

Renovictions Policy Implementation: Review of Hamilton Renovation Licence and Tenant Relocation By-law and developing a Toronto Renovictions By-law

Date: May 30, 2024

To: Planning and Housing Committee

From: Chief Building Official and Executive Director, Toronto Building, and Executive Director, Housing Secretariat

Wards: All

SUMMARY

The HousingTO 2020-2030 Action Plan and Toronto Housing Charter, both adopted in 2019, commit the City to advancing the progressive realization of the right to adequate housing and set a number of strategic priorities related to protecting tenants, preserving affordable housing supply, and realizing a vision of a city where everyone has a safe, affordable place to call home. City Council has recently increased its housing targets under the HousingTO Plan, however, to ensure the City has sufficient affordable rental homes for low- and moderate-income residents, it is also vital to preserve existing affordable rental homes. As a result of factors impacting Toronto's housing market, including low rental vacancy rates, insufficient new rental homes, and the financialization of housing, over the past decade the Toronto region has lost more affordable and mid-range rental homes than have been built. These housing market pressures combined with gaps in provincial rent control requirements have resulted in increased rates of evictions, with disproportionate impacts on low-income and marginalized residents, including those from equity-deserving groups.

There have been reports of a growing trend of renovictions in Toronto, where a landlord illegitimately evicts a tenant by alleging that vacant possession of a rental unit is needed to undertake renovations or repairs. Renovictions can include refusing to allow a tenant who has exercised their right of first refusal to return post-renovation, illegally raising the rent on a returning tenant, or not undertaking major renovations after evicting renters. This results in the displacement of tenants, the permanent loss of affordable market rental housing, and contributes to rising homelessness in Toronto.

The Province of Ontario has jurisdiction over rent control policy and landlord-tenant matters through the Residential Tenancies Act, 2006. The most effective tools to protect tenants and deter renovictions reside at the provincial level. City Council has previously requested that the Province introduce measures to amend provincial legislation to

protect tenants from renovictions, including but not limited to: introducing rent control that is maintained upon turnover of a unit, requiring landlords to provide temporary relocation assistance while renovations are taking place, and creating a centralized data system and registry for rental properties and eviction activities in Toronto.

In the absence of these changes, Toronto and other cities are considering steps to address the growing trend of renovictions within their authorities. On July 19, 2022, City Council, through Item [PH35.18](#), adopted a Renovictions Policy as a framework to guide the development of a new renovictions by-law that would respond to growing trends in illegitimate evictions, protect tenants, and preserve affordable housing supply.

In January 2024, the City of Hamilton adopted a Renovation Licence and Tenant Relocation By-law ("Hamilton by-law") that aims to prevent renovictions and mitigate harms to tenants by requiring a licence to renovate tenanted rental units. The by-law includes several new requirements of landlords to achieve these objectives and establishes a dedicated investigation, compliance, and enforcement framework. The [Hamilton by-law](#) was enacted on April 10, 2024, and the administrative and enforcement framework are under development. The Hamilton by-law is expected to come into force January 1, 2025.

On February 28, 2024, the Planning and Housing Committee directed staff to include in this report consideration and analysis of the Hamilton by-law and how that approach could be adopted by Toronto. This report responds to this direction and provides staff's analysis of implementation considerations related to the Hamilton by-law. Further comments respecting the by-law will be provided by the City Solicitor by way of a separate report. It also provides City Council with an update on actions underway to implement the renovictions policy and corresponding by-law, and provides necessary context regarding provincial policy and legislative changes impacting renovictions and tenants' rights (including Provincial Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023). Finally, the report provides Council with information on how the Hamilton by-law approach could be implemented in Toronto, should Council provide such direction.

RECOMMENDATIONS

The Chief Building Official and Executive Director, Toronto Building, and the Executive Director, Housing Secretariat recommend that:

1. City Council direct the Chief Building Official and the Executive Director, Toronto Building, in consultation with the Executive Director, Housing Secretariat, and Executive Director, Municipal Licensing & Standards, and other relevant divisions to report to the Planning and Housing Committee on October 30, 2024 with a proposed renovictions by-law and operational framework to implement the by-law.
2. City Council direct the Chief Building Official and the Executive Director, Toronto Building, the Executive Director, Housing Secretariat, in consultation with the Executive Director, Municipal Licensing & Standards, to engage with impacted stakeholders on the draft by-law components and implementation plan that is generally in line with what is

outlined in Attachment 1, and include the results of this engagement process with the report to the October 30, 2024 meeting of the Planning and Housing Committee.

3. City Council direct the Chief Building Official and the Executive Director, Toronto Building to establish a dedicated staff team (led by a Project Director) to work with senior staff across relevant City divisions to develop a renoviction by-law and its operational framework by Q4 2024.

4. City Council direct the Chief Building Official and the Executive Director, Toronto Building, the Executive Director, Housing Secretariat in consultation with the Executive Director, Municipal Licensing & Standards, to report through the 2025 and 2026 budget processes on any additional budget and resource impacts of the renoviction by-law implementation.

5. City Council request the Province of Ontario to proclaim and bring into force Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023, and/or related regulations to:

a. require that when landlords provide a notice to terminate a tenancy for repairs or renovations, that it be accompanied by a report from a qualified person confirming that the renovations/repairs are so extensive that they require vacant possession of the rental unit. A qualified person should include someone with professional qualifications who is licensed and required to meet professional and ethical obligations under provincial legislation (e.g. architects and professional engineers);

b. require landlords to provide tenants who have provided notice that they wish to have a right of first refusal to return to the unit with written notice of the estimated completion date, any changes to this date, and final notification once the renovations/repairs are completed;

c. require landlords to provide tenants with a grace period of at least 60 days after the rental unit is ready for occupancy, to allow tenants to move back in and provide the required 60-day notice to end their tenancy in their temporary accommodation; and

d. allow tenants whose landlords fail to provide the required written notices, the grace period and/or the right of first refusal to apply to the Landlord and Tenant Board (LTB) for a remedy until the later of two years after the tenant moved out or six months after renovations/repairs are completed.

6. City Council reiterate its requests to the Province of Ontario to amend the Residential Tenancies Act, 2006, and/or related regulations to:

a. reintroduce vacancy control legislation which ties rents to residential units rather than tenancies;

b. introduce rent control to cover units first occupied after November 15, 2018;

- c. require landlords of residential units to be responsible for finding temporary accommodation or provide sufficient relocation assistance for their tenants for the duration of the renovations if tenants intend to return post-repair/renovation;
- d. require landlords to obtain a building permit before issuing an N13 notice of termination, provide a copy of the applicable permit to tenants together with any N13 notice of termination, require evidence that the permit was delivered with the N13 notice of termination as part of any L2 application to end a tenancy filed on that basis, and require the approved permit be provided to the LTB as part of any L2 application to end a tenancy filed on the basis of an N13 notice of termination;
- e. provide the same rights and compensation afforded to tenants in buildings with five (5) or more units to those in buildings with less than five (5) units;
- f. increase the required compensation for tenants in no-fault evictions;
- g. remove ex parte eviction orders for breached repayment agreements;
- h. require landlords to attach a plain-language tenants' rights information package to N13 eviction notices (similar to the City of Toronto's Eviction Prevention Handbook);
- i. regulate N11s and buy-out agreements; and
- j. amend Above Guideline Increase (AGI) rules to eliminate the eligibility of capital expenditures that constitute general repair and maintenance of the property; add a new subsection requiring landlords to save 10 percent of rental income to be accessed for capital expenditures; and require landlords to notify tenants of the decrease in advance of the date when rent is required to be reduced as specified in an order permitting an AGI related to eligible capital expenses.

7. City Council reiterate its requests to the Province of Ontario to make the following operational changes:

- a. allow tenants the right to in-person LTB hearings to eliminate technological barriers for individuals who do not have access to digital devices or reliable internet connection;
- b. simplify LTB notices with plain language so they are easily understood and ensure all forms include a tracking number that is linked to a public registry; and
- c. establish a provincial rental registry that tracks building ownership, rental rates, AGIs and their expiry dates, and LTB eviction filings and their outcomes; and monitor data on N12 and N13 evictions.

8. City Council reiterate its requests to the federal and provincial governments to significantly increase their investment in the HousingTO 2020-2030 Action Plan which will increase the supply of new affordable and supportive homes, protect existing rental

stock including through retrofit programs, and help residents across the city to maintain their existing homes.

9. City Council forward this report with the Association of Municipalities of Ontario (AMO) and Greater Toronto Hamilton Area municipalities for information, as they may be considering the development of similar strategies to address renovations within their jurisdictions.

FINANCIAL IMPACT

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

The financial impacts associated with implementation of programs or initiatives related to implementing the Renovation Policy or a renovations by-law will be detailed in appropriate reports to Council or annual budget processes. It is expected that such programs and initiatives could not be fully funded through cost recovery and will require City Council to approve new and dedicated funding.

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

EQUITY IMPACT STATEMENT

The HousingTO 2020-2030 Action Plan envisions a city in which all residents have equal opportunity to develop to their full potential. It is also centred on a human rights-based approach to housing which recognizes that housing is essential to the inherent dignity and well-being of a person and to building healthy, inclusive sustainable and liveable communities.

Protecting the existing stock of permanent affordable and mid-range rental housing across the city and addressing illegitimate evictions is critical to preventing homelessness and improving housing stability for residents. These actions also help systemically and structurally vulnerable and marginalized individuals, including Indigenous Peoples, Black and other racialized people, seniors, women and 2SLGBTQ+ persons, to access and maintain safe, healthy and adequate homes.

Evictions in Toronto disproportionately affect equity-deserving populations including Black, Indigenous, racialized, and people with disabilities due to greater economic vulnerabilities, including higher poverty rates, as well as individual and systemic discrimination. This leads to inequality in rental housing and a perpetuation of poverty and negative health outcomes.

Safe, secure, and affordable housing is a key determinant of health. It also improves social and economic outcomes for individuals, families, and communities. Good quality,

affordable housing is the cornerstone of vibrant, healthy neighbourhoods and supports the environment and economic health of the city, region, and country.

DECISION HISTORY

At its meeting of February 28, 2024, the Planning and Housing Committee adopted PH10.10 - Renovictions By-Law which directed staff to include in this report to the Planning and Housing Committee consideration and analysis of the Hamilton Renovation and Tenant Relocation By-law and how that approach could be adopted by Toronto. <https://secure.toronto.ca/council/agenda-item.do?item=2024.PH10.10>

At its meeting of November 8, 2023, City Council adopted EX9.3 - Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes which amended the HousingTO Plan and increased its 40,000 affordable rental homes approval target. The new target is now 65,000 rent-controlled homes comprising 6,500 rent-gear-to income, 41,000 affordable rental and 17,500 rent-controlled market homes. <https://secure.toronto.ca/council/agenda-item.do?item=2023.EX9.3>

At its meeting of July 19, 2022, City Council approved the proposed Renoviction Policy in Attachment 1 to the report (June 20, 2022), as amended. <https://secure.toronto.ca/council/agenda-item.do?item=2022.PH35.18#>

At its meeting of July 5, 2022, the Planning and Housing Committee recommended that City Council approve the proposed Renoviction Policy in Attachment 1 to the report (June 20, 2022) as amended, and directed staff to report back to the Planning and Housing Committee by the second quarter of 2023 with a new regulatory by-law to protect affordable and mid-range rental housing stock, along with a detailed implementation plan to phase in the by-law, including required resources, and a coordinated approach to compliance and enforcement. <https://secure.toronto.ca/council/agenda-item.do?item=2022.PH35.18#>

At its meeting of June 28, 2021, the Planning and Housing Committee directed staff to develop a renovictions policy with accompanying procedures. The policy was to be informed by best practices from other jurisdictions. [Agenda Item History - 2021.PH25.23 \(toronto.ca\)](https://secure.toronto.ca/council/agenda-item.do?item=2021.PH25.23)

At its meeting of May 20, 2021, the Planning and Housing Committee directed staff to evaluate the New Westminster, B.C. by-law addressing renovictions and how it could be adapted for Toronto. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH23.20>

At its meeting of November 23, 2020, the Subcommittee on the Protection of Affordable Rental Housing adopted the report, RH4.1 Tenant Support Grant Program Updates. This report recommended expanding the scope of the Tenant Support Grant Program to include N13 notices as an eligible grant application type and increasing the Tenant Defence Fund 2021 budget by \$100,000. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RH4.1>

At its meeting of November 23, 2020, staff provided an update on work to date and proposed the creation of a new Tenant Advisory Committee. The new committee would work with staff to co-develop work plans to address issues including the consideration of a renovations policy. Staff were also directed to engage a consultant to assist with data collection on evictions.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RH4.2>

At its meeting of November 20, 2019, the Subcommittee on the Protection of Affordable Rental Housing directed staff to explore options to address illegitimate evictions. Considerations included data collection, investigation measures and provincial advocacy. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.RH2.1>

At its meeting of September 24, 2020, the Subcommittee on the Protection of Affordable Rental Housing requested a report back on progress made on steps to mitigate illegitimate evictions.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RH3.1>

COMMENTS

A. Human Rights-Based Approach

The City's HousingTO Plan, including the revised Toronto Housing Charter – Opportunity for All ([2019.PH11.5](#)), affirms the City's policy to further the progressive realization of the right to adequate housing recognized in international law and adopts a human rights-based approach to housing that is rooted in the principle that all residents have a right to safe, secure, and affordable homes.

Advancing the progressive realization of the right to adequate housing requires the commitment and participation of all levels of government.

In the absence of further provincial action to address renovations, for municipalities including Toronto to take action to try and curb renovations that result in the displacement of tenants, housing instability, and increased rates of homelessness, would be a step forward to further the progressive realization of the right to adequate housing. Staff will engage specifically with the new Housing Rights Advisory Committee and Deputy Ombudsman (Housing) on this policy.

B. Toronto's Housing, Homelessness, and Eviction Challenges

Rental Housing Stock and Vacancy Rates

Toronto continues to experience a housing and homelessness crisis. Despite an increase in new rental completions in 2023, vacancy rates have reached five-year lows and rents are increasing at record levels. Data from the Canada Mortgage and Housing Corporation's Rental Market Survey show that:

- The vacancy rate for purpose-built rental units dropped to 1.4 percent in 2023, well below the 3 percent vacancy rate indicative of a well-functioning rental market;

- Average market rents (AMRs) increased by 10 percent in 2023, the largest increase recorded since 2000;
- Two-bedroom units occupied by new tenants in the Toronto Census Metropolitan Area (Toronto CMA) saw an annual rent increase of 40 percent upon turnover, compared to rent-controlled units with existing tenants that saw an average annual increase of 4 percent; and
- There were almost 50,000 tenant households in rental arrears in 2023, a 17.8 percent increase over the prior year, with average rental arrears of \$3,640.

Affordable and mid-range rental homes are being lost in Toronto at a significant rate. Research from the Canadian Housing Evidence Collaborative found that between 2016 and 2021, the Toronto CMA lost 20,876 rental units with rent levels of under \$750 per month, and 52,215 units renting for between \$750 and \$999 per month.¹ This research estimated that the Toronto CMA lost 18 lower-rent market homes for each new affordable rental home built during the decade preceding 2021. This trend has been driven by many factors including landlords pursuing guideline and above guideline rent increases, rent increases at unit turnover (enabled through vacancy decontrol), and financialization of rental housing stock.

Eviction Rates

Formal eviction filing rates in Toronto have risen following the decreased eviction filing activity during the COVID-19 pandemic and associated eviction moratoriums. Over 15,000 formal evictions were filed with the Landlord and Tenant Board (LTB) for rental properties located within the City of Toronto in 2022. This is a 49 percent increase in the number of eviction applications filed compared to 2021, though still below pre-pandemic levels.² The data from the LTB is also limited as it only accounts for formal eviction applications; and a significant number of evictions occur informally, without documentation, and often illegitimately. While not all eviction applications result in evictions, these numbers suggest a growing and significant risk for tenants.

Between January 2017 and August 2023, ACORN Canada reported that in Toronto 950 eviction applications were filed with the LTB due to major renovations, demolitions, or conversions of rental properties.³ According to the Statistics Canada Canadian Housing Survey 2021, 10 percent of Canadians who experienced evictions reported major repairs, demolition, or conversion as the reason for their eviction.

Emerging research indicates deep inequities in housing instability and rates of evictions within Toronto, disproportionately burdening racialized and low-income tenants. Data from the Wellesley Institute show that eviction filing rates are twice as high in census tracts where more Black tenants live, controlling for poverty and other socio-economic

1 Pomeroy, Steve. (2022). "Updating analysis on erosion of lower rent stock from 2021 census". Canadian Housing Evidence Collaborative (CHEC). <https://chec-ccrl.ca/wp-content/uploads/2022/10/Updated-Analysis-on-Housing-Erosion-from-2021-Census-Steve-Pomeroy.pdf>
 2 Low-End of Market Rental (LEMR) Housing Monitor. <https://lemr.ca/>
 3 ACORN Canada. "Ontario Renoviction Report 2024". <https://acorncanada.org/wp-content/uploads/2024/02/Ontario-Renoviction-report-2024-2.pdf>

factors; and eviction filing rates are 2.5 times higher in census tracts where more tenants live in poverty⁴.

C. Provincial and Federal Context

Residential Tenancies Act, 2006

The provincial Residential Tenancies Act, 2006 (RTA) sets out the rights and responsibilities of landlords and tenants who rent residential properties in Ontario. This includes regulation of rent increases. The RTA provides that rent increases on residential units first occupied prior to November 15, 2018, are limited to no more than the guideline amount prescribed by the Province each year, which is the maximum a landlord can increase most tenants' rent during a year without the approval of the LTB. Section 120 of the RTA states that the guideline for a calendar year shall be not more than 2.5 percent.

In November 2018, the RTA was amended to remove rent control on new purpose-built rental housing occupied after November 15, 2018. This means that annual rent increases on units occupied after November 15, 2018, are not limited to the guideline amount and as such, landlords of these units can impose unrestricted annual rent increases for existing tenants, making rents unaffordable.

Notably, the RTA does not place controls on rent levels when a unit turns over (i.e. when one tenancy ends and a new one begins). Also known as vacancy decontrol, this enables landlords to increase rents without limit between tenants and creates an incentive for landlords to evict long-term tenants from rent-controlled units.

Section 50(1) of the RTA allows a landlord to serve a notice of termination (an N13) if the landlord intends to demolish the rental unit, convert it to use for a purpose other than residential premises, or do repairs or renovations to it that are so extensive that they require a building permit and vacant possession of the rental unit. The termination date on the N13 notice must be at least 120 days after the notice is given.⁵ Different requirements related to compensation are in place for properties with more than five units and five units or less. It should be noted that compensation to tenants is never required if the landlord has been ordered to do the repair or renovation or if the tenant resides in a social housing rental unit.

Ontario Bill 97 Changes Impacting Renovictions

On April 6, 2023, Ontario Bill 97 the *Helping Homebuyers, Protecting Tenants Act, 2023* was introduced for first reading. Bill 97 proposed changes to seven Ontario acts, including the RTA sections which govern renovation-related evictions. On June 8, 2023, Bill 97 received Royal Assent. As of May 30, 2024, Schedule 7, which amends the RTA,

4 Leon, Scott and James Iveniuk. (2020). "Forced Out: Evictions, Race, and Poverty in Toronto". Wellesley Institute. <https://www.wellesleyinstitute.com/wp-content/uploads/2020/08/Forced-Out-Evictions-Race-and-Poverty-in-Toronto-.pdf>

5 In contrast to the RTA, the City secures extended notice periods of 6 months through Rental Housing Demolition Applications.

has not yet come into force, and the date when the provisions of Schedule 7 will come into force is not known.

Among other changes, Bill 97 amended the RTA with the stated aim to protect tenants from bad faith evictions due to renovations/repairs, including the following:

- **Additional documentation:** Require that when landlords provide a notice to terminate a tenancy for repairs or renovations, that it be accompanied by a report from a qualified person confirming that the renovations/repairs are so extensive that they require vacant possession of the rental unit. A definition of a qualified person is not included in Bill 97 but still needs to be prescribed by regulation.
- **Tenant notification:** Require landlords to provide tenants who have provided notice that they wish to have a right of first refusal to return to the unit with written notice of the estimated completion date, any changes to this date, and final notification once the renovations/repairs are completed.
- **Grace period:** Require landlords to provide tenants with a grace period of at least 60 days after the rental unit is ready for occupancy, to allow tenants to move back in and provide the required 60-day notice to end their tenancy in their temporary accommodation.
- **LTB remedy for bad faith renovations:** Allow tenants whose landlords fail to provide the required written notices the grace period, and/or the right of first refusal to apply to the LTB for a remedy until the later of two years after the tenant moved out or six months after renovations/repairs are completed.
- **Increased fines:** The maximum fines for offences under the RTA have doubled to \$100,000 for individuals and \$500,000 for companies.

These are welcomed proposed changes in Bill 97 aligned with previous requests from the City of Toronto that may protect tenants. Given they are not yet in force, data is not available on the impact of these changes in curbing renovations. Additionally, these changes alone are unlikely to end renovations.

This report recommends that City Council request that the province introduce measures including legislative and other changes to protect tenants from renovations, including but not limited to:

- Introducing rent control to cover units occupied after November 15, 2018;
- Re-introducing rent control that is maintained upon turnover of a unit;
- Requiring landlords to provide temporary accommodation while renovations are taking place; and,
- Creating a centralized data system and registry for rental properties in Toronto.

Federal Announcements

In March 2024, the federal government announced a set of initiatives focused on tenants:

- **Launching a new \$15 million Tenant Protection Fund** which would provide funding to legal aid and tenants' rights advocacy organizations to better protect tenants against unfairly rising rent payments, renovictions, or bad landlords.
- **Creating a new Canadian Renters' Bill of Rights**, developed and implemented in partnership with provinces and territories. This would require landlords to disclose a clear history of apartment pricing so tenants can bargain fairly. The federal government also announced it would crack down on renovictions, create a nationwide standard lease agreement, and give tenants more agency.
- **Aiming to provide for tenants to get credit for on-time rent payments** by amending the Canadian Mortgage Charter and call on landlords, banks, credit bureaus, and fintech companies to make sure that rental history is taken into account in a tenants' credit score.

These initiatives have not yet been implemented.

D. City of Toronto Renoviction Policy

On July 19, 2022, City Council adopted the Renoviction Policy in Attachment 1 to the Renoviction Policy report ([PH35.18](#)) as a broad framework to guide the development of a new by-law to preserve affordable and mid-range rental housing and deter renovictions. The Renovictions Policy envisions a City of Toronto by-law which would:

- Require all landlords to obtain a building permit prior to taking steps to obtain vacant possession of a rental unit to carry out a repair or renovation, except where a building permit cannot be obtained without vacant possession of the unit.
- Require all landlords to provide a copy of the City's Eviction Prevention Handbook to tenants, upon signing of a lease for a rental unit; and taking steps to obtain vacant possession of a rental unit for the purpose of repairs or renovation.
- Require landlords of rental properties to post and maintain a notice in a prominent and visible place within the property, and deliver a letter to the rental units notifying tenants when a building permit application has been made to the City of Toronto accompanied by an accurate description of the proposed work. The notice would also provide tenants with guidance on how to obtain further information from the City of Toronto on tenant rights.
- Take appropriate enforcement action if non-compliance with the by-law is observed.

Eviction Prevention Tools and Tenant Information Notice

In support of the Renovictions Policy and by-law, the Housing Secretariat, the Service Design & Delivery team, and Toronto Building have developed a RIGHTS (Resources, Information and Guidance for Housing & Tenant Stability) tool to be launched in Q2 2024. The purpose of the RIGHTS tool is to provide a simplified online resource to assist tenants in understanding their rights and connecting them with the right resources and supports if they are facing an eviction due to renovation or repair of their unit. The tool when launched will simplify service navigation for tenants by using simple questions about a tenant's living situation and tenancy to guide them to the right supports.

Another key component of the City's Renoviction Policy and the proposed renoviction by-law is the requirement for landlords to proactively inform tenants when a building permit application is made for renovations or repairs to the tenant's unit. Toronto Building has developed a draft tenant information notice program which will act as a gateway to real time information on building permit status and housing support service resources. Landlords will also be required to ensure tenants are provided with information on how to access the RIGHTS tool and Eviction Prevention Handbook.

Staff will be consulting this summer with tenants and landlords on the tenant notice program to ensure that all information is clear and understandable for all stakeholders. The renovictions by-law would operate separately from the administration and enforcement of the Building Code Act as the by-law is not authorized by the Building Code Act but would instead rely on the City of Toronto Act, 2006 for its authority.

An updated version of the City's Eviction Prevention Handbook is being published to reflect changes to legislation and regulations impacting tenants, and with new content tailored to tenants of multi-tenant homes (rooming houses).

Housing-At-Risk Table

To support implementation of the Renovictions Policy and by-law and the implementation of the multi-tenant housing framework, staff are establishing a Housing At-Risk Table (HART) which will include an interdivisional team to coordinate responses and actions to prevent the loss of affordable rental homes. Interdivisional consultations, feedback from members of the public, and ongoing input and advice from the Tenant Advisory Committee have highlighted that there are many complex housing issues facing tenants that require triaging and targeted interdivisional City responses.

Discussions with City divisions have taken place to better understand gaps in City programs and services, potential resource requirements, and expectations. As part of the HART development process, staff are currently reviewing similar incident response tables, including SPIDER (Specialized Program for Inter-divisional Enhanced Response to Vulnerability) and FOCUS (Furthering Our Community by Uniting Services). These are tables that bring together City divisions and community partners to address specific cases of people facing complex vulnerabilities.

HART's activities are also undergoing assessment by staff to confirm compliance with the City's obligations under the Municipal Freedom of Information and Protection of

Privacy Act (MFIPPA) and other information management obligations. Review and assessment by the City Clerk will also be conducted.

E. City of Hamilton's Renovation Licence and Relocation By-law

As requested by the Planning and Housing Committee, below is a summary of the Hamilton Renovation Licence and Relocation By-law ("Hamilton by-law"). The Hamilton by-law was the subject of a report considered by Hamilton City Council in January 2024. The staffing resources were approved through the budget process in February 2024. On April 10th, 2024, Hamilton City Council approved and enacted the by-law, which is slated to come into force January 1, 2025.

Requirements of the Hamilton By-law

The Hamilton by-law requires landlords to file an application with the City of Hamilton for a renovation licence within seven days of issuing an N13 eviction notice to tenants, and obtain a renovation licence prior to commencing any renovation work that requires an N13 eviction notice. The Hamilton by-law applies to all rental units in the City of Hamilton, with some exceptions including social housing and lodging housing (similar to multi-tenant housing). When filing an application with the City of Hamilton for a renovation licence, the landlord must provide the following supporting documentation:

- all necessary permits (including but not limited to building permits);
- a report from a qualified person stating that vacant possession is required;
- a copy of the N13 notice of eviction;
- the landlord's name and contact information;
- a description of the rental complex including the number of units and the rental rates;
- certification that the landlord has provided a copy of the City's Tenant's Rights package to all tenants who received an eviction notice; and
- any other information required by the Director of Licensing and By-law Services.

If a tenant exercises their RTA legal right of first refusal to return to the unit post-renovation, the landlord must provide either:

- Temporary alternative housing comparable in size, rent, number of bedrooms, and location to the tenant's current unit during the period of renovation; or,
- Compensation to the tenant for the duration of the renovation equal to the difference between the rent currently paid and the Average Market Rent for units with the same number of bedrooms, to be paid seven days before the first of each month for the duration of renovations; or,
- If the landlord/operator and tenant cannot make alternate accommodation or compensation arrangements, then the Director of Licensing and By-law Services may make an exemption to this provision and may impose conditions on such exemption.

These accommodation or compensation arrangements must be made within 120 days of issuing an N13 notice, or before the date the tenant gives notice of their intention to

vacate the unit, whichever is sooner. Details of the arrangements must be provided to the City of Hamilton once they have been made.

The Hamilton by-law does not prevent a landlord from issuing an N13 eviction notice nor permit City staff to intervene in areas which fall under the scope of the RTA or the LTB, including resolving landlord and tenant disputes, and allowing or preventing an eviction.

Hamilton's Implementation Approach

Hamilton Licensing and By-law Services (LBS) has a lead role in the administration, licencing, and enforcement of the Hamilton by-law. The new Renovation Licence and Relocation By-law, in combination with the Safe Apartment Buildings (similar to the City of Toronto's RentSafeTO program), City's Property Standards and Vital Services By-laws, form the new Hamilton Apartment Rental Program administered by LBS.

The Director of LBS has the authority to issue or renew a renovation licence, refuse to issue or renew a licence, to revoke a licence, and to impose terms and conditions. LBS staff will receive licence applications, confirm alternate accommodation or compensation arrangements, issue licences or conditional licences, investigate complaints, collect evidence of non-compliance, and issue administrative penalties and/or set fines for non-compliance.

Enforcement of the by-law will be based on a reactive approach, as staff must receive either a formal complaint from a tenant or an application for a renovation licence. By-law enforcement officers will use their discretion to issue orders to obtain compliance, and fines may follow for non-compliance.

The Hamilton Housing Secretariat (HS) will be responsible for supporting tenants and coordinating support services when licence applications are made. When an application is made, LBS will notify HS, which will extend outreach, education, and support through organizations funded by HS. Similar to the Toronto Tenant Support Program, HS is funding a tenant defence program to provide legal assistance to tenants who receive an N13 notice of termination, as well as education campaigns on the rights and responsibilities of landlords. HS will connect tenants facing renovation-related initiatives with support from ACORN, legal aid clinics, and housing help centres.

Hamilton Legal Services will prosecute landlords or operators who are in non-compliance with the by-law.

Hamilton Building does not have an active role in the administration or enforcement of the Hamilton By-law. Hamilton Building's role is limited to prioritizing building permit inspections to support LBS in achieving compliance with the renovations by-law. Hamilton Building will continue to administer the separate process for issuing building permits under the Building Code Act.

F. Analysis of the Hamilton By-law and Considerations for Toronto

While the Hamilton by-law is not yet in effect, it is expected to provide increased protections against the erosion of affordable and mid-range rental housing stock and towards maintaining tenant stability.

Municipalities in Ontario have broad authority to pass by-laws respecting matters including the economic, social and environmental well-being of the city; health, safety and well-being of persons; and protection of persons and property. Housing is key to protecting the health, safety and well-being of persons, and illegitimate renovations pose a risk to tenants and their housing stability.

An analysis of implementing a similar approach in Toronto has been assessed by staff from Housing Secretariat, Toronto Building, and Municipal Licensing & Standards, and is described below. Further comments respecting the by-law will also be provided by the City Solicitor by way of a separate report.

Increased protections for tenants and against the erosion of affordable and mid-range rental housing

Implementing a renovations by-law similar to Hamilton's would build a framework around renovations of tenanted rental homes in Toronto within areas of municipal authority. Such a by-law would require landlords to notify the City of renovation-related eviction activities and would require the landlord to provide the City with critical information related to the proposed work. This notification would also allow for the dissemination of information to tenants on their rights and the availability of various support programs tailored to assist them including legal supports.

A renovations by-law similar to Hamilton's would require landlords in Toronto to offer temporary alternative housing or relocation assistance to tenants displaced by renovations while they are underway. This would continue to allow for major renovations of rental units, balancing the need for property repairs with preserving the availability of affordable and mid-range housing in Toronto, ensuring the health, safety and protection of all involved.

By establishing clear rules, municipal oversight, and protections for tenants, the intent is to discourage illegitimate evictions, ensuring that renovations are genuinely intended to improve property conditions without undermining housing affordability and stability for tenants.

City staff have been communicating with staff in other municipalities in Ontario and across Canada experiencing similar issues and considering similar approaches. Concurrent action on renovations at the municipal level in the GTHA in particular indicates there is a growing appetite to strengthen the current Ontario provincial legislative framework regarding evictions and renovations as it is not sufficient to protect tenants. There is a growing consensus that greater action is needed to advance joint municipal, provincial, and federal goals of improving housing affordability and stability for tenants.

Operational Considerations

As in Hamilton, a renovations by-law in Toronto will require new investment in dedicated staffing resources to develop and operate the administrative, investigative and enforcement components of the program. The renovations issue is complex and requires a multi-divisional effort to address as it does not fall entirely within the authority of a single division.

Toronto Building would lead the development of the proposed by-law and operational framework separate and apart from its responsibility for regulatory oversight of Building Code enforcement, while leveraging its expertise in processing applications related to building permits. Support will be required from divisional partners such as the Housing Secretariat, Municipal Licensing & Standards, and Legal Services, among others. Toronto Building will require a Project Director to ensure that the proposed framework is in alignment with the Renovation Policy, reflects meaningful engagement with stakeholders, and is operational within City Council's directed timeframe. Collaboration with divisional partners will also ensure the identification of adequate resources and funding for program delivery.

The annual cost of administering the by-law in Hamilton is estimated to be \$848,565 net of application fees and \$942,850 gross, primarily for staffing costs. The recommended cost to landlords for an application for a Renovation Licence is \$715 based on 10 percent cost recovery. The estimated staff resources required to deliver this new program in Hamilton is 8 FTEs, with staff cross-trained to support the implementation of the Hamilton Safe Apartments program. For comparison, Toronto has 7.3 times more tenant households than Hamilton (557,970 and 76,400 tenant households respectively in 2021).

Hamilton staff proposed one full-time solicitor in Legal Services and increased Property Standards Committee hearings to adequately participate in relevant proceedings and draft needed amendments to the Hamilton by-law, such as any that may be required to conform with the provisions of Ontario Bill 97, once it comes into effect.

MLS currently administers and enforces the RentSafeTO program and by-law (which regulates purpose-built apartment buildings with three or more storeys and 10 or more units), and the multi-tenant houses (MTH) licensing by-law. Combined, the rental units included in the scope of these programs are less than half of the total rental stock in Toronto.

Adding a new renovations by-law which impacts all rental units city-wide and involves new City services in several divisions would require significant additional resources. There are some key operational considerations in administering and enforcing a by-law like Hamilton's, including identifying violations and proving non-compliance.

If an approach similar to the Hamilton by-law is to be pursued, staff would also explore whether a permit or registration system may be a more administratively feasible alternative to a license. However, this approach would still require additional resources, including consultation, staffing, budget, and system adjustments.

The alignment of renovation policies and by-laws with the City's new MTH framework, effective March 31, 2024, must also be considered. Bringing MTHs into compliance with the new MTH regulatory framework is likely to require significant renovations to some properties. Adding further licensing or registration requirements to these operators through a renovation by-law risks complicating the implementation of the MTH framework and overburdening operators with requirements, deterring them from participating in either program or operating legally. At the same time, a renovations by-law could protect affordable MTH stock which may be more vulnerable. Staff will further consider whether a phased approach would help balance these concerns i.e. exclude MTHs initially and include them in the by-law later.

Community Expectations

The most effective tools to deter renovations and protect tenants exist at the provincial level. Should Toronto proceed with a by-law within its sphere of jurisdiction, there is a risk that expectations of tenants, landlords, and the public will not match the capabilities, legal scope, or anticipated outcomes of a municipal renovations by-law. A municipal renovations by-law cannot prevent or otherwise affect the outcome of an eviction proceeding under the RTA. Any misunderstanding of this may lead to a tenant mistakenly relying on the City or the by-law to prevent LTB eviction proceedings, whereas the City lacks the jurisdiction or legal authority to do so. City staff will not be able to resolve landlord-tenant disputes or prevent the eviction of tenants under a renovations by-law. The enforcement role is limited to ensuring that the conditions of the by-law have been fulfilled and issuing orders/charges for non-compliance.

G. Implementing the Hamilton By-law in Toronto

The Planning and Housing Committee has requested staff report back on how the Hamilton by-law approach could be implemented in Toronto. Following analysis of the Hamilton by-law and actions taken in other jurisdictions, City staff have developed a plan to engage impacted stakeholders on the proposed and draft by-law components and implementation plan for a Toronto renovations by-law, outlined in Attachment 1 to this report.

Staff have outlined below a series of potential next steps which may be required should Council direct the implementation of the Hamilton approach:

- **Internal consultation:** A Renovations By-law Steering Committee or similar function would be established, chaired by appropriate Deputy City Manager(s) and involving relevant divisions, to oversee interdivisional work required to achieve this ambitious policy. A dedicated staff team within Toronto Building led by a Project Director to provide leadership and oversight in developing a future state operational program.
- **External consultation:** Staff recommend that consultation be held with relevant stakeholders to inform its development.
- **By-law drafting:** Drafting of necessary by-laws and associated policies.

- **Funding and resource identification:** Identifying funding requirements and bringing necessary requests to Council as appropriate through the 2025 and 2026 budget process.
- **Implementation planning:** Identifying the appropriate divisions responsible for oversight and administration of the program, including enforcement and compliance; staffing and other resource requirements (including IT infrastructure); development of communications and public education campaigns; and determining feasible timelines to establish these functions and launch the by-law.

Summer/Fall 2024: Consultations

This report proposes that City staff engage the public and stakeholders to provide information about the proposed renoviction by-law and obtain feedback. It would be the first time that staff will be consulting on a renovictions by-law that includes city-wide regulations.

Consultations would include:

- General public
- Tenant Advisory Committee
- Housing Rights Advisory Committee
- People with lived experience
- Landlords (both private and non-profit/co-op sectors)
- Landlord and tenant associations
- Housing and homelessness organizations
- Advocacy groups
- Human rights experts
- Community legal clinics

The City would consult on a number of components of a renovictions by-law, as is generally outlined in Attachment 1, including but not limited to:

- Licence/registration requirements
- Application and notice requirements
- Qualified persons report
- Tenant accommodation plan
- Tenant supports
- Public registry

City staff would report back with consultation findings and recommendations on a final proposed by-law.

November 2024: Final Report to Council

Following the consultations, staff would report back to the Planning and Housing Committee on October 30, 2024, and if approved, to City Council on November 13,

2024 with a new draft renovations by-law, a detailed and updated implementation plan to phase in the new by-law, including required resources and a coordinated inter-divisional approach to compliance and enforcement.

February 2025: Budget Process

Resources will be requested through the 2025 Budget process. Additional resources needed may include dedicated staff teams and/or expansion of existing staff teams, including the hiring of additional staff to prepare for implementation; development of a new registration process and information technology; and funds for a public education campaign.

November 2025: Launch of New By-law

Following consultations and implementation planning, it is proposed that the final renovations by-law takes effect on a target date of **November 1, 2025**.

The by-law will be accompanied by a comprehensive public and stakeholder education campaign.

Conclusion

Tenant evictions have negative health, social, and economic impacts on individuals and communities, and they disproportionately impact people from racialized and low-income groups leading to further systemic and structural inequities.

Toronto continues to experience a housing, homelessness, and housing instability crisis, with significant rates of rising rents and evictions. This report is another step to increase the progressive realization of the right to adequate housing as it recommends the City of Toronto take a leadership role and underscores the necessity of a comprehensive, multi-level government strategy to tackle the issue of evictions, including renovations. Intervention from both federal and provincial governments is critical to bring about the systemic and structural reforms required to address the underlying causes of eviction which fall outside the scope of municipal powers.

While Toronto and other municipalities in the GTHA and Ontario are taking or considering action to address the risk to tenants posed by renovations, the most effective means to protect tenants from illegal evictions and renovations resides at the provincial level.

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ATTACHMENTS

Attachment 1 – City of Toronto Renovictions By-law Draft Framework