

## **Status Update: A New Regulatory Framework for Multi-Tenant Houses**

Date: June 16, 2022

To: Planning and Housing Committee

From: Deputy City Manager, Infrastructure and Development Services

Wards: All

### **SUMMARY**

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At its meeting in July 2021 and then again in October 2021, City Council considered Item PH25.10, an interdivisional report recommending a comprehensive regulatory framework for multi-tenant houses. On October 1 and 4, 2021, City Council referred the item to the City Manager and requested the City Manager work with City Planning, Municipal Licensing and Standards (MLS), the Housing Secretariat and the Chief Communications Officer to report back to the Planning and Housing Committee in 2022 on a list of 14 work items listed in Council's motion direction.

This report responds to direction from the May 31, 2022, Planning and Housing Committee meeting requesting a status update of the report back and was prepared with input from the following Divisions: MLS, City Planning, Housing Secretariat, Toronto Building, Toronto Fire Services, Strategic Communications and Toronto Public Health.

### **RECOMMENDATIONS**

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The Deputy City Manager, Infrastructure and Development Services recommends that:

1. The Planning and Housing Committee receive this report for information.

### **FINANCIAL IMPACT**

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Several of the work items directed by Council involve hiring external consultants. There are sufficient funds in the respective 2022 Capital Budget of City Planning and Operating Budget of MLS for the procurement of these services. It is not expected that other work items will require additional funding. However, if needed, City Staff of the relevant divisions will request the funding required to complete the work in their respective budgets through the future budget processes for consideration.

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

## **DECISION HISTORY**

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The Planning and Housing Committee, at its meeting of May 31, 2022, requested the City Manager to report to the July 5, 2022 Planning and Housing Committee meeting on an update of the new regulatory framework for multi-tenant houses:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PH34.20>

At its meeting of October 1 and 4, 2021, City Council referred Item PH25.10 to the City Manager and requested the City Manager to work with the Chief Planner and Executive Director, City Planning, the Executive Director, Municipal Licensing and Standards, the Executive Director, Housing Secretariat and the Chief Communications Officer to permit them to report back to the Planning and Housing Committee in 2022 on a number of items including: parking, a land economics study, an enhanced enforcement staffing plan, and public outreach. City Council's decision can be accessed at this link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH25.10>

There is a substantive decision history around the issue of regulating and permitting multi-tenant houses in Toronto. This was outlined on pages 21-24 of the June 15, 2021 staff report "A New Regulatory Framework for Multi-tenant Houses" which can be read here: <http://www.toronto.ca/legdocs/mmis/2021/ph/bgrd/backgroundfile-168253.pdf>

## **COMMENTS**

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A segment of multi-tenant houses provides deeply affordable homes for some of the city's lowest income households, many of whom are from equity-deserving groups. In 2021, building on previous consultations and through additional extensive consultations and working with a wide range of internal and external stakeholders, staff developed a comprehensive city-wide regulatory framework to expand permissions to encourage the creation of licenced multi-tenant houses city-wide, and protect existing houses, while improving safety for current residents and neighbours.

City Council considered the framework at its meeting on October 1 and 4, 2021, and voted to refer the item back to staff to undertake further work and report back to the Planning and Housing Committee in 2022.

### **Update on Council-requested Work and Report Back**

Through the referral of Item PH25.10 to staff, City Council requested substantial additional work, which includes reporting back on the following:

- the feasibility of requiring a parking plan for all newly licensed multi-tenant housing and implementing a parking rate of 0.5 parking spaces per dwelling room in areas where multi-tenant house permissions are introduced;

- the feasibility and impact of eliminating the 12 and 25 dwelling room standards in areas where permissions for multi-tenant housing permissions are introduced;
- a plan to study land economics related to multi-tenant housing permissions;
- an enhanced enforcement staffing plan;
- the feasibility of increasing the right of entry powers of Municipal Licensing and Standards enforcement staff with respect to enforcing multi-tenant housing regulations;
- a plan to address potential overseas investors/operators and corporations and ensure operators are locally accountable;
- the feasibility and legality of limiting the number of multi-tenant housing licences issued per year and per ward;
- a plan to regularly report on the multi-tenant housing program once in place;
- public consultation that proactively reaches out to residents and resident groups to provide information on the history of and proposed regulations for multi-tenant housing in areas where multi-tenant housing permissions would be introduced, using a variety of consultation tools, including multi-language support;
- public opinion research commissioned in areas of the City of Toronto where multi-tenant housing is not permitted to understand residents' concerns and the input this research has had on new draft regulations;
- a communications plan that would follow the approval of the City-wide regulatory framework for multi-tenant houses that would include strategies to reach residents in areas where new zoning permissions for multi-tenant housing are introduced;
- consultation with fraternities and sororities regarding their housekeeping unit organization, tenure of members or other concerns;
- an exploration of options to create more types of student housing, especially on main streets near post-secondary institutions; and
- options to create an identifiable link between the introduction of new rooming house permissions and the City of Toronto's ability to deal effectively with the illegal ones in cases where property owners refuse to take the necessary steps to bring their properties into legal compliance.

Since the October 2021 Council referral, staff have determined how to integrate this work into the existing work programs of their various divisions. The following work has been started and/or completed to date:

- City Planning and MLS have expanded the interdivisional staff team working on the multi-tenant houses framework with representation from Housing Secretariat, Strategic Communications, Toronto Building, Fire Services, and Toronto Public Health. The team meets on a monthly basis to ensure coordination and progress on various action items identified for staff and to plan eventual implementation.
- Staff have determined a general scope of work for the requested land economics study and are beginning procurement with Purchasing and Materials Management Division (PMMD).
- Staff have determined a high-level scope of work and budget for public engagement, communications, and public surveys and agreed upon the roles and responsibilities for various staff. Staff are drafting the scope of work for consultant services. Staff will also work with local Councillors to support robust

resident involvement in engagement and communication initiatives after consultants are retained.

- MLS has engaged with fraternities and sororities to continue discussions related to their concerns and the applicability of the proposed licensing regime to their properties.
- MLS, Fire Services, and Toronto Building are drafting a protocol to strengthen coordination of communication related to enforcement activities as they pertain to existing licensed and unlicensed multi-tenant houses.
- Toronto Building, in consultation with Toronto Fire Services, are hiring a building code consultant to develop compliance options that meet the objectives and intent of the Building Code. This work will include an engineering and costing analysis to identify measures, options or mitigating features for use in multi-tenant housing.

## **Upcoming Work**

While work is underway, it is not yet complete. Due to the scale and complexity of the work requested and the July Council meeting is likely the last opportunity for a report in 2022, the report-back on the Multi-tenant Housing Regulatory Framework will not happen in 2022. The interdivisional staff team will continue to coordinate the work program related to multi-tenant houses, and staff anticipate that a report will be ready for Q1 2023.

## **Update on Multi-Tenant House Enforcement**

Item PH25.10 presented a new regulatory framework for multi-tenant houses, which included a request for additional resources for relevant City divisions to support a new, strategic interdivisional enforcement and compliance program. Since Council requested additional work on the topic, staff have continued to work within existing resources to address multi-tenant house issues as they arise.

MLS continues to work within the current regulatory framework to investigate and enforce multi-tenant house complaints. A dedicated team of eight Bylaw Enforcement Officers and one support staff are working to conduct annual inspections of licensed multi-tenant house properties as well as investigate city-wide complaints related to both licensed and unlicensed properties. The dedicated team previously consisted of six Officers but was increased to eight following the addition of new positions approved through the 2022 budget process. Currently, multi-tenant house investigations are complex, and each requires a significant investment of time to properly investigate and resolve. MLS works closely with various partners to ensure the health, safety and quality of living of residents.

In 2021, MLS received 988 complaints about multi-tenant houses and issued 145 notices. To date, in 2022 (as of June 8), MLS has received 411 complaints and issued 68 notices of violation. The majority of complaints and violations have been for the presence of multi-tenant houses in contravention of zoning regulations.

Toronto Fire Services conducts inspections on all licensed multi-tenant houses annually and conducts complaint-based multi-tenant house inspections. All Toronto Fire Services

inspection staff are trained and equipped to handle complaints regarding fire safety concerns in potential multi-tenant situations. Where required, TFS works collaboratively with colleagues in other divisions to make or receive referrals on addresses.

### **Update on OLT Appeal to Zoning By-law 569-2013**

The Advocacy Centre for Tenants Ontario (ACTO) maintains an appeal with respect to the lack of harmonized regulations for multi-tenant houses in Zoning By-law 569-2013. On May 9, 2022, the Ontario Land Tribunal (OLT) held a case-management conference (CMC) to receive an update on the status of appeals to Zoning By-law 569-2013 and set out the next steps. While ACTO has attended the CMC, they have not requested hearing dates on this matter.

### **CONTACT**

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### **SIGNATURE**

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