

## **Supplementary Report: Renovictions Policy Implementation**

**Date:** June 25, 2024

**To:** City Council

**From:** Deputy City Manager, Development and Growth Services and Deputy City Manager, Infrastructure Services

**Wards:** All

### **SUMMARY**

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On June 13, 2024, the Planning and Housing Committee considered item PH13.7 - "Renovictions Policy Implementation: Review of Hamilton Renovation Licence and Tenant Relocation By-law and developing a Toronto Renovictions By-law". That report, dated May 30, 2024, provided an analysis of the Hamilton by-law and identified how a Renovictions By-law consistent with Hamilton's approach could be implemented in the City of Toronto.

This supplementary report responds to direction from the Planning and Housing Committee at its June 13, 2024 meeting, that staff report directly to City Council with updated recommendations that would more clearly achieve a Hamilton style renoviction by-law for the City of Toronto. This report also provides additional context on the elements of the Hamilton By-law which form the basis of the revised recommendations.

If adopted, the updated recommendations would provide clear direction from City Council for staff to use the Hamilton by-law as a model for public consultation along with a related implementation approach. Deputations and written submissions to the Planning and Housing Committee were consistent in recommending that the City of Toronto use Hamilton's by-law as a model to move expeditiously with implementing a renoviction by-law in Toronto. Finally, this report includes clarification on the approach to consultations with impacted stakeholders and the public.

As outlined in the May 30, 2024 report to the Planning and Housing Committee, staff will be engaging the public and stakeholders on the proposed Renovictions By-law and its implementation. To inform the implementation framework for the Renovictions By-law, targeted consultations will take place with those impacted by renovictions and stakeholders supporting tenants in fighting illegitimate renovictions (outlined in Attachment 1 to the May 30, 2024 report). Consultations will include virtual and in-person sessions, as well as direct outreach to tenant and landlord associations. Staff will also engage Councillors shortly to provide information on the consultation sessions and stakeholder information.

Staff will report to Planning and Housing Committee on October 30, 2024 with a Renovictions by-law for adoption by City Council, modelled after the Hamilton Renovation Licence and Relocation By-law.

## **RECOMMENDATIONS**

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The Deputy City Manager, Development and Growth Services and the Deputy City Manager, Infrastructure Services recommend that:

1. City Council delete Recommendation 1 in the report (May 30, 2024) from the Chief Building Official and Executive Director, Toronto Building, and Executive Director, Housing Secretariat and replace it with the following:

City Council direct the Chief Building Official and Executive Director, Toronto Building, in consultation with the Executive Director, Housing Secretariat, the Executive Director, Municipal Licensing and Standards, and other relevant divisions to report to the Planning and Housing Committee on October 30, 2024 with a proposed Renovictions By-law incorporating requirements and components that include, but are not limited to:

- a. Requiring landlords to apply for a renovation licence within seven days of issuing an N13 notice to a tenant.
- b. Requiring landlords to submit the following documents to the City as part of the renovation licence application process:
  1. Confirmation of approved building permits, and any other required approvals;
  2. Copy of the N13 notice to end tenancy;
  3. Confirmation that the landlord has posted a Tenant Information Notice notifying tenants of a building permit application and how to obtain information on eviction prevention, tenants' rights, and the Renovictions By-law;
  4. A report prepared by a qualified person noting that the renovation requires vacant possession; and
  5. A tenant accommodation and/or compensation plan that is signed and agreed to by the tenant.
- d. Requiring landlords to provide tenants with a notice of their renovation licence application.
- e. Prohibiting landlords from beginning renovations until their renovation licence is obtained.

f. Applying the by-law to all rental units in Toronto, except certain types of housing which may be exempted, and identifying any types of housing that require further consideration for a phased approach.

2. City Council delete Recommendation 2 in the report (May 30, 2024) from the Chief Building Official and Executive Director, Toronto Building, and Executive Director, Housing Secretariat and replace it with the following:

City Council direct the Chief Building Official and Executive Director, Toronto Building and the Executive Director, Housing Secretariat, in consultation with the Executive Director, Municipal Licensing and Standards, to conduct relevant engagement and consultations with stakeholders on a Hamilton style Renovictions By-law and its implementation; and include the results of this engagement process in the staff report to the Planning and Housing Committee.

3. City Council add the following Recommendation to the report (May 30, 2024) from the Chief Building Official and Executive Director, Toronto Building, and Executive Director, Housing Secretariat:

City Council direct that the Chief Building Official and Executive Director, Toronto Building in consultation with the Executive Director, Housing Secretariat, and the Executive Director, Municipal Licensing and Standards to report on the implementation framework for the Renovictions By-law, including but not limited to a recommended structure of proposed fees and fines as well as other compliance and enforcement tools.

4. City Council add the following Recommendation to the report (May 30, 2024) from the Chief Building Official and Executive Director, Toronto Building, and Executive Director, Housing Secretariat:

City Council direct that the Chief Building Official and Executive Director, Toronto Building in consultation with the Executive Director, Housing Secretariat, and the Executive Director, Municipal Licensing and Standards to include in the report consideration for applying the by-law to all rental units in Toronto and identifying any types of housing that require further consideration for a phased approach.

## **FINANCIAL IMPACT**

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There are no current financial impacts arising from the recommendations contained in this supplementary report.

As identified in the previous City Council decision on item [PH13.7](#), it is expected that the Renovictions By-law could not be fully funded through cost recovery and will require City Council to approve new and dedicated funding. The financial impacts associated with implementation of programs or initiatives related to implementing the Renoviction Policy or a Renovictions By-law will be detailed in future reports to Council and/or through the annual budget process. These details will be provided in the October 30, 2024 report back to Planning and Housing Committee.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as presented in the Financial Impact section.

## **DECISION HISTORY**

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At its meeting on June 13, 2024, in considering "PH13.7 - Renovictions Policy Implementation: Review of Hamilton Renovation Licence and Tenant Relocation By-law" the Planning and Housing Committee directed the Deputy City Manager, Development and Growth Services and Deputy City Manager, Infrastructure Services to report directly to City Council with updated recommendations that more clearly achieve a Hamilton style Renovictions By-law for Toronto.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH13.7>

## **COMMENTS**

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At its June 13, 2024 meeting, the Planning and Housing Committee considered item PH13.7 and the staff report dated May 30, 2024 which recommended that staff consult on a proposed Renovictions By-law including the scope, feasibility of exemptions, tenant notification requirements and other elements. In considering that report, the Planning and Housing Committee directed staff to use Hamilton's by-law as a model and instead focus public engagement and consultations on the implementation approach.

Public deputations and written submissions to the June 13, 2024 Planning and Housing Committee meeting consistently identified that Hamilton's by-law would be an appropriate model for Toronto's by-law and that consultations should instead focus on how the City of Toronto will approach implementation.

In response to the direction of the Planning and Housing Committee, the comments which follow provide additional information to support the revised recommendations and facilitate the development of a Renovation By-law that is consistent with Hamilton's approach.

### **Proposed Design for the Toronto Renovictions By-law**

#### *1) Renovation Licence*

The City will require landlords to obtain a Renovation Licence (rather than apply for a registration) where the landlord is seeking vacant possession of the unit to undertake renovations.

As part of the licensing framework, and consistent with Hamilton, landlords would be required to submit the Renovation Licence application within seven (7) days of issuing an N13 notice to end tenancy to a tenant. To obtain the Renovation Licence, landlords would also be required to submit:

- Payment of an application fee (to be determined)
- Contact information
- Description of property
- Confirmation of approved building permits, and any other required approvals

- Copy of the N13 notice to end tenancy
- Confirmation that the landlord has posted a Tenant Information Notice notifying tenants of a building permit application and how to obtain information on eviction prevention, tenants' rights, and the Renovictions By-law
- A report prepared by a qualified person noting that the renovation requires vacant possession
- A tenant accommodation and/or compensation plan that is signed and agreed to by the tenant
- Any other information requested by the City

The landlord would also be required to provide tenants with a notice of the application for a Renovation Licence within five days of submitting the application and post a Tenant Information Notice in a conspicuous place on the rental property if it contains more than one unit. The notice would also provide tenants with guidance on how to obtain further information on tenant rights.

The development of a public registry of licensees is being explored by staff to provide tenants with current and accurate information about possible work on their units, and to promote transparency and compliance.

It is also proposed that landlords would be prohibited from beginning renovations until their Renovation Licence is approved.

## *2) Tenant Accommodation and/or Compensation Plan*

Prior to receiving the Renovation Licence, landlords would be required to submit a tenant accommodation and/or compensation plan in cases where a tenant exercises their right of first refusal to return to the unit. The plan would include information on:

- Where applicable, the arrangements for the tenant's temporary alternative accommodation that is comparable in rent and size; proximity to transit and public amenities and location
- Where applicable, the compensation that has been or will be provided to the tenant for the duration of the renovations
- Arrangements for how the landlord will facilitate the tenant's return to the unit once the renovation is complete
- Any other information requested by the City

Landlords would also be required to keep records of actions showing compliance with the tenant accommodation and/or compensation plan. Similar to Hamilton's approach, an exemption for landlords under certain circumstances will also be considered.

As part of the engagement with stakeholders, City staff will consult on implementation of the tenant accommodation and/or compensation plan, and compensation models.

## *3) Enforcement, Fines and Fees*

Under a proposed Renovictions By-law, and consistent with Hamilton's approach, the onus would be on landlords to abide by the Renoviction By-law and obtain a Renovation

Licence. The City would take an education-first approach to compliance and enforcement.

The City of Toronto does not currently have mechanisms, or adequate and appropriate resources to monitor compliance city-wide. Staff will develop a coordinated implementation framework for investigations and enforcement of violations so that it is integrated, where appropriate, with existing tenant supports.

In cases where enforcement action is required, fines will need to be set for individuals and corporations so that they act as a deterrent and are not considered to be an acceptable cost of business. Following the City's request and upon provincial approval, fines could then be issued to landlords, or operators in contravention of the by-law. Fines would apply to contravention of specific by-law provisions and in certain cases could include continuing offences, or special fines. As part of the engagement with stakeholders, City staff will consult on the enforcement plan, and proposed structure for fines and fees.

#### *4) Scope, Phasing and Possible Exemptions*

Consistent with the public feedback received at Planning and Housing Committee, the recommendations in this supplementary report would direct staff to develop a by-law that applies to all rental housing within the City of Toronto.

City staff will report back on the feasibility of a phased approach to applying the by-law to operators of multi-tenant houses, to align with the launch of the new multi-tenant housing framework. Exemptions for social and community housing and other similar housing types will be consulted on and considered in the drafting of the by-law.

## **CONTACT**

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## **SIGNATURE**

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