the Toronto market.

Additionally, the Province (under the *Housing Services Act, 2011* rent scales) provides a person receiving social assistance in private sector rental housing with a much larger housing benefit than it does a person receiving social assistance who lives in social housing and receives rent-g geared-to-income (RGI) assistance. The City currently makes up the difference which has resulted in a financial burden to the City of over \$80 million annually since 2001. Equalizing the rent scales for Ontario Works/Ontario Disability Support Program recipients would allow the City to direct the \$80 million it currently spends each year shoring up the provincial benefit program, to the City's own housing priorities.

In 2017, Toronto City Council endorsed the recommendations of the "[Income Security: A Roadmap for Change](#)" report commissioned by the Province, including increasing OW and ODSP rates by 22 and 15 percent respectively and introducing a new standard flat rate which does not distinguish between basic needs and shelter. More recently, the City called for a change to the current approach to the way shelter benefits are paid at a flat rate across the province.

Recognizing that poverty and housing precarity are direct symptoms of an inadequate social assistance model, this report recommends that Council reiterate its request to the Province to boost income support benefit rates, reflective of the current cost of living in Toronto; equalize the rent scales so that people living in social housing receive the same benefit amount as those living in private rental housing; and introduce a new 'standard flat rate' as a simple, fast and direct way to assist Ontario residents experiencing the deepest poverty and at greatest risk of being evicted.

D. Whole-of-Government and Whole-of-Community Approaches

A whole-of-government and whole-of-community approach is needed to deliver the HousingTO Plan aimed at improving housing outcomes for over 340,000 households by 2030. This includes protecting affordable and mid-range rental homes, preventing evictions and supporting tenants.

To build on the work done to-date, staff will continue to:

- communicate the "urgency to act" and "risks of inaction" to influence policy and program changes and to attract sustainable levels of funding to build new affordable and supportive housing, maintain our existing housing stock; and support people living in precarious housing situations;
- emphasize that coordination within and across governments is needed to make the systemic and structural changes required to address evictions and improve housing stability for tenants;
- engage community stakeholders, including people with lived experience, to identify and develop eviction prevention strategies, and to inform tenant support programs and education campaigns;
- help government partners to better understand housing needs across the full housing continuum in Toronto based on evidence, data and the lived experiences of people impacted by housing instability; and

- highlight the interconnectivity of the housing, equity and climate action goals and targets set by each order of the government, in an effort to optimize public investments and meet shared goals.

E. Other City Policies, Programs and Initiatives

Toronto has been taking a leadership approach to address the affordable housing challenges impacting residents. The City currently has a wide range of policies, programs and initiatives help mitigate the loss of affordable and mid-range rental homes, create new affordable homes, support tenants and help landlords to maintain their buildings. Some of these include:

1. **Multi-Unit Residential Acquisition Program (MURA)** – In October, 2021, City Council approved the MURA program. The primary objectives of the MURA Program are to remove properties from the speculative housing market and create permanently affordable rental homes; improve housing stability for current and future tenants; improve the physical conditions of buildings; increase capacity in the non-profit and Indigenous housing sectors; and ensure the long-term financial sustainability of the homes. To-date, the City has committed \$20 million under the program.
2. **Open Door Affordable Rental Housing Program** - In 2016, City Council approved the Open Door Affordable Housing Program to stimulate development of affordable housing by providing non-profit and private sector developers with City financial contributions including capital funding and fees and property tax relief and fast-tracking planning approvals. Over 21,000 affordable homes have been approved under the program to-date.
3. **Housing Now Initiative** – The Housing Now Initiative was approved by Council in early 2019 and provides City-owned land near transit nodes to create affordable housing within mixed-income and mixed-use communities. To-date, Council has approved 21 sites under the program. The program is intended to approve 10,000 new affordable rental homes within 10 years.
4. **Supportive Housing** – Through the [Modular Housing Initiative](#) and [24-Month Plan](#), and with the support of the federal and provincial governments, the City is delivering a significant number of new deeply affordable rental homes with wraparound health and social supports to help people experiencing or at risk of homelessness.
5. **Toronto Rent Bank** - The Toronto Rent Bank, a partnership between the City of Toronto and Neighbourhood Information Post, provides grants to Toronto residents who are behind on their rent or need help with a rental deposit. By doing so, the Toronto Rent Bank ensures that low-income individuals and families are able to stay in their homes and avoid homelessness. While the Toronto Rent Bank has previously provided low-interest loans, in March 2021, Council approved changes to the program that included: an additional \$5 million investment in the program; and converting the program from a loan to a grant

program as a pilot. The changes to the Rent Bank program supported a total of 1,717 households to access loans and grants to stay in their homes in 2021. In June 2022, City Council voted to make the Toronto Rent Bank a permanent program to help prevent evictions.

6. **The Toronto Tenant Support Program (formerly 'Tenant Defence Fund')-** This program provides funding to partner organizations to support eligible tenants to preserve affordable rental housing in the private market, through streamlined access to professional services; tenant organizing and capacity building; tenant information services; and research and policy development
7. **Tenant Hotline** - The City currently funds the Federation of Metro Tenants' Associations to provide a Tenant Hotline. The Hotline provides telephone information services to tenants in private market rental units in Toronto.
8. **Eviction Prevention in the Community Program** - As part of the City's commitment to expand preventative approaches to homelessness, the Eviction Prevention in the Community (EPIC) program assists vulnerable households facing imminent risk of eviction. EPIC offers clients the following services: short term intensive case management; mediation with landlords to stabilize housing; accompaniment to the Landlord Tenant Board; assistance securing income supports, trusteeship, or money management programs; system navigation and referrals to other public and community services and supports ; rehousing assistance when an existing tenancy cannot be sustained; and access to available funds to sustain or secure housing if not eligible or covered through other programs or services.
9. **Housing Stabilization Fund (HSF)** - The HSF Provides money for emergency housing needs to people receiving financial assistance through OW or income support through ODSP in the City of Toronto. HSF is intended to prevent homelessness and help obtain and retain housing.
10. **RentSafeTO Program** - The RentSafeTO program works to strengthen enforcement of City bylaws, enhance tenant engagement and access to information, promote preventative maintenance in apartment buildings to prevent the deterioration of standards, and recover the cost of ensuring compliance by landlords through user fees
11. **Rooming House Emergency Relocation Program** - Provides emergency response and eviction prevention services to tenants involved in sudden rooming house emergencies - i.e. fire, sudden closure.
12. **Secondary Suites and Dwelling Room Protection** - The City has developed Official Plan policies to address the loss of dwelling rooms including a requirement to replace the same amount of dwelling room gross floor area in new developments as rental housing and to provide assistance to displaced tenants.
13. **Rental Housing Demolitions and Conversion By-law** - The City's Rental Demolition and Conversion By-law regulates the demolition and conversion of

existing rental housing; and the City's rental demolition and replacement Official Plan policy requires all affordable and mid-range housing lost to redevelopment to be replaced by units with similar rents secured for at least 10 years.

14. **Vacant Home Tax** – Effective January 1, 2022, the City implemented a new vacant home tax. The goal of a vacant home tax is to change the behaviours of homeowners who leave their homes unoccupied – compelling them to sell or rent them out to increase the housing supply or pay a tax to keep them vacant.
15. **Inclusionary Zoning** – In November 2021, City Council approved an Inclusionary Zoning policy and zoning framework will enable the City to require developers to provide affordable housing units to in new developments alongside the development of market housing. The introduction of mandatory affordable housing requirements will help increase the supply of new affordable housing.
16. **New Affordable Housing Definition** – In November, 2021, City Council approved amendments to the Official Plan to better respond to the needs of low and moderate income households by establishing definitions of affordable housing that correspond to income instead of solely to market rent.
17. **Tower Renewal Programs** - The City's Tower Renewal Program focuses on implementing multi-faceted improvements at aging apartment towers and surrounding neighbourhoods through the delivery of site-specific guidance and implementation supports. This includes the High-rise Retrofit Improvement Support Program and the Taking Action on Tower Renewal Program which provide low-interest financing and grants to help landlords improve aging towers across the city.

This report recommends that the federal and provincial governments use the policy and financial tools to support the City's efforts.

Consultation and Engagement

The following key internal and external stakeholders have been engaged and consulted during the development of this Policy:

- City Divisions (Housing Secretariat, Legal Services, Municipal Licensing and Standards and Toronto Building)
- Tenant Advisory Committee
- People with lived experience
- Landlords (both private and non-profit/co-op sectors)
- Landlord and tenant associations
- Housing and homelessness organization
- Advocacy groups
- Human rights experts
- Community Legal Clinics

Conclusion

Toronto and other large urban centres across Canada are grappling with decades of underinvestment in housing by all orders of government which has resulted in a severe lack of safe, secure and affordable housing. This lack of supply to meet current and future demand has resulted in the cost of housing increasing more rapidly than incomes, and pushing more tenants into poverty and risk of eviction.

The lack of supply, coupled with legislative changes such as a vacancy decontrol regulations, has also resulted in the financialization of housing whereby housing is being used as an investment vehicle instead of for its intended use. This has further exacerbated the risk of eviction for tenants.

Evictions have not only been found to have negative health, social and economic impacts on individuals and communities, they also disproportionately impact people from racialized groups leading to further systemic and structural inequities.

This report recognizes that addressing evictions (including renovictions) requires a whole-of-government approach. The City is leveraging the tools at this disposal, as outlined in this report, and subject to Council's approval of the proposed Renovation Policy, Housing At-Risk Table and future by-law, new tools will be added to the City's toolkit. However, actions from the federal and provincial governments are urgently needed to implement the systemic and structural changes, outside municipal jurisdiction, to address the root causes of evictions. Some of these actions include accelerated and enhanced investments to build new affordable housing, investments to maintain the existing supply of rental homes, policy tools to address housing speculation, and legislation to better protect tenants and support landlords. Increases in social assistance rates are also urgently needed to help existing households that are in core housing need, and to prevent more households from falling into deep poverty and being at risk of eviction.

Furthermore, this report recognizes that while better coordination within and across governments is necessary to address evictions, a whole-of-community approach is also critical. This includes action from and collaboration with tenants and people with lived experience, community groups, landlords (public, private and non-profit) and residents all across the city.

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ATTACHMENTS

Attachment 1 – Renoviction Policy

Attachment 2 – Housing At-Risk Table Framework

Attachment 3 – Jurisdictional Scan