

PH11.10 - Response to Including New Approval Conditions for Rental Demolition Applications

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Dear members of Toronto City Council,

There are two things related to the implementation of the City's rental replacement policy that I want to raise today: issues with transparency and accountability and issues with tenant relocation and assistance. They are interconnected.

In 2022, in the wake of a City scandal, the City Auditor attempted to do an audit of developer compliance with the City's policy for affordable rental unit replacement. The Auditor found that "City Planning does not have formal policies, procedures or processes in place for monitoring compliance with affordable rental replacement unit requirements."¹ They found that not only weren't City staff monitoring or enforcing compliance with the policy, they weren't even collecting the data from developers that would allow them to do so. As a result, the Auditor couldn't complete their compliance audit. The fact that the Auditor found that there was no oversight when it came to this one (and important) aspect of the policy is not only deeply concerning, but begs the question of whether there are other aspects of the policy that similarly lack oversight.

In response to the Audit, City staff committed to proactive monitoring of all elements of agreements made with developers, 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, and staff have never reported to Council on compliance, monitoring, or enforcement. It's unclear whether proactive monitoring is currently taking place and whether developers are and have been complying with the City's policies.

City staff have also never reported to Council on the outcomes of this policy. Once Council approves a demolition application, there are no further reports to Council and no further data is made available that provides information about outcomes—the only data we have related to this policy is the data included with a demolition application. The implementation of this policy continues to be a black box and the fundamental lack of transparency prevents oversight and accountability. In short, it prevents you from being able to do your jobs.

Things that we don't know include:

- How many buildings were actually demolished?
- How many units have actually been replaced?
- How many tenants were displaced?
- Are tenants receiving the compensation they were promised?
- Were tenants able to access alternate housing in their communities with the compensation that was provided?
- How many tenants successfully returned to replacement units in the new building?
- What happened to the rest?
- Are developers' respecting tenants' right to return and enabling them to move into replacement units, or are they setting up barriers to prevent tenants from doing so?

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

- What is the affordability period for replaced units?
- Are developers respecting affordability requirements after tenants move in?
- How many affordable units are lost every year because the affordability requirements expired?

This is critically important information for basic evaluation of the City's policy and its implementation, for understanding the city's housing supply and its affordability, and for understanding what is happening to tenants. This data is also important for the City's advocacy efforts with the province: in theory at least, evidence based data will be more effective in supporting City recommendations than opinion without any supporting insights about the effectiveness and impact of Toronto's policy.

Burnaby and Vancouver both have comprehensive implementation guidelines published on their City's websites and also require developers to submit interim and final reports on both the implementation and outcomes of tenant relocation and assistance plans. Both cities also have a central contact that deals with Tenant Relocation and Assistance specifically and provides tenants with support. (For more details, see, Appendix A). Toronto has none of these things. The lack of a formal policy or published guidelines for implementing tenant relocation and assistance makes it impossible for tenants to understand what to expect, hold anyone accountable for its implementation, and makes it impossible for anyone to question, challenge, evaluate or improve City policy. This is important, because much is left to staff discretion where there is no transparency or public accountability.

In Toronto, the same City staff who are tasked with supporting developers are also tasked with helping tenants, two goals that are at odds with each other. This leads to problematic results: staff have told tenants that they are trying to keep rent gap payments lower to keep development costs down. This means staff are basing their recommendations today on their preference that tenants subsidize developers' profits, instead of requiring developers to ensure tenants don't become homeless, a decision that contradicts Toronto's Housing Charter.

Because no formal policy, procedures or guidelines have been established, and no review of the policy has been undertaken as required under the HousingTO Plan, Toronto finds itself in a situation where City staff and tenants have been debating behind closed doors how tenant relocation and assistance is implemented, and how tenant compensation should be calculated. These debates are not part of a public consultation on City policy, there are no reports or public documents reflecting the content of these discussions or the outcomes and they are not accessible to other tenants facing similar situations or the tenant support organizations tasked with assisting tenants. Developers are likely having similar discussions and we don't know what they're saying or what's being decided there either. Staff didn't include BILD's feedback in this staff report, although they say BILD were consulted. This is not how City policy should be developed or implemented.

To bring transparency and accountability to the implementation of a policy where there is currently neither, I recommend the following:

1. Direct staff to:

- a) establish, through public consultation, formal policies, procedures and processes and guidelines for tenant relocation and assistance for both tenants and developers, similar to what Vancouver and Burnaby has done;
- b) establish a single point of accountability and formal procedures for the monitoring and enforcement of these policies; and
- c) to publish these on the City's website in a clear, accessible manner, translated into multiple languages to better serve Toronto's diverse population.

2. Direct staff to monitor compliance with rental replacement and tenant relocation and assistance policies and report on outcomes, and to add to the currently published open data:

- a. The unit size/number of bedrooms of units approved for demolition and replacement.
 - b. For each new building with replacement units:
 - i. the building address and indication of whether an occupancy permit has been obtained and the date it was obtained.
 - ii. the number of tenant households who were displaced from the demolished building and have moved into replacement units.
 - iii. the affordability period, including the start date and end date of the affordability period, for the property's replacement units.
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Appendix A:

As standard practice, the cities of [Vancouver](#) and [Burnaby](#) both have clear, detailed, publicly-facing published policies, processes, procedures and 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. Burnaby's established policies and procedures and efforts to monitor the implementation of its tenant relocation and assistance policy allows it to [evaluate its effectiveness and modify it as needed](#).

Vancouver

The City of Vancouver provides on its website:

- Information about [tenants' rights](#) under both provincial and municipal law are available on the City's website, along with
- A formal [tenant relocation and protection policy](#): a 27 page document that details the City's policy for tenant relocation and protection, which explains the goals and application of the policy, sets minimum standards for tenant relocation and assistance plans, including the compensation that tenants are entitled to, how the compensation is distributed, and the process that must be followed and its timing. Changes to this policy are captured in [bulletins](#).
- **A Tenant Relocation and Protection enquiry line and email address that fields questions** about the City's Tenant Relocation Policy including eligibility and compensation.
- Resources for developers on the policy, its application, and what a tenant relocation plan entails, including [Forms, checklists, and example documents](#)

In Vancouver, developers are required to provide the City with an interim tenant relocation report as a condition of demolition permit issuance and a final tenant relocation report that documents the result of their tenant relocation process. The final report is a condition of the occupancy permit at the end of the redevelopment or renovation. The City provides templates for these reports and has established a privacy policy to protect tenants given the sensitive tenant data being collected.

The Interim Report must include:

- Names of tenants who have ended tenancy, the reason for its end (example: tenant decision or mutual agreement to end tenancy) and the outcomes of their search for alternate accommodation (if assistance requested)
- Names of tenants remaining in the building and the status of the applicant's search for relocation options (if assistance requested) or additional assistance as required through their Tenant Relocation Plan.

The Final Tenant Relocation Report must include:

- Names of the tenants
- The starting discounted rents you offered to tenants who asked for a replacement unit in your redeveloped building, where applicable
- Outcome of your search for 3 alternative accommodation options for tenants requesting assistance
- The outcome of the requirement to secure an appropriate or affordable unit for those with low income or facing additional barriers to housing
- A summary of the monetary value given to each tenant (example: moving costs or rent)

Burnaby

Burnaby makes the following publicly available on their website:

- [Tenant Assistance Policy Guide](#): a regularly updated 54 page document for tenants, rezoning applicants and Tenant Relocation Coordinators that sets communication standards, tenant relocation and assistance plan requirements, tenant compensation amounts and rules, and the process that will be followed and timelines, allocation of replacement units, process for tenants to return to replacement units,
- [Tenant Assistance Form](#) for tenants to receive relocation assistance that also explains the policy
- [A developer checklist](#), that details developer responsibilities in complying with City policy and includes the requirements that:
 - 1) Within one month of building(s) on rezoning application site being vacant or prior to final adoption of rezoning bylaw, developers are required to provide:
 - A Tenant Relocation Report to the City describing the status of relocation, in form and content required by the City, and at minimum, describing the relocation status of each eligible tenant as follows:
 - Information about affected unit and household (i.e., unit number, number of bedrooms,
 - designated tenant, rent at move-out, tenancy dates)
 - Address of interim / new housing
 - Type of financial and moving compensation provided and amounts used to calculate financial compensation (i.e., rent in interim unit, applicable CMHC median rent, rent top-up amount, lump sum amount)
 - Current contact information (phone and/or email)
 - 2) One month after occupancy of replacement units:
 - Final Tenant Assistance Report on form established by the City