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## **2024 OPERATING BUDGET BRIEFING NOTE**

### **Funding to Support Renters: RentSafeTO, MURA, Community Land Trusts, and Rental Housing Demolition Process**

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#### **Issue/Background:**

On January 17, 2024, the Budget Committee requested that the Executive Director, Housing Secretariat, and the Executive Director, Municipal Licensing and Standards, provide a briefing note with detailed information on

- the City's plan to grow the RentSafeTO program; the Multi-Unit Residential Acquisition (MURA) program; Community Land Trusts; and
- plans to increase service-related support for tenants who are facing eviction and displacement, including through the rental housing demolition process.

#### **Key Points:**

##### *RentSafeTO*

- The RentSafeTO program has continued to grow since its inception in 2017.
- As directed by City Council in 2020 ([2020.PH19.6](#)), staff have continued the phased implementation of changes to the RentSafeTO evaluation tool, which will prioritize issues that have a greater impact on the health and safety of tenants as well as ensure ongoing violations and issues of non-compliance factor into a building's evaluation score.
  - As a result of the redesign, final building evaluation scores will combine a proactive score (from the building's evaluation), and a reactive score (from confirmed enforcement actions, such as Orders to Comply or Notices of Violations) from common area and in-suite issues and will be updated daily. This will provide a more fulsome overview of how a building is performing.
  - The new tool was phased in for building evaluations beginning in 2023 with full implementation expected in 2025.
- In 2024, the program will incorporate direct actions of targeted engagement with tenants if a building's score has dropped by 5 per cent for two consecutive months. This new enforcement initiative was created to respond to ongoing

maintenance concerns between evaluations. Staff will attend the building, set up an information kiosk, go door to door, and talk with tenants and inquire if they have any in-suite issues/complaints.

- The RentSafeTO team continues to conduct communication and public education campaigns to improve public awareness of the program. Web statistics show that the number of page views continue to grow as more people look to find information about the program and to submit service requests. For example, page views have increased by over 370% from 2019 to 2023.
- During the past year the team has also built partnerships with community organizations and provided resources to share and distribute to tenants. Various engagements have been held on the evaluation tool redesign with various stakeholder groups including tenants, tenant advocates, the Tenant Advisory Committee, building owners/operators and City staff.
- In Q1 2024, staff will be publishing an annual report with more detailed data analysis and program updates.
- In addition, in April 2024, Housing Secretariat and Municipal Licensing and Standards will bring a report to the Planning and Housing Committee on outstanding directives related to RentSafeTO, including an update on the program's evaluation tool re-design, and training provided to RentSafeTO officers.
  - As part of this staff report, Municipal Licensing and Standards is also planning to propose user fee increases in 2025 to ensure adequate program cost recovery as a result of additional enforcement work created by updates made to the program's evaluation tool.
  - The report will outline additional staff resources that will support service enhancements, to be offset by projected fee revenue increases.

### *MURA & Community Land Trusts*

- In 2022, the City supported the growth of Community Land Trusts by completing the transfer of approximately 630 properties/760 homes from Toronto Community Housing Corporation (TCHC) to two Community Land Trusts: the Neighbourhood Land Trust and Circle Community Land Trust.
- The Multi-unit Residential Acquisition (MURA) program was approved by City Council in 2021 ([2021.PH28.3](#)), and provides capital funding to Indigenous and non-profit housing providers (including Community Land Trusts) to acquire, improve, and permanently secure existing affordable rental housing stock.
- The City allocated a total of \$55.6 million in funding through MURA in 2022 and 2023 for Indigenous and non-profit organizations to acquire and permanently secure approximately 310 affordable rental homes. To date, 13% of MURA's funding has been allocated to support the acquisition of 35 affordable rental homes by Indigenous housing organizations.

- In 2024, there is \$10.0 million budgeted through the collection and allocation of Vacant Home Tax (VHT) towards MURA.
- In 2025, it is expected that an additional \$10.0 million in funding will be invested through the increased VHT starting with the 2024 taxation year to bring the ongoing annual total to \$20.0 million per year to ensure the sustainability of the program.
- Additionally, Council has directed that any further revenue generated from the 2023 Vacant Home Tax above the budgeted amount be directed to MURA ([2023.EX8.7](#)). This will create a sustainable funding source for the program.
- While the 2023 results are not yet available, it is likely that there will be additional revenue available for the program. Actual revenues generated by the VHT will not be finalized until all Notice of Complaints and audits for the 2022 taxation year are completed.
- Increased funding for MURA will increase Community Land Trusts' access to capital funding to grow their housing stock.
- Community Land Trusts have been funded under prior application calls and as pilot sites prior to the launch of MURA. Since 2019, Parkdale Neighbourhood Land Trust and Kensington Market Community Land Trust have received a total of \$10.5 million in funding to secure a total of over 60 affordable rental homes.

### *Rental Housing Demolition*

- The City's Official Plan and Chapter 667 of the Toronto Municipal Code help to preserve the existing stock of rental housing and require replacement of existing rental housing proposed to be demolished if there are 6 or more existing rental units and any units have affordable or mid-range rents (less than 1.5 times average market rent).
- Tenants impacted by such demolition applications are provided with the right to return to a replacement unit at similar rent, along with Tenant Relocation and Assistance to lessen hardship. The Tenant Relocation and Assistance Plan is provided by the property owner and typically grants tenants who resided in a building at the time of an application the right to return to a replacement unit, financial compensation in the form of a rent gap payment, moving support, and extended notice before having to move. Tenants with special needs are also provided with additional financial support and/or specialized services.
- The rent gap payment assists tenants in moving into interim accommodation, generally for a 3 to 4 year construction period, while replacement rental units are built.

### *Additional Support for Tenants*

- The Staff Prepared 2024 Operating Budget for the Housing Secretariat includes \$0.387 million gross and net which will fund 3.0 positions and establish a Tenant Access & Supports service area and Renter Strategy Team. This reflects a

permanent investment to improve access to tenant support programs for tenants facing eviction and displacement, including through the rental housing demolition process.

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