



April 3, 2024

SENT VIA EMAIL

To: Mayor Olivia Chow and Toronto Planning & Housing Committee

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

We are writing to you once again, to urge you to stand up for tenants and follow through with the City of Toronto's commitment under the Toronto Housing Charter by **pushing back** on the recommendations made by City Planning staff regarding new approval conditions for rental demolition applications. We urge you to **take decisive action** to protect the tenants experiencing demovictions by directing City Planning to implement recommendations proposed by No Demovictions regarding the City's rental replacement policies, outlined below. We ask you to consider the following questions:

- Why is City Planning more concerned about what's feasible for wealthy developers than what's feasible for low-income tenants?
- How is City Planning's policy, that tenants subsidize developers' redevelopment projects, consistent with Toronto's housing goals and policies?

We are asking our Mayor, this Committee, and our City Planning department to demonstrate courage and stand up for what is fair.

We are tenants being forced from our homes because our purpose-built rental apartment buildings are slated for demolition, the sites to be redeveloped into condos and/or luxury apartment buildings. Toronto has policies in place to help preserve the existing stock of rent protected and affordable private market rental housing, and to prevent excessive harms to tenants who are being displaced. In the event that a rental building is demolished, the policies are meant to ensure the demolished units are replaced and the supply of rental housing is maintained, and that tenants are able to remain housed in their communities, with negative impacts minimized.

These policies are no longer working: thousands of quality rent-controlled purpose built rental units are being demolished at a time when we have a serious shortage of rental housing. Affordable rental units are being replaced with units with mere 10-year affordability periods and no rent control after those 10 years. And, thousands of tenants are being displaced without being given the compensation or support necessary to access alternative rental accommodations in today's rental market. Many of these issues are due to how City staff continue to evolve their policies and practices, their reliance on poor-quality data, and an alarming lack of meaningful consultation and engagement with tenants impacted by demoviction to inform policy and process improvements.

It is baffling that City Planning is recommending against common-sense, essential motions to improve the City of Toronto's rental demolition and replacement by-laws and policies for tenants. We understand how much Mayor Chow cares about housing in this City, and we are determined that the Mayor and this Committee understand the changes that need to be made urgently to protect tenants and our housing future.

We are well aware of the sensitive political context of this issue and recognize the real threat the province has made to both the City of Toronto's powers and the housing security of tenants. However, we think there is ample opportunity to make improvements to how the policy is implemented without triggering further action by the province; ***we therefore strongly disagree with the recommendations made by City staff to maintain the status quo.***

Additionally, we are concerned that City Planning's recommendations are based on ***gross inaccuracies and misconceptions***, and that there are ***crucial missing details***. We aim to correct those in our submission that follows. We have also developed a number of recommendations that we urge you to adopt regarding the issue of demovictions and the need for improved tenant consultation in City Planning's existing processes.

We look forward to sharing with you all our critical concerns at the April 5th Planning & Housing Committee, and welcome your support in ensuring equity and human dignity in addressing demovictions across Toronto.

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>

cc: Toronto City Councillors
Kerri Voumvakis, (Interim) Chief Planner
Abigail Bond, Executive Director, Housing Secretariat



Recommendations to Planning & Housing Committee to Improve Toronto’s Rental Replacement Policies & Framework:

Closing the Gap in Rent Gap Payments:

- 1. Direct staff 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. Direct City Planning staff to cease signing legally binding agreements with developers until the new method is ready to be implemented.**

City staff are negotiating compensation packages for tenants using an unsound and problematic formula that does not reflect the actual moving and rental costs that tenants face and does not reflect the inflation in rents that takes place between the date a Section 111 agreement is signed and the date tenants are forced to move out. Tenants are left unable to secure alternate rental housing they can afford, while developers are permitted to pocket savings generated by offloading development costs associated with tenant relocation onto the tenants themselves. 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.

As part of this, 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.

Improving Policies Through Tenant Consultation:

- 2. We recommend that the City establish a technical working group, including No Demovictions and other tenant advocacy organizations, that will collaborate to develop improved rental demolition and replacement policies for tenants facing demoviction.** The working group should include neighbourhood legal clinics, and would also provide advice on potential amendments to Chapter 667, given tenant groups were not consulted when City Planning put forward recommended amendments to Chapter 667 in November 2023. The working group would report back to the Planning & Housing Committee on its recommendations no later than the end of 2024.

3. **Direct City Planning and the Housing Secretariat to establish a regular, meaningful, collaborative engagement process with tenant advocacy groups,** including No Demovictions, to ensure that proposed and existing rental policies reflect the needs of tenants across Toronto. Today, rental replacement policies and standards are being made for tenants, without tenant voices, and this too leads to inequitable and unjust results. Nothing about tenants, without tenants.

Immediate Improvements to City Planning's Demovictions Processes and Policies

4. **Require developers to fund independent legal counsel for tenants over the entirety of the development and relocation process.**

Neither the leasing agent, working on behalf of the developer, nor City staff with the mandate of moving approved developments forward, have the mandate to work in the best interest of tenants. Although all City of Toronto staff are **required** to ensure the City of Toronto meets its commitments under the Toronto Housing Charter, this is not implemented or enforced. As a result, tenants are left exploited and unsupported. Legal counsel can support tenants and tenant associations in their advocacy efforts to secure fair arrangements through the TRAP, and help tenants understand the legal processes and requirements related to Section 111 agreements.

5. **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.**

As standard practice, the cities of [Vancouver](#) and [Burnaby](#) both have clear, detailed, publicly-facing published guidelines and other resources that support [developers](#) in preparing and implementing tenant relocation and assistance plans, and support [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. ***The City of Toronto provides tenants and developers with nothing.*** No Demovictions volunteers have had to develop a guide for tenants facing demoviction due to a lack of transparency regarding City Planning's demoviction policies and inadequate communication practices. Published formal policies should be clear, accessible, and translated into multiple languages to better serve Toronto's diverse population.

Compliance, Enforcement, and Monitoring:

6. **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. 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.

- 7. Direct staff to review the City's rental demolition and replacement policy, including implementation practices, as per the HousingTO Plan. Ensure that tenant relocation is reviewed specifically and includes:**
 - a. input from tenant advocacy and support organizations; and**
 - b. input from tenants demovicted from buildings over the past 10 years regarding their experiences prior to demoviction, relocation experiences, adequacy of compensation, efforts to return to replacement units, and overall outcomes.**

- 8. Request that City Planning produce the historical review of previous rental replacement agreements, as they have already committed to doing. 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,"¹ 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.

¹ <https://www.toronto.ca/legdocs/mmis/2022/au/bgrd/backgroundfile-222089.pdf> p.20.

9. **Recommend to the Housing Rights Advisory Committee that the issue of demovictions be included in their work** to ensure that the rights of tenants facing demoviction are considered in the City's Planning and Housing work. This would also include consideration for intersecting plans and policies at the provincial level (such as Bill 109) and federal level (such as the National Review Panel's report to the Minister of Housing on the Financialization of Purpose-Built Rentals).
10. **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 staff have 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.

Transparency and Public Accountability:

11. **Publish accurate data on the number of rental demolition projects currently approved and underway, including tenant outcomes regarding the right to return.** Currently, members of the public can request a list of projects at a cost of \$135/hr for ~2-3 hours of work; we recommend that this charge be waived when requested. Instead, these data should be open and accessible, published on the City's website and clearly outline where rental demolition projects are in their process (e.g., where they are under consideration, where they have been approved, and where they are under construction). These data should also include tenant outcomes related to demoviction, particularly the number of tenants returning to rental replacement units.
12. **Restore public trust by ensuring that conflicts of interest are declared and appropriately managed related to rental demolition applications.** No Demovictions has received confidential advice that some City Councillors are unwilling to negotiate in the interests of tenants or vote against development applications at Community and City Council meetings, possibly due to having received political donations from developers. There should be ethics/conflict of interest policies clearly in place for both City Councillors and City Planning related to development applications. For the former, City Councillors should declare where they have received donations or in-kind support from development firms when development projects led by those firms are introduced to Community/City Council; these declarations should be available on City Council's website pertaining to the relevant development application(s). For the latter, the City should establish clear standards of ethics for City Planning staff such that staff are not responsible for development applications where they have a personal or professional tie to the development firm and its staff.

13. Ensure that City Planning's Operating Budget is not funded primarily through development applications. It is unclear the extent to which City Planning's operating budget relies on income from development applications, however, any amount of revenue received can create perverse incentives to approve development applications, rather than working for the public good. It is in the public's interest to ensure that there are no financial ties whatsoever between developers and City Planning.

Other Recommendations

14. Consider amending City of Toronto's Official Plan to give the City the authority to reject new development that would have the effect of removing all or part of a private building or related group of buildings, resulting in the loss of six or more rental housing units, when the purpose built rental vacancy rate falls below 1%. This will help ensure that tenants are not demovicted into a situation where there is no alternative housing for them to move into.

15. Leverage the City's rental replacement policy to increase the City's supply of rental housing by requiring developers demolishing rental housing to achieve higher than 1:1 replacement of rental units in the new development. While Councillor Saxe's motion calls for doubling rental replacement units, there is a clear benefit to even modestly scaling back this recommendation to achieve a greater number of rental replacement units.

16. Require replaced units to be subject to vacancy control in perpetuity so that Toronto's housing affordability and displacement crisis isn't simply kicked down the road.

17. Continue provincial advocacy efforts to apply rent control across all rental units. No Demovictions echoes the recommendations of City Planning, calling on the province of Ontario to implement rent control across all rental units. There are an alarming number of instances where tenants are lured into reasonable rents for an initial lease, where landlords then increase rents by anywhere from 20% to 50%. This predatory practice is unacceptable, and it must end to help protect affordable housing across Toronto.



No Demovictions Report to Planning & Housing Committee (April 5, 2024): Improving Rental Demolition and Replacement Policies Across Toronto

Introduction:

Per the previous concerns outlined in our letter to Planning & Housing Committee (PHC) members, City Councillors, and Mayor Olivia Chow, dated March 11, 2024 (see appendix A), City Planning is recommending **against** motions put forward by Councillors Saxe and Moise that would improve the City's rental demolition and replacement policies, **and has provided no defensible rationale for rejecting these proposals**. Further, in its report to PHC, City Planning has recommended against allowing post-application tenants the option to rent available rental replacement units through the Centralized Affordable Rental Housing Access System (CARHAS).

These are hardly the types of paltry solutions that Torontonians need in the face of a housing crisis that will push demovicted tenants to the brink of homelessness or severe housing instability, and for many, hunger. The rejection of these proposals will place a greater strain on an already over-strained housing system. Tenants are being asked to bear the burden of poor planning policy, with little or no recourse at their disposal. This crisis is imminent and already presenting itself in devastating ways.

Instead, City Planning's report points to "process improvements" regarding demovictions, such as a tenant guide that would be published in early 2025. To be clear, this is something that should have been done long ago - and it is something that No Demovictions volunteers have had to develop for tenants facing demoviction, due to a lack of transparency regarding City Planning's demoviction policies. City Planning's recommendations for improvements **do not touch any of the material difficulties tenants are facing**. With demovictions rapidly increasing across Toronto throughout the pandemic and ongoing, and now in this time of record food insecurity and unaffordability in our City, these recommendations from City Planning do not even begin to scratch the surface of tenants' needs for the City's protection through policy and practice. We believe the Mayor and this Committee can achieve so much more for the public – and there is a real opportunity now, to "serve the public well".

Analysis of the Recommendations Put Forward by City Planning:

1. Requiring Additional Purpose-Built Rental Units as a Condition of Approval for Demoviction Applications:

City Planning asserts that the purpose of Chapter 667 and Official Plan policy 3.2.1.6 is for preservation of existing rental stock, and requiring a doubling of replacement rental units is not consistent with the purpose of Chapter 667 and rental replacement policies. Our key criticism here is that policies are often intended to achieve multiple goals; simply because the intended purpose of the policies is **not to increase rental housing** does not mean that these policies **could not be** leveraged to achieve that goal. And given the acknowledgements the City has made regarding the need for affordable rental housing through various plans and policies, it makes little sense that City Planning would not seek to leverage this particular policy tool at their disposal to address this need.

Official Plan Policy 3.2.1.6 outlines conditions for approving demoviction that stipulates one of the following must be in place:

- The affected rental housing units are priced greater than mid-range rents at the time of application; or
- There is an acceptable tenant relocation and assistance plan in place, and the same number of rental units will be replaced and subjected to rent control; or
- The supply and availability of rental housing in the City has returned to a healthy state to meet the housing requirements of current and future residents (based on a number of potential indicators).

On the last point, interestingly, to inform City Council's opinion of a "healthy state" of housing availability, section 3.2.1.6.c.ii sets out that supply has been "at or above 3.0% for the preceding four consecutive annual surveys." To be clear, CMHC data for 2022 and 2023 has been firmly below 3.0%. If we extrapolate this indicator, it becomes clear that, **by the City's own Official Plan Policy, we are nowhere near a "healthy state" of housing availability.** Implementing an increase in the required number of rental replacement units could help achieve this metric, so it is unclear as to why City Planning would hastily reject such a measure.

Further, City Planning staff have stated that they do not want to trigger provincial interference by requiring the doubling of rental replacement units in new developments. Ostensibly, the confidential legal opinion provided to PHC members speaks to this. However, City Planning Staff have not communicated whether the province intends to imminently intervene or provide a regulatory framework for rental replacement bylaws across Ontario. Bill 109 has been in place for nearly two years, and the powers of Ontario's Minister of Municipal Affairs and Housing to intervene in municipal rental replacement bylaws have yet to be articulated. Based on the negative public feedback on the regulatory registry for Bill 109, Ontario would appear to be carefully considering how to proceed in these matters in light of the province's affordable housing shortage and potential legal challenge. While the fear of further provincial interference that would erode the City's rental housing and tenant protections is **currently driving** the implementation of the City's rental replacement policies, this fear is **also resulting in** the loss of affordable rental housing options for Torontonians and increased housing insecurity.

2. On the Feasibility of Using Secondary Rental Market Data to Inform the Tenant Relocation & Assistance Plan:

Tenants being forced from their homes by predatory, profit-seeking developers are desperately trying to secure enough assistance through tenant relocation and assistance plans (TRAPs) to meet their families' need to stay housed. City staff refuse to use anything but CMHC primary rental market data to calculate Rent Gap Payments for tenants being displaced, and the implications are dire.

For example, calculating Rent Gap Payments this way leaves tenants in bachelor units in downtown Toronto – many of whom are vulnerable seniors or economically marginalized – trying to find a temporary home for \$1443/month. This translates to \$1532/month during the rental demolition period with the City's new modest indexing formula of 6.1%. However non-CMHC sources of current rental market data indicate that average asking rent levels are significantly higher than CMHC's estimates. According to Toronto Rental Real Estate Board (TRREB), average asking rent for a purpose built rental bachelor unit is \$2166/mo.–\$634, or 40% higher than the City's indexed CMHC figure. Even with index-adjusted rent gap payments based on CMHC primary rental market data, tenants are being asked by City staff to shoulder a 40% increase in rent so that developers can lower their operational costs. Homeowners would never be asked to pay a 40% increase in property taxes, even if it were to benefit the City as a whole. Tenants should not be asked to pay a 40% increase in housing costs so that a developer can pocket more profits.

CMHC's Rental Market Survey shows average secondary/condo rent levels that are higher and therefore closer to asking rent levels from non-CMHC data sources; the Toronto CMHC average for a bachelor unit is \$2,331/mo. –8% more than the TRREB figure.

City Planning has outlined in their staff report that they are **unwilling to consider** secondary rental market data (i.e., condo rentals) from the Canadian Mortgage and Housing Corporation (CMHC) in calculating rent gap payments (RGPs) as part of the City's tenant relocation and assistance plan. The reasons given are that:

- Tenants have choice in where they are relocated, so not all tenants will have to choose condo units for their temporary accommodations during their forced displacement;
- Purpose-built rentals and condo rentals are different, in terms of amenities and quality, which results in the latter having higher rents. The intended purpose of the RGP is to ensure tenants can find "like-for-like" accommodation; and
- CMHC secondary rental market data, as well as other data sources, are less aligned with City Planning's policies (though, it is important to note that City Planning staff have said they are working with the CMHC to understand the data quality issues presented in the most recent Rental Market Report).

In addition to the above reasons outlined in the staff report, No Demovictions and various tenants who have advocated for the inclusion of CMHC's secondary rental market data and/or other research sources (e.g., Rentals.ca, Toronto Regional Real Estate Board) in the calculation

of RGP have also been told by City Planning staff that if secondary rental market data is included in RGP calculations, the province may intervene in the City's rental replacement by-laws and policies. We have also been informed that in meeting with developers and development lobbying groups such as the Building Industry and Land Development Association (BILD), the City is sensitive to their concerns that including secondary rental market data (or other more reliable data sources) would render their development projects less "financially feasible."

There is much to unpack here, and simply put, the reasons given are grossly insufficient in the face of thousands who will lose their affordable homes this year across Toronto simply because they chose to rent in a purpose-built rental building. No Demovictions has already provided our analysis of the CMHC's rental market data, but we are re-attaching it for your reference (See Appendix B), given the staff report does not speak to the concrete figures it is working with.

The first and second points noted above for City Planning's recommendations (i.e., tenants have the choice to relocate to a similar building rather than a condo, and condos have more amenities than what we have as apartment renters) are becoming **less relevant and more damaging** to tenants being forced from our homes. It should also be noted that this view is thinly veiled anti-tenant rhetoric. Our position has always been that there is a dwindling stock of purpose-built rentals for an increasing number of demovicted tenants to relocate to, so many will realistically **have to relocate to condo rentals** - this is not a matter of tenants having "choice", as their choices are increasingly becoming constrained in securing affordable interim housing; and such housing may not offer the stability and predictability of rent control. Secondly, it needs to be made clear that tenants are not trying to con City Planning into securing extra amenities or financial windfall from developers in calling for the CMHC's secondary rental market data (or better data) to be included in RGP calculations. **We are trying to secure enough assistance to meet our families' need to stay housed.**

The City's refusal to use condo rent data to calculate Rent Gap Payments is nonsensical. City staff insist that RGPs are to allow tenants to move into "similar" units, which they define as a purpose-built rental unit when making Rent Gap Calculations. However, when it comes to the replacement units that displaced tenants will be moving back into, the same staff define "similar unit" as a unit with the same number of bedrooms, regardless of whether the replacement unit will be in a rental building or a condo building. The reality is that there are fewer and fewer purpose built rental units for displaced tenants to move into, as steadily dropping vacancy rates indicate. RentSafeTO data indicates that there are 320,579 registered purpose built rental units in Toronto. With an overall vacancy rate of 1.4%, that means there are only 4,488 vacant purpose built rental units in Toronto currently. To put this number in perspective, there are currently over 11,000 homeless people in Toronto, more than two times as many people as vacant purpose built rental units, and roughly 3,000 Canada-Ontario Housing Benefit supplements to be doled out this year to help those people access rental units.

As the number of redevelopments and demovictions ramps up, there will be fewer rental units available for a larger number of tenants in search of rental housing. Realistically, demovicted tenants will **have no choice but to relocate to condo rentals**. While City staff indicate that they think condo rentals are higher quality, they are not a preferred option for displaced tenants

as they often have ***no rent control and therefore offer little housing security or predictability***. Tenants traumatized by being forced from their homes seek secure housing they know they can afford, not the precarious housing that a non-rent controlled condo represents. The implications of continuing course, and only using CMHC primary rental market data to calculate RGPs, are staggering. ***The cost differentials in rent that tenants are being asked to fund out-of-pocket, to ensure that developers can build their projects, are unreasonable***. Given our understanding that RGP *supplements* will ***not*** be indexed in the event of construction delays, these flawed data may compound gravely.

The practical examples presented point to broader issues that No Demovictions has been raising regarding the use of CMHC data alone as a basis for RGP calculations. The *intention* of TRAP is to assist tenants facing, not of their own accord, a potentially challenging rental market. ***CMHC data is not a reflection of that market***. We recommend that the City consider other sources, including CMHC secondary data and widely-used resources like TRREB, rentals.ca, aggregators like padmapper, etc. These can be combined through meta-analyses into a fairer and more robust reflection of the rental market that demovicted tenants are facing. Alternatively, if that is considered too onerous, the City could easily follow the example of Burnaby, British Columbia, and add a percent “safety factor” to the CMHC primary rental market data to ensure tenants can secure temporary housing and lessen the risk of homelessness. Our own calculations last year, shared with City Planning, suggested that even using “robust” primary CMHC data, tenant compensation would likely fall short by about 50%. We repeat that ***tenants are not trying to profit from their demoviction***; 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.

As for City Planning’s concern that the province will restrict tenant assistance further if fair compensation is provided to tenants, City Planning has not elaborated on the basis for this fear. 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, it is not clear to us whether Bill 109 regulations are in development, nor whether the province has drawn a line that has been communicated to the City with respect to tenant assistance. Again, it has been nearly two years since Bill 109 has been passed. We urge you to please think long and hard about the collateral damage you are willing to commit in order to preserve a policy that is failing tenants. ***Using the fear of what the province might do does not excuse the harm of what the City is actively doing to tenants***.

Regarding City Planning’s assertion, based on the word of developers and development lobbying groups, that increasing RGP would render rental demolition projects non-feasible, No Demovictions asks PHC members and City Councillors to ***please re-center your focus on feasibility for tenants***. The financialization of purpose-built rentals, and demovictions as a symptom of this condition, have 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. 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**. While developers may stand to lose a marginal amount of profits if RGP is increased, **their project will not become less feasible – it will become less lucrative**. And yet, City Planning has not requested proof or transparency from developers in making these claims. A simple request from City Planning to developers to verifiably demonstrate (e.g., through audited financial statements) the devastating financial impacts of improving tenant compensation is an initial practical solution, and a common practice in policy-making when providers and firms allege that a legislative or policy solution will render their operations non-feasible. We are not denying that developers would stand to lose a little. But for us, the tenants, we stand to lose our community, family, friends, and access to health and social services if RGP is not increased. Some even stand to lose the possibility of a roof over their heads.

3. On the Feasibility of Including Right to Return Provisions for Post-Application Tenants:

To be clear, we welcome City Planning's attention to closing the gap in access to newly built replacement rental units through its CARHAS, as previously, rental replacement units (with rent control provisions) were arbitrarily allocated by developers. The reason No Demovictions has advocated for priority to be given to post-application tenants in new rental replacement units is that many post-application tenants were not fully informed of their rights as post-application tenants when signing the release forms accompanying their leases, in that, they have access to far fewer rights and benefits. In particular, No Demovictions has documented multiple instances where language barriers have been used to push tenants into signing this release, then to later be informed that they do not have the right to return to their homes. This points to a need for clearer, more transparent policies and practices related to rental demolition, replacement, and the tenant relocation and assistance plan in Toronto.

Additional Concerns with City Planning's Report to PHC:

A) Mischaracterization of Consultation:

The staff report points to "consultation" done with No Demovictions and other groups, but no details are provided. To be clear, no members of No Demovictions were meaningfully consulted by City Planning on the report put forward to PHC. Consultation is a term that signifies an opportunity for a group or individuals to impact the outcome of a policy or initiative, and this is not the case. No Demovictions has met with City Planning twice (December 2023 and February 2024), but none of our feedback or advice has been incorporated into City Planning's policies. We would respectfully correct the record that the nature of these meetings has been directed at information-sharing and rationalization on the part of City Planning, not consultation.

B) No Mention of CMHC Data Quality Issues:

The staff report details how the CMHC data is used to calculate RGP, but it makes no mention of the methodological flaws and serious issues presented in the latest Rental Market Report. Much of the data is flagged as having low reliability due to low vacancy

rates. To be clear, the CMHC survey is conducted annually, on a volunteer basis, with landlords. The data is not inherently a reflection of the rental market, as survey responses are reported by landlords — it is not solid, verifiable data on what landlords are asking from prospective tenants for rent, or the price/rate that would be assigned to new leases. This is why data sources that maintain fidelity with advertised/asking rental unit prices (e.g., rentals.ca) are a more accurate reflection of market conditions; these data are often published more frequently, as well, and can better show market volatility month-over-month. Moreover, there is no verification process for the CMHC data provided (e.g., comparing records with income flow/tax statement data from landlords).

The City itself has acknowledged that this year's data in particular is corrupted by the low vacancy rates (i.e., small sample sizes), yet still insists on using that data. No matter how good or objective a formula one believes they have, it is a well known principle that **garbage in equals garbage out**.² Simply put: poor data leads to poor policy-making. The fact that this data quality issue is not even raised in the staff report is telling and could constitute a legal risk for the City: if City Planning is aware of the data quality issues of CMHC data, but insist on using it to negotiate with developers on tenants' behalf, this could constitute negotiating in bad faith. We urge the City to seek the advice of counsel on this matter.

C) No Transparency in the City's Rental Demolition and Replacement Policy Framework:

The staff report references City Planning's existing policy framework for rental demolition and replacement. However, it should be clearly stated that **this policy is not publicly available/accessible to tenants facing demoviction**. Tenants facing demoviction are provided a standard presentation (that is also not publicly posted), and they have the right to **one meeting** with City Planning and the landlord/developer (per Chapter 667) to raise concerns and seek clarity on the City's Tenant Relocation and Assistance Plan (TRAP). In fact, in November 2023, City Planning put forward recommendations accepted by Planning & Housing Committee to **reduce requirements around consultation**, such that communities would no longer be provided the opportunity for consultation/information-sharing in advance of decision at their respective Community Council meeting. Some commitments made by City Planning in tenant presentations (e.g., to use CMHC's Zone 1 data for RGPs) are then arbitrarily rescinded. For example, the lack of CMHC Zone 1 data for 2-bedroom units means that the City cannot honour its commitment to using Zone 1 data; in this case, the City has said that its policy is to "default to City-wide data" in this case, though that "policy" was never explained at the outset, nor has this policy been provided in writing.

No Demovictions has been working with City Planning staff over email since late 2023 to develop a document detailing the City's TRAP so that tenants facing demoviction understand their rights, as well as how the compensation and relocation mechanisms work **before** their meeting with the City and developers. We would point to the same issues regarding Section 111 agreements between the City and developers regarding the TRAP. Tenants who have requested copies of these agreements have been rebuffed by their respective City Planners, and have had to pay to access them, despite the fact that these tenants have a substantial stake in these agreements. Given tenants are *de facto* parties to

² <https://towardsdatascience.com/garbage-in-garbage-out-721b5b299bc1>.

Section 111 agreements, we would also suggest that the City seeks a legal opinion on ensuring tenant access to their respective Section 111 agreements.

Conclusion:

To be clear, ***none of this is inevitable***. While we appreciate the City Planning department's concerns over possible provincial interference, we would note that other municipalities and cities have begun to take a stand on critical issues like demoviction and renoviction, and in so doing, demonstrated support and solidarity for their tenants. In Hamilton, City Planning staff had to be directed multiple times by City Council to develop its anti-renoviction policy. It took years, and the efforts of multiple advocacy groups to actually draft the by-law, as staff were unwilling to take this direction. We sincerely hope the same dynamics are not at play in Toronto related to demovictions.

We urge you all to push back on the City Planning Department's excuses for inaction and to direct them to develop substantive policy to support tenants facing demoviction across Toronto in advance of the April 5th Planning and Housing Committee meeting. Make the rent gap payments fair to all tenants being displaced from their homes.

Appendix A



March 11, 2024

SENT VIA EMAIL

To: Mayor Olivia Chow, Planning & Housing Committee Members

RE: Forthcoming City Planning report in response to Councillor Saxe's and Councillor Moise's motions for tenants facing demoviction

Dear Mayor Chow and Members of Toronto Planning & Housing Committee:

We are writing to you today ***to urge you to take decisive action*** regarding City Planning's forthcoming report for Planning & Housing Committee on April 5th, 2024, which will recommend ***against*** taking action to the motions put forward by Councillors Saxe and Moise regarding the improvement of City of Toronto's rental demolition and replacement by-laws and policies. Some tenants have already written to you about these motions, and many more will be writing to you in the coming weeks. You can access these motions here:

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MM11.16>

To summarize, these motions direct the City Planning department to:

1. When considering rental demolition applications for large rental buildings, to double rental space in replacement buildings by requiring new purpose-built market-rental units within the development, in addition to rental replacement units, as a condition of any permit (Councillor Saxe); and
2. Report to the Planning and Housing Committee by the end of the first quarter of 2024, on the feasibility of including secondary market rental data in the rent-gap calculations, as part of the City of Toronto's Tenant Relocation and Assistance Package (Councillor Moise).

No Demovictions met with City Planning staff on February 27th, 2024 to discuss their planned report on these motions. City Planning staff told us that they are planning a report for the Planning & Housing Committee ***to reject these motions***. This is detrimental to current and future tenants.

Regarding Councillor Saxe's motion, City Planning stated that they do not want to trigger provincial interference by requiring the doubling of rental replacement units in new developments, and would prefer to work with developers who may voluntarily consider increasing rental units on their own. However, City Planning staff conceded that they do not have a negotiating mandate to support working with developers to achieve this. More alarmingly, regarding Councillor Moise's motion, City Planning stated that they are ***unwilling to consider***

secondary rental market data (i.e., condo rentals) from the Canadian Mortgage and Housing Corporation (CMHC) in calculating rent gap payments (RGPs) as part of the City's tenant relocation and assistance plan. The reason given was that purpose-built rentals and condo rentals are different, in terms of amenities and quality. **That is not the point.** Our position has always been that there is a dwindling stock of purpose-built rentals for an increasing number of demovicted tenants to relocate to, so many will realistically have to relocate to condo rentals.

No Demovictions provided City Planning staff our analysis (see attachment) of the most recent CMHC data in relation to RGPs, and highlighted the following issues, which will be compounded if Councillor Moise's motion is not more thoughtfully considered:

- There are several issues related to data quality and reliability in the 2024 CMHC Rental Market Report (RMR) data on average market rent (AMR) for vacant purpose-built rentals (i.e., units in the "primary rental market") in downtown Toronto, where many demovictions are proposed.
 - Even **the CMHC itself notes in its data tables that there is poor/unreliable data quality** related to AMR in specific geographic zones.
- The vast discrepancies in CMHC data compared with other data sources with robust methodologies have major implications for demovicted tenants who will receive RGPs this year. In particular:
 - CMHC data for vacant **bachelor units** in downtown Toronto indicates AMR for 2024 is \$1443/mo, which suggests a **17% decrease** (from \$1735/mo) in AMR between 2023 and 2024, despite other data sources reporting modest growth in AMR. Moreover, 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 in average rent).
 - For **one-bedroom units**, CMHC data on AMR is lower than other data sources, which indicate an AMR 2-14% higher than the CMHC data (equal to an additional \$44-\$340 per month in average rent).
 - CMHC data for **two-bedroom units** is especially problematic. For two-bedroom units in downtown Toronto, there is insufficient data for CMHC to report AMR for 2024 – presumably this is due to very low vacancy rates in downtown Toronto. Other data sources indicate an AMR that is **7-63% higher** than the CMHC data (equal to an additional \$218-\$1869 per month).

The implications of continuing course, and only using CMHC primary rental market data to calculate RGPs, are staggering. **The cost differentials in rent that tenants are being asked to fund out-of-pocket, to ensure that developers can build their projects, are unreasonable.** For tenants in bachelor units – many of whom are vulnerable seniors or economically marginalized – the prospect of trying to find a temporary home for \$1443/month or less during the rental demolition period is bleak.

For tenants in two-bedroom apartments (who are overwhelmingly families with children), they will not have equitable consideration for RGP compensation, depending on where they live in Toronto, due to poor CMHC data quality - **despite the fact that City Planning has agreed to a policy where RGP will be calculated based on geographic location.**

For example, because there is not enough data from the CMHC in Zone 1 (downtown Toronto) for two-bedroom units, City Planning has told us they will use City-Wide AMR data to calculate RGP, regardless of the general discrepancy in rental prices between zones. It is clear that **City Planning cannot uphold this commitment to tenants** in two-bedroom units, and there appears to be no practical, equitable solution proposed. This means that 2-bedroom tenants will be displaced outside of their communities and neighbourhoods, and parents have expressed concerns over switching schools for their children and losing access to childcare and other social services downtown that they rely on for their families.

More broadly, tenants facing demoviction have raised to us some troubling concerns that we need to ensure you are aware of as you work on issues of housing and protecting tenants. Tenants have explicitly stated that they have nowhere to go, and will certainly face homelessness. The low rental vacancy rates substantiate this, and **the CMHC's own data** can be used to show that there are not enough vacant rental units across the city to accommodate the thousands of tenants who will face demoviction this year. As a provider of services and supports to people facing homelessness and precarious housing, City of Toronto departments, such as the Housing Secretariat and Toronto Public Health, need to be made aware that demovictions will certainly exacerbate homelessness across the city. Even if accommodations can be found, tenants requiring medical treatments will likely be forced to move out of their catchment areas, thus losing their access to life-saving care. Many senior tenants now feel their only housing option may be long-term care.

Given these prospects, **senior tenants** had previously told us they held out hope that they might die of natural causes before their eviction actually happens. Now – shockingly – senior and vulnerable tenants have approached our organization to help them look into Medical Assistance in Dying (MAID) qualifications and processes, as they would **prefer death to displacement** and the risk of impending homelessness. Though we are morally appalled at the circumstance, we are looking into MAID support for them, respecting their right to determine their quality of life as it pertains to housing.

Finally, we have also heard from **Indigenous tenants** facing demoviction, who have raised serious concerns with City Planning's approach to working with tenants and whether this approach is consistent with City of Toronto's [Reconciliation Action Plan](#), which commits the City to "decolonizing [its] structures, processes, and ways of working." They have emphasized the need for **community-driven approaches to housing and development**. Indigenous tenants who are survivors of the Indian Residential School system, and/or have experienced intergenerational trauma are particularly vulnerable to the stress that demovictions cause, and we have been asked to advocate specifically for Indigenous seniors and elders facing displacement, many of whom are knowledge-keepers for the thousands of Indigenous people who have built a community in Toronto.

To be clear, **none of this is inevitable**. While we appreciate the City Planning department's concerns over possible provincial interference, we would note that other municipalities and cities have begun to take a stand on critical issues like demoviction and renoviction, and in so doing, demonstrated support and solidarity for their tenants.

Tenants make up half the population of Toronto, and are proud residents of our city. Many of us have been living in density for years, long before it became a catch-word. We use public transit and we shop and work locally. Why are exemplary urban citizens being punished, forced to bear the financial and emotional burden of a housing crisis created by years of poor planning policy? Tenants are being taxed — *physically, mentally and financially* — and the City's affordable housing and long-term care services are directly pressured as a result, while the development industry continues to post record profits.

We urge you all to push back on the City Planning Department's excuses for inaction and to direct them to develop substantive policy to support tenants facing demoviction across Toronto in advance of the April 5th Planning and Housing Committee meeting. Make the rent gap payments fair to all tenants being displaced from their homes.

We look forward to meeting with you to discuss these critical concerns **before** the April 5th Planning & Housing Committee, and would welcome your support in ensuring equity, and human dignity in addressing demovictions across Toronto. We have cc'd key City departments whose work will be impacted by demovictions, and would be happy to meet with their teams as well.

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>

cc: Toronto City Councillors
Kerri Voumvakis, (Interim) Chief Planner
Abigail Bond, Executive Director, Housing Secretariat
Selina Young, Director, Indigenous Affairs Office
Gordon Tanner, General Manager, Shelter and Support Services
Denise Andrea Campbell, Executive Director, Social Development, Finance & Administration
Dr. Eileen de Villa, Medical Officer of Health, Toronto Public Health
Dominic Popowich, Associate Director, Stakeholder Relations and Health Equity, TPH
Jennifer Dockery, General Manager, Seniors Services and Long-Term Care
Paul Raftis, Deputy City Manager, Community & Social Services
Tom Azouz, General Manager, Employment & Social Services

Appendix B

2024 Rent Gap Payment (RGP) Analysis

February 2024 | No Demovictions



Summary:

- There are several issues related to data quality and reliability in the 2024 Canadian Mortgage and Housing Corporation (CMHC) Rental Market Report (RMR) data on average market rent (AMR) for vacant purpose-built rentals (i.e., units in the “primary rental market”) in downtown Toronto, where many demovictions are proposed.
- The vast discrepancies in CMHC data compared with other data sources with robust methodologies has major implications for demovicted tenants who will receive rent gap payments (RGPs) this year. In particular:
 - CMHC data for vacant **bachelor units** in downtown Toronto suggests a 17% *decrease* in AMR between 2023 and 2024, despite other data sources reporting modest growth in AMR. Moreover, 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).
 - For **one-bedroom units**, CMHC data indicates a 15% increase in AMR for vacant purpose built rentals over last year - however, other data sources indicate AMR is 2-14% higher than the CMHC data (equal to an additional \$44-\$340 per month).
 - CMHC data for **two-bedroom units** is especially problematic. For two-bedroom units in downtown Toronto, there is insufficient data for CMHC to report AMR for 2024 - presumably this is due to very low vacancy rates in downtown Toronto (we used data for Zones 1-4 for the analysis in comparing CMHC AMR to other data sources as an imperfect approximation of AMR). Other data sources indicate an AMR that is 7-63% higher than the CMHC data (equal to an additional \$218-\$1869 per month - a vast difference).

Recommendations:

- When taken together, this analysis suggests that the City of Toronto should not solely rely on CMHC data to calculate RGPs for demovicted tenants. There is considerable variability between annually published CMHC data for AMR and other data sources with more frequent data releases (quarterly, monthly).
 - All comparators indicate that CMHC data vastly underestimates the AMR in downtown Toronto, which means tenants facing demoviction will **not only** be under-compensated through RGPs, but that they will be asked to subsidize the costs of their own displacement and the development project itself.
- The City of Toronto should consider implementing two measures to rectify the potential inequities that using CMHC data for calculating RGPs would have:
 - Including secondary rental market AMR data for the prescribed geographic catchment of a pending demoviction. Not only does this improve the robustness of the CMHC data where vacancy rates are too low to determine AMRs, but it is a more accurate reflection of the market conditions that demovicted tenants will face when trying to secure temporary housing.

- Upwardly indexing the CMHC data with other data sources that have a more robust methodology for determining AMR.

Data Analysis:

- Table 1 highlights the different average market rents (AMR) reported by different data sources, comparing the 2023 and 2024 AMRs of different data sources, including CMHC Zone 1, Toronto Regional Real Estate Board (TRREB), liv.rent, and Rentals.ca.
- Table 2 highlights the difference in CMHC's reporting of AMR in the same geographic location (downtown Toronto, where available) compared to other data sources - expressed as a difference in percent or dollar value.
- It should be noted that the CMHC includes data quality ratings in their Annual RMR, and the majority of data presented by Zone in Toronto is flagged as poor/unreliable data.

Table 1: Overview of CMHC AMR for Vacant Primary Rental Market Units Compared to Previous Years and Other Sources of Data:

Source of Data	Bachelor			1BR			2BR		
	2024 Rent	2023 Rent	% Change	2024 Rent	2023 Rent	% Change	2024 Rent	2023 Rent	% Change
CMHC Z1**	\$1443	\$1735	-17%	\$2400	\$2082	15%	N/A	\$2983	n/a
TRREB 2023 Q4 - C01	\$2173	\$2124	2%	\$2642	\$2589	2%	\$3715	\$3714	0%
TRREB 2023 Q4 - C02	\$2166	\$2119	2%	\$2740	\$2776	-1%	\$4860	\$4728	3%
liv.rent (Downtown)	n/a	n/a		\$2444	\$2396	2%	\$3209	\$3231	-1%
rentals.ca - TO	n/a	n/a		\$2529	\$2538	0%	\$3355	\$3296	2%

** CMHC 2023 vacant rents for single and 2-bedroom units have poor data quality

CMHC [rmr-ontario-2023-en.xlsx](https://www.cmhc.ca/rmr-ontario-2023-en.xlsx)

TRREB 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>

Table 2: 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 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 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)