

April 16, 2024

Via Email

Mayor Chow, Chair Perks, and Members of Council
Toronto City Council
100 Queen St. W.
Toronto, ON M4H 2N2
councilmeeting@toronto.ca

RE: PH11.10 – Response to Including New Approval Conditions for Rental Demolition Applications

Dear Mayor Chow, Chair Perks, and Members of Council:

We are writing to request a deferral of Item PH11.10.

The Supplementary Report, published fewer than 48 hours prior to City Council, proposes a significant change to rent gap calculations and the underlying policy rationale. Unfortunately it is not supported with adequate policy analysis, nor does it explore potential alternatives for meeting the stated policy goals. There were also no opportunities for meaningful stakeholder consultation with Staff, nor an opportunity for stakeholders to depute before members of the Planning & Housing Committee.

In addition, there are significant procedural issues raised in this item, which are addressed on our behalf in the concurrent letter to City Council from Anne Benedetti of Goodmans LLP.

Tenblock has consistently supported recent changes to the City's rental replacement procedures, including the introduction of rent gap payments, the introduction of indexing, the removal of the one-time 4% rent increase, the addition of enhanced supports for vulnerable and post-application tenants, and more. During the Province's consultation regarding potential regulations for rental replacement (22-MMAH017), we wrote that we found the City's rental replacement procedures to be appropriate and not requiring further regulation.

This was our stance because the City's rental replacement procedures were well-founded in a good policy rationale, reasonable, and subject to adequate consultation and procedural fairness, despite their considerable additional cost and schedule impact to our projects when compared to the procedures that were in place at the time of our applications.

However, the Supplementary Report before you is unfortunately a departure from this solid ground. We have not had an adequate opportunity to research and consider the matter, or discuss our concerns with Councillors or City Staff. After a brief review, we have discovered numerous concerns with the rationale and findings of the Supplementary Report. For example:



- One rationale for using rents for buildings constructed 2015+ to calculate rent gap payments is that “The data is based on consistent data set [sic] year-over-year”. However, 2023 was the first year CMHC published the 2015+ data series, which was previously combined with 2005+.
- Another rationale to use rents for buildings constructed 2015+ is due to “the low vacancy rate in the rental market and resulting low availability of vacant units for CMHC to survey”. However, CMHC data indicate that approximately 4,878 rental apartments were vacant at the time of survey (Table 1.1.3: K30; Table 1.2.1: X15) which is an adequate pool of vacant units to survey.
- There are only 12,163 rental apartments constructed 2015+, or 4.5% of the City’s total inventory of 270,981. Of the 12,163, approximately 516 (4.2%) are vacant (Urbanation database, First Occupancy Date and Vacancy Rate series; Table 1.1.3: K30). This is an inadequate pool of apartments on which to calculate rent gap payments for the entire City of Toronto.
- The proposed change to rent gap calculations is made in isolation from other supports and payments of Tenant Relocation and Assistance Plans, several of which address the policy goals stated in the Supplementary Report as the basis for the proposed change to rent gap calculations. These other supports and payments should be comprehensively re-examined if the rent gap calculation method is changed so significantly.
- The proposed change to rent gap calculations have been justified in part based on a single comparison to the Broadway Plan in the City of Vancouver, where there are meaningful differences in procedure, regulatory environment, overall tenant relocation and assistance plans, and rights and responsibilities of stakeholders.
- There are numerous other aspects of the Supplementary Report that require further thought, including assertions regarding CMHC data quality and methods, market conditions, what conclusions can be drawn from what data, procedural matters, and more.

It is not possible to consider these matters or consult with Staff and Councillors in the time available, and **for these reasons we request a deferral of this matter**. Rental replacement procedures are an important policy area that should evolve in the same well-founded, reasonable, fair, and consultative manner that has occurred over the past several years. We look forward to working with the City on these matters.

Please do not hesitate to contact the undersigned with any questions.

Tenblock

Stephen Job, AICP
Vice President