

Members of the Planning & Housing Committee  
City of Toronto

Toronto ACORN is writing to express some concerns with respect to the new Rental Housing Supply Program (PH 13.8) that the city of Toronto is launching to build purpose-built rentals.

ACORN is a community and tenant union of low- and moderate-income people. ACORN has 6 neighbourhood chapters in Toronto.

As the city staff report notes, low- and moderate-income Torontonians are bearing the brunt of the housing crisis and there is an urgent need for rental housing that is affordable and rent-controlled.

With regard to the new program, there are two specific aspects that Toronto ACORN would like to highlight:

1. Period for which units will be kept affordable: The report states that rent-controlled homes will need to be maintained for a minimum of 40 years. Given the chronic underfunding for affordable housing as well as constant loss of existing affordable housing, it is critical that housing is kept affordable for perpetuity and not 40 years.
2. Rent increases: The report mentions that the rent increases will be limited to the provincial rent increase guideline under the Residential Tenancies Act, 2006 plus 2%, but not greater than the consumer price index. However, this allows landlords to go ahead and charge tenants an extra 2% over and above the provincial guideline. On top of this, the provincial legislation allows landlords to apply for Above the Guideline Rent Increases (AGIs) which have become rampant across the province, especially in Toronto, as demonstrated by a recent ACORN report, available here:

Corporate landlords increasingly use AGIs to raise the rent above the provincial guideline. Most often, these increases are approved at the Landlord & Tenant Board. Hence, an extra 2% plus provincial guideline plus AGIs translates to a huge increase (>7% yearly) that even most moderate income tenants cannot afford.

\*calculation: 2.5% (assuming the provincial guideline stays at 2.5%) plus 2%(the city is allowing) plus 3% (maximum AGI that a landlord can get approved for in a year), leading to more than 7% rent increase. Note: the landlord can get a maximum 9% AGI increase (3% every year spread over 3 years).

Given that the objective of the new Rental Housing Supply program is to build affordable housing, it is very important that tenants have a security of tenure and are not priced out.

Toronto ACORN