

Supplementary Report - City Solicitor Opinion - Rental Demolition Permits and Market Rentals

Date: March 19, 2024

To: Planning and Housing Committee

From: City Solicitor

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains advice or communications that are subject to solicitor-client privilege.

SUMMARY

Staff have been requested to report to the Planning and Housing Committee by the end of Q1 2024 with advice regarding whether and how, when considering rental demolition applications for large rental buildings, conditions can be imposed to double the amount of rental space in replacement buildings by requiring new purpose built market rental units within the development, in addition to rental replacement units and any appropriate thresholds for the imposition of such conditions.

This report has been prepared by the City Solicitor in consultation with the Chief Planner and Executive Director, City Planning in response to City Council's direction and is Supplementary to the Report from the Executive Director and Chief Planner dated March 15, 2024, entitled "Response to Including New Approval Conditions for Rental Demolition Applications".

RECOMMENDATIONS

The City Solicitor recommends that:

1. City Council direct that the confidential information contained in Confidential Attachment 1 remain confidential, in its entirety, as it contains advice which is subject to solicitor-client privilege.

FINANCIAL IMPACT

There is no financial impact arising from these recommendations.

DECISION HISTORY

At its meeting of October 11 and 12, 2023, City Council adopted item MM11.16 - Rental Demolition Permits and Market Rentals - being a motion respecting the importance of increasing the rental housing stock. One of the recommendations directed staff to report back on the feasibility of including as a condition to rental demolition permits, a requirement to double the amount of rental space in replacement buildings by requiring new purpose-built market-rental units within the development, in addition to rental replacement units, including recommendations on appropriate thresholds.

[Agenda Item History - 2023.MM11.16 \(toronto.ca\)](#)

At its meeting of November 8, 9 and 10, 2023, City Council adopted item EX9.3 - Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes which directed staff to report back, in conjunction with the above noted report on the possibility of imposing conditions on rental demolition permits, requiring the addition of at least 10 percent net new purpose-built rental units, 8 percent gross floor area or cash-in-lieu where it is not possible to increase units or gross floor area on site, in addition to rental replacement requirements.

[Agenda Item History - 2023.EX9.3 \(toronto.ca\)](#)

COMMENTS

Section 111 of the *City of Toronto Act, 2006*, S.O. 2006, c. 11, Sched. A ("COTA") allows the City to prohibit and regulate the demolition of residential rental properties and may prohibit and regulate the conversion of residential rental properties to another purpose. The power allows the City to pass a bylaw that prohibits such demolition or conversion in the absence of a permit, and to impose conditions on the issuance of a permit. Frequently, the City requires, as a condition of permit issuance, that the owner replace rental units rented at certain rent levels that are proposed to be demolished within the new development, and allow the return of existing tenants at similar rent levels they had been paying previously.

Schedule 1 of the *More Homes Built Faster Act, 2022* ("Bill 23") came into force on November 28, 2022. Bill 23 amended Section 111 of COTA by introducing the ability for the Minister of Municipal Affairs and Housing (the "Minister") to make regulations imposing limits and conditions on the powers of the City to prohibit and regulate the demolition and conversion of residential rental properties.

Schedule 2 of the *Helping Homebuyers, Protecting Tenants Act, 2023* ("Bill 97") made further amendments to Section 111 by providing further detail on the scope of potential regulations governing the powers of the City and authorizing requirements for owners to make payments and provide compensation. Other changes included an amendment to have any regulation prevail over any provision of COTA.

As of the date of this report, the Minister has not issued any regulations under subsection 111(7) of the COTA.

The City prohibits and regulates the demolition of properties with six or more rental units, through Chapter 667 of the Municipal Code (see [Chapter 667 \(toronto.ca\)](#)).

Confidential legal advice is provided in Confidential Attachment 1.

CONTACT

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SIGNATURE

Wendy Walberg
City Solicitor

ATTACHMENTS

1. Confidential Attachment 1 - Confidential Legal Advice