

From: lindsay.88isabella@gmail.com on behalf of [No Demovictions Ontario](#)
To: [councilmeeting](#); [Mayor Chow](#); [Councillor Perks](#); [Councillor Bradford](#); [Councillor Nunziata](#); [Councillor Kandavel](#); [Councillor Myers](#); [Councillor Matlow](#); [Councillor Thompson](#); [Clerk](#); [Councillor Crisanti](#); [Councillor Holyday](#); [Councillor Morley](#); [Councillor Pasternak](#); [Councillor Perruzza](#); [Councillor Colle8](#); [Councillor Bravo](#); [Councillor Malik](#); [Councillor Saxe](#); [Councillor Moise](#); [Councillor Fletcher](#); [Councillor Jaye Robinson](#); [Councillor Burnside](#); [Councillor Carroll](#); [Councillor Cheng](#); [Councillor Mantas](#); [Councillor Ainslie](#); [Councillor McKelvie](#)
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Subject: [External Sender] My comments for 2024.PH11.10 on April 17, 2024 City Council
Date: April 17, 2024 9:24:37 AM
Attachments: [No Demovictions - Submission to City Council - April 17 2024.pdf](#)

To the City Clerk:

Please add my comments to the agenda for the April 17, 2024 City Council meeting on item 2024.PH11.10, Response to Including New Approval Conditions for Rental Demolition Applications

I understand that my comments and the personal information in this email will form part of the public record and that my name will be listed as a correspondent on agendas and minutes of City Council or its committees. Also, I understand that agendas and minutes are posted online and my name may be indexed by search engines like Google.

Comments:

Please see attached, sent by David Steinman and Lindsay Blackwell, on behalf of No Demovictions

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April 17, 2024

SENT VIA EMAIL

To: Mayor Olivia Chow and Toronto City Council Members:

RE: PH11.10 - Response to Including New Approval Conditions for Rental Demolition Applications, on April 5, 2024

We are writing to you, to urge you to stand up for tenants facing demovictions across Toronto by voting **to approve and strengthen the motions** put forward by Councillor Matlow at Planning and Housing Committee on April 5th, 2024, and to accept the recommendations included in the staff report put forward by City Planning. These motions would help to address the serious policy shortfalls for tenants facing demoviction, particularly through improved compensation, which would enable tenants to find housing. We have included recommendations in our supplementary report (pp 4) to help strengthen these motions and address gaps associated with the City's current demovictions policies, including:

- Implementing in the short- to medium-term a new average market rent (AMR) baseline to increase rent gap payments (RGPs) so that demovicted tenants have enough compensation to find suitable alternative housing during their displacement. Across Toronto, vacancy rates are at record lows, and asking rents are at record highs – we are experiencing a housing emergency. Tenants facing demoviction, who are currently without adequate compensation, are at serious risk of homelessness. We recommend working towards a longer-term solution wherein meta-analyses of CMHC and private rental market data are used to ensure compensation accurately reflects rental market conditions.
 - We recommend that the new AMR baseline be applied to any tenants / buildings where demovictions have been approved, and that tenants who are bound to inadequate compensation based on the most recent CMHC Rental Market Report through formalized legal agreements (i.e., Section 111 agreements) receive top-up funding from the City to remedy the harms and serious compensation shortfalls they are currently experiencing. This provision would likely apply to fewer than 5 buildings at an estimated cost of less than \$500K – and it would remedy the situation for so many tenants who have lost/are currently losing their homes as a result of the City's current policy failures related to demovictions.
 - We recommend that the new AMR baseline be used for general application in the short term, but note the need to ensure tenants in unit types where there is less

statistical reliability (i.e., 3+ bedroom) are offered the larger of the two compensation figures to ensure they are not unduly burdened.

- Strengthening provisions around accountability, compliance, and transparency to ensure demovictions are a predictable, open process for tenants. We strongly recommend that City Planning and the Housing Secretariat work with tenant advocacy groups, including No Demovictions to better apply tenant experiences to the City's demovictions policies.

In anticipation of push-back from developers, we have also outlined in Section 2 (p14) of our report some common arguments against the proposed motions, and presented the relevant facts to ensure City Council is working with the facts. And indeed, because the proposed motions would rectify several hardships faced by tenants experiencing demoviction by improving compensation terms, developers and developer lobbying groups have written to Council *en masse*.

We have read the last-minute communications to City Council from developers and developer lobbying groups, expressing their concerns regarding the proposed motions. We would like to set the record straight regarding some of the claims made:

- Developers expressed concern regarding consultation on the staff report, and especially regarding Motion Item 6 and Recommendation 1 in the Decision Advice. Tenants have a long history of not being consulted on issues that affect their economic situation, so we can sympathize to a degree. However, we would note that the economic harms currently being done to hundreds of tenants through inadequate demoviction compensation **far outweigh the minor dip in lucrative profit margins that these firms currently benefit from.**
- Stephen Job (TenBlock) notes in his letter that there is an adequate pool of vacant rentals (4,878 rental apartments). This figure does not tell the whole story. RentSafeTO data indicates that there are approximately 4,500 vacant purpose built rental units in Toronto currently, and that includes **both older rental buildings slated for demolition and new luxury rentals.** The intent of higher compensation terms is to ensure that demovicted tenants are not putting additional pressure on lower-end rental units, which Mr. Job is failing to account for in his letter to City Council.
- Finally, legal counsel for one developer threatens legal action if Motion Item #6 were to be approved, namely if in-train S111s were altered. The corollary of this, however, is that any actions taken by the City to *further* approve development proposals (i.e., setting in train new S111s) could be seen as bad faith given the now-expressed concerns about the current RGP baseline by City Planners themselves as noted in their Supplementary Report. Put plainly to developers: **it cuts both ways.**
 - If City Council defers a decision on the use of CMHC 2015+ build rental data, it **must also move to defer approval of any development proposals or the drafting or signing of Section 111 agreements** involving RGP compensation of tenants until these crucial issues can be ironed out. This is in light of the potentially significant harm to tenants by chaining them irrevocably to an RGP baseline that no longer reflects like-for-like market conditions, as acknowledged by City Planners themselves in their Supplementary Report.



In closing, we are asking our Mayor, this Committee, and our City Planning department to demonstrate courage and stand up for what is fair for tenants – citizens of Toronto – in light of the motions before you. We thank Councillor Matlow and his team, and countless other Councillors and staff that have worked to put forward these motions, which have the potential to improve the prospects for hundreds of tenants currently facing demoviction across our City.

Sincerely,
No Demovictions Members

No Demovictions is a volunteer tenant collective representing tenants facing the demolition and/or conversion of our homes (i.e., demoviction) in purpose-built rental buildings across Toronto. Our advocacy work aims to effect policy change at the municipal, provincial, and federal levels to fight profit-driven demovictions, while advocating for the preservation of existing affordable rental housing and for responsible, equitable, sustainable development. We support tenants across Toronto, and Ontario more broadly, who are facing demoviction from their homes. You can learn more about our organization and mission here: <https://www.nodemovictions.ca/mission>



Briefing Note on PH11.10 for Apr 17-19, 2024 City Council Meeting

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Part I – Feedback on Committee Recommendations

The Planning and Housing Committee recommends that:

1. City Council request the Chief Planner and Executive Director, City Planning make available on the City of Toronto website updated implementation practices for Rental Housing Demolition and Conversion applications.

This motion relates to No Demovictions’ recommendation to “Direct staff to establish and publish, for both tenants and developers, formal policies, procedures and processes and guidelines for tenant relocation and assistance to bring transparency and accountability to a process where there is currently neither. Ensure that these formal policies and processes include a single point of accountability and establish formal procedures for the monitoring and enforcement of these policies.”

- This motion could be strengthened to be more directive (i.e., “City Council directs the Chief Planner...”) to immediately address the lack of transparency in policies and

processes related to rental development. Both tenants and developers have expressed their frustrations regarding this lack of transparency.

- For example, No Demovictions recently learned that the definition of “rent” provided by City Planning in presentations to tenants and presented to Councillors **is not the definition applied by City Planning in its Section 111 Agreements with developers**. Tenants are not made aware throughout the demoviction consultation process that, in fact, if they currently pay hydro separately from their current rent, their baseline rent is calculated as higher, resulting in a clawback to their rent gap payments (\$44/month for bachelor and one-bedroom; \$62/month for two-bedroom). The opacity in the demoviction process leads to tenant frustration and a lack of trust in the City’s public service.
- This motion could also be strengthened by establishing an expected completion date, to ensure the work is accounted for in City Planning’s internal work plans.
- As we noted in our submission to PHC, the cities of Vancouver and Burnaby both have clear, detailed, publicly-facing published guidelines and other resources that support both developers and tenants in clarifying their rights under provincial and municipal law and the terms, conditions, and process that they can expect from the tenant relocation and assistance process. Improving transparency in the process ensures a level of predictability and stability for both tenants and developers.

2. City Council request the Chief Planner and Executive Director, City Planning to implement indexing of average market rent for vacant units when calculating rent gap assistance and secure such indexing in Section 111 agreements.

No Demovictions is pleased to see that indexing would be formally required as part of Section 111 agreements, as we have advocated for an indexing approach to CMHC data since 2023 to remedy the massive discrepancies between CMHC primary rental market data and other sources (see Table A). We would also acknowledge the advocacy work of tenants at 145 St. George St. and 88 Isabella St. in putting forward this policy recommendation to City Planning. We would recommend that this motion:

- Use stronger language to ensure indexing is applied (i.e., “direct” rather than “request”)
- Qualify the motion so that indexing is applied **in addition to** the new RGP calculation outlined in the Decision Advice and Other Information section of these motions.
- Further qualify the motion so that the indexing formula and relevant data sources are outlined in public-facing supporting documentation

While this motion presents a positive initial step towards fairer compensation for tenants, the ~6% indexation that City Planning is currently using **does not remotely make up** for the massive differences between CMHC data and other sources, particularly as it relates to Bachelor Units. For example, bachelor unit rents for downtown Toronto as reported by other sources (Toronto Regional Real Estate Board and CMHC secondary rental market data) are 50-74% higher than the CMHC’s reported data (equal to an additional \$723-\$1074 per month - see Table A below).

Table A: Differences Between CMHC Primary AMR Data for Zone 1 / Downtown (2024) Compared to Other Sources of Data:

Data Source	Bachelor			1BR			2BR		
	2024 Rent	Difference		2024 Rent	Difference		2024 Rent*	Difference	
		(\$)	(%)		(\$)	(%)		(\$)	(%)
CMHC Primary (Z1)	\$1443			\$2400			\$2991		
CMHC Primary (Z1) + City indexing (does not include hydro clawback)	\$1532	\$89	6.2%	\$2533	\$133	5.5%	\$3168	\$177	5.9%
CMHC Secondary (TEY)**	\$2517	\$1074	74%	\$2563	\$163	7%	\$3291	\$300	10%
TRREB 2023 Q4 - C01	\$2173	\$730	51%	\$2642	\$242	10%	\$3715	\$724	24%
TRREB 2023 Q4 - C02	\$2166	\$723	50%	\$2740	\$340	14%	\$4860	\$1869	63%
liv.rent (Downtown)	n/a			\$2444	\$44	2%	\$3209	\$218	7%
rentals.ca - TO	n/a			\$2529	\$129	5%	\$3355	\$364	12%

*CMHC RMR Toronto, 2023. For 2-bedroom units, this analysis used Zones 1-4, as data was not available for Z1. CMHC notes that the data used for 2-bedroom rents in Zones 1-4 data notes that it is lower quality.

**CMHC RMR Toronto, 2023. This dataset does not report on Zone 1 in Toronto (downtown), but reports on Toronto East York (Table 4.1.2)

TRREB data includes two downtown catchments

https://trreb.ca/files/market-stats/rental-reports/rental_report_Q4-2023.pdf

liv.rent: https://liv.rent/blog/rent-reports/february-2024-toronto-rent-report/#City_breakdown

rentals.ca: <https://rentals.ca/national-rent-report>

While No Demovictions recognizes that indexing provides some remedy to the poor CMHC data quality issues, it cannot, and should not be used as a bandaid solution. Indexing what is already poor quality data is no substitution for addressing the data quality issues in the medium term. That is why we will continue to recommend that City Planning consider using a meta-analysis of rental market data with robust methodology to inform rent gap payment calculations. The most reliable rental market data does not come from the CMHC Rental Market Report (and the CMHC and City Planning have acknowledged some of the major issues the CMHC data presents), however, these data could be used in conjunction with real-world data to better reflect market realities. This is especially important in light of the persistent, extremely low vacancy rates that Toronto is facing.

3. City Council reiterate previous requests to the Province of Ontario to protect existing renters and rental stock by:

- a. maintaining the City’s ability to require rental replacement, including any associated condition, as part of any rental demolition project; and**
- b. re-introducing rent control to cover units occupied after November 15, 2018.**

No Demovictions supports both of these motions, and will continue to advocate the provincial government, alongside the City of Toronto and other advocacy groups, for these provisions. We would note that the removal of rent control has led to serious challenges for tenants across Toronto in securing housing that is affordable and predictable. An increasing, troubling trend is

unfolding, wherein tenants are offered affordable rents in newer buildings, only to have these rents double or triple once leases transition to month-to-month. Tenants are often left scrambling to uproot themselves to find affordable housing, adding further pressure to the vacancy rates for older, purpose-built rental buildings. Tenants facing demoviction with rent gap payments that inherently assume rent-control may well be facing such circumstances in a tight rental market.

In addition to rent control, No Demovictions recommends that the City advocate for vacancy control measures for tenants. There is an increasing trend of landlords evicting long-time tenants (particularly more vulnerable tenants, such as seniors, newcomers, and low-income tenants) through bad-faith renovations and other illegal measures, in order to secure “unit turns”. Landlords secure major profit increases when a longstanding tenant paying lower rent is replaced with someone new, who is charged top-of-the-market rent. This is permitted in provinces, like Ontario, where rental tenancy legislation includes “vacancy decontrol” – allowing for maximum rent increases between tenancies. Landlords capitalize on this with what they call “unit turns” or “turnovers.” The rapid increase in rental prices across Toronto has been fuelled by unit turns. Per the CMHC, in 2024, “on average, rents for 2-bedroom units [in Toronto] that turned over to a new tenant **were 31.2% higher** than those that did not see a change in tenant.”¹

4. City Council direct the Chief Planner and Executive Director, City Planning to continue discussions with Canada Mortgage and Housing Corporation (CMHC) on the methodology for how vacant purpose-built rental units are surveyed as part of the annual Rental Market Report and identify improvements to ensure rental data reflects local market areas.

No Demovictions is supportive of this motion, as we have been sounding the alarm on CMHC’s data methodology for nearly a year. The most accurate market data comes from the market sources themselves - i.e., aggregates of real-world asking prices. The CMHC Rental Market Survey is not that: it is a voluntary survey completed annually by landlords or their agents. There is no data triangulation / verification process (e.g., through audited financial statements or income tax returns) to ensure that what is voluntarily shared by landlords aligns with what landlords are asking for rents. This fact supports a need for alternative data sources to be used in calculating RGPs for tenants, as the massive shortcomings from the CMHC data harm tenants facing demoviction.

No Demovictions would recommend that this motion be further strengthened by including the following provisions:

- That City Council request routine auditing or, at a minimum, spot auditing of CMHC data, for Toronto purpose-built rentals.
- That City Planning work with No Demovictions and other tenant advocacy organizations, to provide feedback to the CMHC on data quality issues.

¹ CMHC [Rental Market Report 2024](#)

- That City Planning and CMHC staff **report back publicly** on the data challenges in the CMHC’s Rental Market Report. Beyond Toronto, there are other cities and municipalities who rely on CMHC data for planning purposes, and public reporting would serve a broader public interest.

5. City Council request the Chief Planner and Executive Director, City Planning, to report to the Planning and Housing Committee in the first quarter of 2025 on the feasibility of including the secondary market (condominiums) in the calculation of area-specific rent gap payments, and whether the inclusion of such properties more accurately reflects local rental markets.

No Demovictions is supportive of this motion, but only as **a stop-gap measure** to address how the CMHC data quality issues impact RGP calculations for tenants facing demoviction. Contrary to City Planning’s assertion, data for the secondary rental market can be requested from CMHC based on the geographic catchment that City Planning prescribes/requests (i.e., “slicing” data by postal code). City Planning should request these data and conduct a thorough analysis on how they could impact RGP calculations. These data should then be made publicly available on the City’s website as a matter of enhancing transparency and restoring public trust amongst tenants facing demoviction.

As previously noted, our recommendation is to direct City Planning to develop a method of calculating tenant compensation that will provide tenants with sufficient compensation to enable them to secure an alternative rental unit at current asking rents and to cover actual moving costs.² This could potentially be informed by data, if available, on the number of rent-controlled vs. post-Nov-2018 units available on the market, since RGP lump sums are calculated assuming guideline increases that can be compensated for by shrewd investment of the lump sum. In the medium to longer-term, we recommend that City Planning consider using a meta-analysis of rental market data with robust methodology to inform rent gap payment calculations. The most reliable rental market data does not come from the CMHC Rental Market Report (and the CMHC and City Planning have acknowledged some of the major issues the CMHC data presents), however, these data could be used in conjunction with real-world data to better reflect market realities. This is especially important in light of the persistent, extremely low vacancy rates that Toronto is facing.

We would further strongly recommend that City Council direct City Planning staff to **cease signing** legally binding agreements with developers until the new method is ready to be implemented. The goal of this work would be to ensure that rent gap payments are sufficient to allow demovicted tenants to access suitable, affordable, quality rental housing in their communities.

² https://www.nodemovictions.ca/files/ugd/25da92_0cf79e087ff74cb1a2a01362b86ae51f.pdf

6. City Council direct the Chief Planner and Executive Director, City Planning, to make all reasonable attempts to include the new rent gap approach in Rental Housing Demolition applications subject to conditional approvals without finalized Section 111 agreements, and report back, where applicable, to the appropriate Community Council with recommendations to apply the new rent gap payment calculation resulting from Recommendation 1 in the Decision Advice, if adopted.

No Demovictions is highly supportive of this motion, but would respectfully request that an additional motion be put forward to remedy compensation in line with the new RGP calculation resulting from Recommendation 1 in the Decision Advice for tenants covered under S.111 agreements that have been signed/executed using the 2024 CMHC data. City Planning was fully aware of the data quality issues in the 2024 CMHC Rental Market Report by tenants, and has pushed forward on finalizing Section 111 agreements regardless of the harms it would do to tenants. Tenants who may have their Section 111 agreements signed this year are being committed to CMHC data that is known to be susceptible to statistical flaws, which is, at a minimum, unethical. As a risk mitigation measure for the City, we would suggest that the City Solicitor look into these Section 111 agreements to determine whether City Planning could be held liable for negotiating in bad faith on behalf of these tenants.

To remedy the harm that City Planning has already done, and the imminent harms for tenants who have recently received or are awaiting N13 notices, we recommend that City Council direct City Planning to secure, from the City's own funding, "top-up" funding for tenants covered by signed Section 111 agreements with the City's current RGP calculation data (from the 2024 CMHC RMR) equal to the difference in the current data and the proposed calculation for RGP. That is to say, the City should be shouldering the financial responsibility for City Planning's stubborn adherence to an RGP formula that has failed and will fail tenants facing demoviction. Funding sources could include, for example, the Housing Accelerator Fund.

7. City Council request the Chief Planner and Executive Director, City Planning, and the Executive Director, Housing Secretariat, to ensure existing supports and programs are available to support tenants with previous Section 111 agreements that are in danger of losing safe, similar, appropriate housing in the same District due to insufficient rent gap payments.

No Demovictions is supportive of this motion as it applies to the most vulnerable demovicted tenants who are at risk of losing housing. However, the existing programs and supports have specific criteria that may not apply to all tenants who have been demovicted but are still precariously housed. At this stage, it may be more appropriate for City Council to:

- Direct staff in City Planning and the Housing Secretariat to investigate options for ensuring the provision of financial support to tenants at risk of homelessness as a result of demovictions and inadequate RGPs in the short/immediate term and report back to City Council on these options within 2-3 months, and

- Direct staff in City Planning and the Housing Secretariat to investigate a longer-term homelessness prevention support program that would provide housing benefits specifically to tenants at risk of homelessness as a result of eviction/displacement from rental housing.

A homelessness prevention program would address a serious gap that currently exists. Currently Toronto has a number of eviction prevention programs (EPIC, Rent Bank, TO Tenant Support Program, Housing Stabilization Fund, MURA), but they are all designed to prevent tenants from being evicted from rental housing by ensuring that tenants are able to maintain their existing tenancies. All but MURA are designed to prevent an "at fault" eviction, most often where the tenant has been served an eviction notice for non-payment of rent, by providing them assistance to pay their arrears. Toronto also has programs to help people who are homeless access housing (including housing benefits). But we have nothing for tenants subject to a no-fault eviction, where eviction cannot be prevented because the housing is being demolished, converted, or shut down due to fire to prevent them from becoming homeless because they cannot afford current asking rents.

8. City Council request the Chief Planner and Executive Director, City Planning, in consultation with the Executive Director, Housing Secretariat, ensure that tenants at risk of, or have been subject to, a “demoviction” are represented at the Renters’ Action Committee, established by MM11.34 to understand the experience with the rental replacement process, with an emphasis on understanding long-term outcomes of rental replacement on tenants’ housing stability.

No Demovictions is supportive of this motion, and members are willing to support this work as needed. We are working with thousands of tenants facing demoviction across Toronto, and have gained significant insights into the policy challenges and opportunities for improvement through working with these tenants.

9. City Council request the Chief Planner and Executive Director, City Planning and Housing Committee report in the first quarter of 2025 on compliance with tenant relocation and assistance policies during the relocation period in Section 111 agreements not addressed in the Auditor General’s report of February 4, 2022 regarding Rental Replacement policies.

No Demovictions is supportive of this motion insofar as it aligns with our recommendation to “Request that the Auditor investigate developers’ compliance with: a) tenant relocation and assistance plan requirements, b) tenants’ right to return, and c) rental replacement affordability requirements.”

- The City Auditor’s earlier audit of affordable rental replacement units found that City Planning did not have formal policies, procedures, or processes in place for monitoring compliance with affordable rental replacement unit requirements and that monitoring

compliance with specific clauses within the rental replacement agreements was not a priority.

- While the Auditor found this unacceptable, ***there was no follow up to investigate developers’ compliance with other clauses within rental replacement agreements.*** City staff have never reported on tenant outcomes in relation to the City’s Rental Replacement Policies.
- As a result, it is not known how many tenants are displaced, where they end up, how many return to units in the new/redeveloped building and how many do not, and whether landlords respect the affordability requirements of the replacement units. There has never been an evaluation of tenants’ experiences with relocation and attempting to exercise their right to return.

No Demovictions would also suggest a motion to “Direct staff to undertake proactive monitoring and enforcement of Section 111 agreements and to require developers to provide annual rental rolls to enable the enforcement of affordability requirements for replacement units.”

- A 2022 Audit of developers’ compliance with the City’s rental replacement policies, found that a compliance Audit was effectively impossible because “City Planning does not have formal policies, procedures or processes in place for monitoring compliance with affordable rental replacement unit requirements,” and did not collect the documentation from developers that would allow compliance to be monitored or audited.
- City Planning management reported that they would fulfill Planning & Housing Committee’s request for a compliance review in Q3 2021 with a historical review of previous replacement rental agreements to ensure compliance. The Auditor noted that “City Planning management advised us that their compliance review is still ongoing and will be reported to City Council in Q1 2022.”
- This report never came and there has been no follow-up by City Council or by the City Auditor. In response to the Audit, City staff committed to proactive monitoring of agreements, noting that “Additional staff resources will be required to implement proactive monitoring of existing agreements and will be included in future budget requests.” These budget requests do not appear to have been made, so it is unclear whether proactive monitoring is taking place. As it stands, ***the extent to which developers are complying with the City’s Rental Replacement Policies is still unknown.***

10. City Council request the Chief Planner and Executive Director, City Planning to publicly communicate outcomes of the rental replacement and tenant relocation and assistance policy.

No Demovictions would recommend strengthening language that ***directs*** parties to publicly communicate on outcomes of the policies related to rental replacement and tenant relocation and assistance. Monitoring and publicly reporting on the outcomes of policies is foundational to ensuring those policies are not effectively creating harms to those most impacted by them. Per

our recommendation, we believe the motion could be further strengthened by including a collaborative / participatory evaluation approach to the motion.

- We recommend that City Council Direct City Planning, working with No Demovictions and other tenant advocacy organizations, to collaboratively design and implement an evaluation of the City’s rental demolition policies, with a specific focus on evaluating outcomes for tenants experiencing demoviction.
- City Planning has never reported on tenant outcomes in relation to the City’s Rental Replacement Policies. It is not known how many tenants are displaced, where they end up, how many return to units in the new/redeveloped building and how many do not, and whether landlords respect the affordability requirements of the replacement units.
- There has never been an evaluation of tenants’ experiences with relocation and attempting to exercise their right to return. The evaluation should be designed to surface key policy issues and the challenges experienced by tenants throughout the demoviction process (including tenants returning to rental replacement units). The evaluation should also help inform continuous policy/process improvements.

11. City Council direct that the confidential information contained in Confidential Attachment 1 to the supplementary report (March 19, 2024) from the City Solicitor remain confidential, in its entirety, as it contains advice which is subject to solicitor-client privilege.

No comments - given this information is privileged and confidential, it is impossible for No Demovictions to provide a recommendation.

Decision Advice and Other Information

The Planning and Housing Committee:

1. Directed the Chief Planner and Executive Director, City Planning to review the use of Canada Mortgage and Housing Corporation (CMHC) data on Private Apartment Average Rents, by Year of Construction and Bedroom Type – Toronto census metropolitan area (CMA) for purpose-built rental buildings constructed 2015+ to calculate rent gap assistance and report directly to the April 17, 18 and 19 City Council meeting on the reliability of such data and how it can be immediately implemented for all active Rental Housing Demolition applications.

No Demovictions is generally supportive of this motion / decision advice as an interim measure in place of more robust formulae that can be used to determine average market rent. Applying the new formula would immediately benefit tenants across Toronto who are living in bachelor, 1-bedroom, and 2-bedroom units. In Table B, we have outlined the relative differences in baseline average market rent between the current and proposed baselines for average market rent, and included data quality indicators provided by CMHC. We would highlight that the data quality (DQ) rating CMHC has applied to the post-2015 builds for purpose-built units are generally higher than the data quality ratings (DQ) applied to vacant purpose-built rentals in

Table 1.1.9 that the City currently uses. Thus, **the data source itself acknowledges that the new formula has greater statistical reliability**. We do, however, wonder whether the New Baseline will be available Zone by Zone, or only Zone 1-4 and 5-17 averages shown in CMHD Table 1.2.2

Table B: CMHC Average Market Rent Baseline, New (post-2015 Builds) vs. Old (vacant purpose-built rentals)

Formula	Bachelor	DQ	1-Bedroom	DQ	2-Bedroom	DQ	3-Bedroom +	DQ
New Baseline for Average Market Rent (Table 1.2.2 - does not include indexing)								
Zones 1-4	2,225	a	2,568	a	3,418	a	4,165	b
Zones 5-17	2,031	b	2,340	a	2,995	b	**	
Old Baseline for Average Market Rent (Table 1.1.9 - does not include indexing)								
Zones 1-4	1,414	b	2,021	b	2,991	c	4,450	c
Zones 5-17	1,450	b	1,627	a	1,850	b	2,252	c

Data Quality (DQ) Ratings: a — Excellent b — Very Good c — Good d — Poor (use with caution).

** — Data suppressed

We also outline in Table C that applying the post-2015 build to determine average market rent delivers significant financial relief to tenants facing demoviction who are seeking rental housing during the demoviction period. However, given the data reliability challenges with 3+ bedroom units, we would urge City Council to use caution in applying this new baseline across the board. It may be prudent to add a qualifier to this motion that City Planning should use whichever figure is higher, as the higher figures are more aligned with actual asking rents, as outlined in private market data (please refer to Table A).

Table C: Differential to Baseline Average Market Rent per Month (dollar value and percent) When Applying New Average Market Rent Baseline

	Bachelor		1-Bedroom		2-Bedroom		3-Bedroom +	
	\$	%	\$	%	\$	%	\$	%
Zones 1-4	\$811	57%	\$547	27%	\$427	14%	-\$285	-6%
Zones 5-17	\$581	40%	\$713	44%	\$1,145	62%	N/A	N/A

While the proposed new formula gets us closer to a baseline average market rent that is more aligned with current rent prices across most of Toronto, and is an excellent interim solution, we would recommend in the medium to longer-term, a meta-analysis of public and private market data on rental prices that ensures tenants can find adequate housing in their communities during their displacement.

Part II – Supplementary Information: Pushbacks And Suggested Responses

On the issue of tenant relocation and assistance during demovictions, Stephen Job, Vice-President of TenBlock, a developer with a well-established presence in Toronto, noted:

*One thing we've been pressed on by the city lately is, what if the traditional package [for tenant relocation assistance] is not enough, and someone's on a fixed income or has a difficult financial situation, and they can't find a place to live where the money you're gonna provide them is gonna cover the difference for the time that they're not in the building. And I think that's a fair question. You know, the details are gonna be well, sorta, who is responsible for that gap, and, you know, that natural answer to that probably is the developer who is redeveloping the property. Like I don't think that's an unfair conclusion or answer to that question. Is it expensive? **Yes it's expensive, but, you know, if it doesn't pencil, don't redevelop the property.** If you can't redevelop property while treating people fairly, then, like, you shouldn't do it. That's been our perspective so far.³*

1. **Developers will push back against “feasibility” of changing CMHC baseline for RGP**

- Discourse around tenant relocation and assistance plan improvements is often framed in terms of whether the improvements will render a development project less “financially feasible.” City Planning consistently raises this concern, based on the word of developers and development lobbying groups.
 - While developers may face marginal profit loss if RGP is increased, **their project will not become less feasible – it will become less lucrative.**
 - City Planning has not requested proof from developers who are making these claims. If City Planning is truly working to ensure tenants receive adequate assistance, they could easily challenge developers to verifiably demonstrate (e.g., through audited financial statements) the devastating financial impacts of improving tenant compensation.
 - This is a common practice in policy-making and program allocation, when providers and firms allege that a legislative or policy solution will render their operations non-feasible.
- Per Councillor Thompson at PHC on April 5th, 2024, the City could threaten to wield its power to deny a demolition permit if tenants are unable to find “safe, similar, appropriate housing in the same district” to the satisfaction of the Chief City Planner.
- It should also be noted that tenants at risk of homelessness or housing precarity will have grounds to file at LTB, potentially delaying projects and costing Developers more than the additional RGP compensation.

³ Apr 13, 2022: <https://twitter.com/benmyers29/status/1514221341502853132>, excerpted from: <https://bullpenconsulting.ca/toronto-under-construction-episode-32-with-stephen-job-from-tenblock/>

2. Asking Developers to pay fairer RGP risks Provincial Government backlash on the City and Tenants

- City Planning has not elaborated on the basis for this assertion. It is possible that the concern lies with the threat of City Planning losing hundreds of millions of dollars in valuable funding from development applications if it cannot review and decide on a development application within 120 days. However, the regulations related to development application funding clawback are set to be phased out in the province's most recent spring omnibus bill (*Cutting Red Tape to Build More Homes Act, 2024*).
- It has been nearly two years since Bill 109 has been passed, and there have been no amendments proposed even in the province's spring omnibus bill on reducing red tape to accelerate housing. **Using the fear of what the province *might* do does not excuse the harm of what the City is *actively doing* to tenants.**
- It is not clear to us whether Bill 109 regulations are in development, nor whether the province has drawn a line that has been privately communicated to the City with respect to tenant assistance. All public-facing submissions to the province's regulatory registry indicate that this is a **wildly unpopular regulation**, and that much work will need to be done to ensure that the Minister's powers to interfere in the City's tenant relocation and assistance plans are not met with legal challenge from tenant advocacy organizations.
- Demovictions have become a much thornier issue at Queen's Park, with all opposition parties speaking out against them, as well as a Private Member's Bill to address the harms to tenants related to no-fault evictions (including demovictions).

3. There are enough vacant units in Toronto for demovicted tenants to relocate to during their displacement:

- Recently released CMHC data indicates that the stock of purpose-built rentals in Toronto is growing. But digging into the CMHC data reveals that, amongst this growth, the supply of affordable, rent-controlled purpose-built rentals is **shrinking**.
 - RentSafeTO data indicates that there are 320,500 registered purpose built rental units in Toronto. With an overall vacancy rate of 1.4%, that means there are **only 4,500 vacant purpose built rental units** in Toronto currently, **and that includes both older rental buildings slated for demolition and new luxury rentals.**
 - There are currently over 11,000 homeless people in Toronto, more than twice as many people as there are vacant purpose built rental units, and roughly 3,000 Canada-Ontario Housing Benefit supplements to be doled out this year to help homeless people access rental units. **We will all be competing for the same tiny pool of vacant units at the low end of the rental market**, a fraction of the 4,500 unit total, and there simply aren't enough of them.
- Even the CMHC's most recent Rental Market Report substantiates this dynamic and differentiates between low-end rentals and luxury rentals, and the impacts that dwindling affordable rentals across Toronto have had. Per the CMHC report:
 - Stiff competition for fewer vacant units led to **rapid rent growth**. The growth in the average rent for 2-bedroom apartments accelerated to 8.7%, the largest increase recorded since 2000.

- Lower-income renters faced greater challenges in 2023. The **vacancy rate for the least expensive units (bachelor units) decreased the most. Moreover, renting these units required a larger share of their income.** As a result of a broad-based deterioration in affordability and higher inflation, **more renters struggled to pay their rent.** The share of rental units in arrears increased to 19.6% in 2023, from 12.8% in 2022.
- Given Toronto’s high rent levels, market intelligence indicated that **prospective renters intensified their search for less expensive units.** This was confirmed by the data. Bachelor units, which had the lowest average rents (\$1,411), recorded the largest vacancy rate decline among the different bedroom types (2.6% in 2022 to 1.7% in 2023)
- However, renting even the least expensive units would have been a challenge for those with lower incomes. This is because **rent growth has outpaced wage growth in recent years.** For instance, a full-time minimum wage earner would have had to allocate just over 50% of their income to rent the average bachelor unit in 2023; a share which has been steadily rising.

4. Demovictions are a “necessary evil” to ensure more housing is built

- Many developers with active projects in Toronto have, in meetings with tenants, stated that the purpose of their project(s) is to secure re-zoning and rental demolition permits in order to sell to other development firms - **not to build housing.**
 - There are many lots currently for sale in Toronto where the development application has been approved, the building is empty or demolished (standing on an empty lot), but there is zero construction underway.
 - Demovictions are a symptom of a broader pattern of the financialization of purpose-built rental housing, and has been well-documented by the National Review Panel on the Financialization of Purpose-Built Rentals and the Canada Human Rights Commission in recent years.
 - It is clear that demovictions are not about increasing access to housing or “building more homes faster”, they are about continuing to fuel a speculative housing market and maximizing shareholder profit.
- Those who argue that they have faced demoviction as a tenant in the past / previous decades, and that it is a “necessary evil” also do not understand that **previous rental market conditions are entirely different than current rental market conditions,** where the threat of precarious housing and homelessness are now extremely likely.

5. Developers may try to compare the new RGP formula against calculations using the current RGP formula to point to perceived extra costs.

- We remind that some of the current CMHC Table 1.1.9 data are demonstrably flawed, as acknowledged by City Planning in their Supplementary Report, leading to a “windfall” for developers, meaning further losses to tenants.
- A more apt comparison should be to what developers would have projected for this year based on their own internal indexing of last year’s CMHC vacant rent amounts, and

developers should be encouraged to share those projections in the interest of transparency.

- Any projected losses to developers that would result from moving away from flawed current data would be used to ensure that the tenants they are demovicting can find temporary housing, and thus ensure timely vacant possession for developers.
- Finally, we must keep reiterating that tenants are not trying to profit from their demovictions; they are simply asking not to be unduly and unfairly taxed by the City and Developers for a situation not of their making. For some tenants, this “tax” represents a percentage of their income that no city would otherwise dare levy on its citizens.

6. Claims that the RGP only aims to “mitigate hardship”, not “make tenants whole”

- Demovicted Tenants will likely face increasing unit scarcity, meaning more non-rent controlled units and **increased hardship**, because lump sum RGP does not include year-over-year indexation.
 - The RGP is a policy solution that is intended to ensure tenants facing displacement are not made substantially worse off. It is a solution that is failing, and needs to be rectified.

7. Developers will cite Average Market Rent indexation as a way to mitigate CMHC errors [Related to Motion 2]

- In the Staff Report on this motion, the City claims that it has *“identifie[d] recent process improvements, such as indexing rental market data, to ensure compensation provided under the Tenant Relocation and Assistance Plan better reflects current market data”*.
 - However, in neither intent nor action does indexation mitigate the difference between CMHC data and actual, advertised market rents at a given time, nor increases in rent during the displacement period, especially for non-rent-controlled units.
- Indexation was intended only to account for the up-to-14-month lag between when CMHC data are collected (e.g., October 2023) and when they might be applied to calculate RGP (e.g., up to January 2025, when the next CMHC data are published).
- Indexation rate is also based on a 10-year rolling average, and done in collaboration with developers / development lobbying groups and City Planning to ensure stability and predictability for developers, not to address the concerns of tenants facing demoviction.

8. Developers may claim that formalized S111s cannot be changed [Related to Motion 7]

- For legalized S111s, City Staff and Developers may claim that those are legal contracts that cannot be changed. However, nearly all legal agreements have provisions that allow parties to a written agreement to agree to amend the agreement.
 - If a Developer pro forma has capacity and they have not wrapped up the project and paid out, they could consider any amendments.
- If City Planning and Developers are unwilling to re-open contracts to rectify the harms done to tenants with current RGP provisions, the City should be directed to find funding from within its allocations (e.g., Housing Accelerator Funding, the Development



Contingency Fund) to financially top-up tenants who are bound to Section 111 agreements negotiated on behalf of tenants in bad faith.

9. City Planning / Developers may claim approved development conditions cannot be changed [Related to Motion 6]

- For in train S111s, the same terms as above apply. Any possible suggestion by City or Developers of the concept of “estoppel” (i.e., terms that have been agreed upon but not yet legalized) does not apply to prevent good-faith renegotiation of S111 terms.