

## Replacement units for demovicted dwelling room tenants

Dear Planning and Housing Committee members:

## **SUMMARY:**

Dwelling room tenants are among Toronto's most vulnerable residents, and their supply of housing is under severe development pressure. In 2019, after the loss of several such buildings and 4 years of consultations, Council adopted OPA 453, **Policies to Address the Loss of Dwelling Rooms**. This added a new Policy 11:

New development that would ... result in the loss of six or more dwelling rooms will not be approved unless:...

i. at least the same amount of residential gross floor area is replaced and maintained as dwelling rooms or rental bachelor units.

The replacement units are rent-controlled for 15 years, and demovicted tenants receive some tenant assistance.

Policy 11 provides valuable protection for tenants of dwelling rooms. However, it has a critical flaw: unlike those demovicted from dwelling units, those demovicted from dwelling rooms do not have a guaranteed right to return to the replacement building. Why? Because the owner's replacement obligation is to preserve "the same amount of residential gross floor area", not the same number of units.

This flaw causes real hardship. For example, consider the 39 dwelling room tenants at 262 – 266 St. George. The property owner is proposing to replace the 39 occupied dwelling rooms with 12 rental bachelor units and 1 one-bedroom rental unit spread over an allegedly equivalent gross floor area in a new 86 unit building. The new building is to contain 30 bachelor units, but only 12 of them are proposed to be available at comparable rents to the existing dwelling rooms; the remainder are likely to be out of the financial reach of the existing dwelling room tenants.

Even if this proposal were to comply with OPA 453, it would still evict 26 of the existing dwelling-room tenants with limited compensation and no right of return.

Council was aware of this risk in 2019. OPA 453 states that

the City will seek opportunities to secure the provision of additional replacement rental dwelling rooms or replacement rental units to achieve at least the same number of existing dwelling rooms lost and to secure rents for replacement housing for a period of at least 49 years

In 2022, Council adopted the new <u>Multi-Tenant Housing bylaw</u>, which may add compliance costs to existing rooming houses. It is therefore foreseeable that even more owners may wish to convert dwelling room properties to dwelling units. Since the Multi-Tenant Housing owner is not obliged to replace the lost dwelling rooms with enough replacement dwelling rooms or rental units to accommodate all existing tenants, this risks significant displacement of existing dwelling room tenants, potentially pushing them into homelessness.

Council should therefore ask staff to review whether to require developers to provide replacement units for all their existing dwelling room tenants.

A similar hardship exists for tenants of the 14 bedrooms in the existing four dwelling units. The 5 and 6 bedroom dwelling units likely function much as dwelling rooms do, by allowing lower income tenants to keep costs down by sharing bathroom and kitchen facilities. However, because the 14 bedrooms are divided among four dwelling units, not six, none of these tenants will be offered replacement rent-controlled units, and all are likely to be displaced.

Council should therefore ask staff to review whether to require developers to provide replacement units for existing dwelling unit tenants where 10 or more bedrooms are to be demolished, even if they are distributed among fewer than 6 dwelling units.

## **RECOMMENDATIONS:**

- 1. City Council direct the Chief Planner and Executive Director, City Planning, in consultation with the Executive Director, Housing Secretariat and other appropriate divisions, to report back to Planning and Housing Committee by Q4 2025 on whether OPA 453 should be amended to require those demolishing 6 or more dwelling rooms to provide replacement units for all their demovicted tenants of Tier 1 or Tier 2 dwelling rooms.
- 2. City Council direct the Chief Planner, and Executive Director, City Planning, in consultation with the Executive Director, Housing Secretariat and other appropriate divisions, to report back to Planning and Housing Committee by Q1 2026 on whether demolition of 10 or more rental bedrooms should trigger the same protections for tenants as those now afforded when 6 or more dwelling units are demolished.