
2023 OPERATING BUDGET BRIEFING NOTE

Multi-tenant Housing

Issue/Background:

- On January 13, 2023, Budget Committee requested a Briefing Note with a full description of activities funded through the \$3.4 million allocation for Multi-Tenant Housing Licensing initiative, including how the funding will address impacts on current multi-tenant housing residents.

Key Points:

- On December 14, 2022, Toronto City Council adopted a new regulatory framework that will introduce permissions for multi-tenant housing to operate across the City of Toronto, in order to respond to calls for the preservation and creation of deeply affordable and safe homes in all parts of the city.
- Staff will be implementing a new regulatory framework with the following components:
 - City-wide zoning standards that permit the use consistently and enable equal access to multi-tenant houses across the City;
 - Enhanced multi-tenant operator licensing requirements to promote health and safety;
 - A strategic inter-divisional enforcement and compliance program that will ensure effective enforcement of non-compliant operators;
 - Initiatives to support tenants and maintain affordability of housing; and
 - A phased implementation to launch the new framework over a three-year period.

2022 Multi-tenant Housing Budget

Prior to implementation of the new framework, the MLS multi-tenant housing licensing and enforcement budget was approximately \$1,041,580. Currently, licensing and enforcement of multi-tenant houses is undertaken by a dedicated MLS team of a supervisor and 6 by-law enforcement officers. *2023 Multi-tenant Housing Budget*

- The new regulatory framework will include enhanced strategies that will benefit both current and future residents of multi-tenant housing.

- As presented in the table below, additional investments above base funding for the 2023 divisional costs associated with the first year of implementation of \$3.4M are for the following:
 - **Municipal Licensing and Standards (MLS):** project management, new technology, the education campaign, and onboarding of 26 additional by-law enforcement officers in Q4 2023. Additionally, the full MLS team will include 1 manager, 5 supervisors, 4 support staff, 2 dedicated stakeholder engagement leads, and 2 nurses.
 - **Housing Secretariat:** designated project management support to develop the associated housing and tenant support aspects of the program.
 - **Court Services:** establishment and operation of the new Multi-tenant Housing Tribunal.

2023		
Divisions	Total Cost \$	FTE
MLS	\$2,954,778	42.0
Court Services	\$422,000	5.0
Housing Secretariat	\$100,000	0.0
Total	\$3,476,778	47.0

2024 and 2025 Multi-tenant Housing Budget

- As an inter-divisional and multi-year initiative with a three year phased implementation, additional financial impacts are expected in 2024 and 2025 for Toronto Building and Toronto Fire Services, as well as annualized costs for MLS, Court Services, and the Housing Secretariat. Based on projections determined in the first year of implementation, these financial impacts are expected to be validated during the 2024 and 2025 budget processes.

Questions & Answers:

How does the proposed program implementation funding address impacts on current multi-tenant housing residents?

- The pathway to achieving safe, liveable and affordable multi-tenant houses for residents starts with the recognition of these multi-tenant houses in zoning and licensing by-laws, and the implementation of regulatory oversight and effective enforcement.

- The new regulatory framework (and associated funding) aims to ensure regulatory oversight that protects tenant and resident life safety and creates liveable, well-maintained and affordable places to live.
- **Improved communications with tenants, landlords and the public:** Staff, working with Strategic Communications and the current MLS stakeholder engagement lead, will launch a focused education and outreach strategy in 2023.
 - \$250,000 will be invested in 2023 in a City-wide campaign to raise awareness of the new regulatory framework.
 - The campaign will notify licensed and unlicensed operators and licensed operators of by-law requirements, and raise awareness of new permissions and regulations with a focus on gaining compliance.
 - This will include creating and sharing guidance materials with multi-tenant house operators to ensure they are aware of their responsibilities to comply with the new by-law, assist them in improving and maintaining multi-tenant houses for residents, and outline resources to assist with compliance.
 - The campaign will also provide education and support for tenants, students, and communities.
 - It will also improve tenant access to multi-tenant house information to promote transparency and to better guide them in exercising their rights.
- **Mitigation of Tenant Displacement:** Staff will also take steps to mitigate tenant displacement, including:
 - Identifying potential policies, programs and resources to mitigate the loss of units or transition tenants to alternative housing solutions, if relocation is the only option;
 - Consulting community partners and the Tenant Advisory Committee to inform the proactive plan to mitigate displacement;
 - Engaging with post-secondary institutions and non-profit partners to proactively plan for the development of affordable rental housing for students, faculty and staff; and
 - Requiring licensed operators to notify the City of a planned shutdown or sale of a multi-tenant home and provide details of a transition plan so staff can support tenants or find ways to mitigate the proposed loss of affordable housing units.

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