

## **PH26.3 Multi-Tenant Houses Regulatory Framework: Implementation Update**

**Submission by Melissa Goldstein,**

*member of the Multi-Tenant Housing Advocacy Group*

*The Multi-Tenant Housing Advocacy Group is an informal group of MTH and affordable housing providers, tenant and affordable housing advocates, tenant support and homeless serving agencies, housing policy experts, and tenants who work together to ensure the existing supply of affordable and deeply affordable rental housing is preserved, and that MTH tenants have secure, affordable, safe, and properly maintained homes and aren't displaced into homelessness.*

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### **The so-called “Legalization” Framework is failing to legalize, while putting hundreds of non-profit dwelling rooms and dwelling room tenants at risk.**

Just over a year and a half into “legalization,” the new Framework has changed nothing when it comes to the problem of illegal operators in Scarborough, North York and Etobicoke, but what *has* changed under the new Framework is that nonprofit operators that had been operating without issue under the previous licensing regime, are now struggling and failing to bring their operations into compliance with the new Framework, putting hundreds of nonprofit dwelling rooms and MTH tenants at risk.

### **The effort to legalize MTH across the city hasn't enabled a single MTH in areas where they were not previously permitted to become licensed and operate legally and there have been very few license applications from those areas.**

The staff report validates the concerns I've been persistently raising (with many others) since before the Framework was approved, that the Licensing Framework was not creating a feasible pathway for compliance for suburban MTH operators.

Staff note in the report that “many operators have raised concerns about the cost and complexity of achieving compliance, particularly related to renovations necessary to meet building and/or fire code requirements, obtaining zoning approvals, and the time and resources required to complete applications. Some operators also face zoning constraints such as the six-room cap and have expressed reluctance to seek Committee of Adjustment approvals due to application costs and process uncertainty.”

This explains, in part, why only 42 applications have been received from MTH in areas where MTH are newly permitted, and none have received licenses. The results of the Feasibility study ([Attachment 5](#)) also point to the financial challenges MTH landlords face in pursuing compliance. The study found MTH feasibility appeared to be challenged across the city and was only shown to improve when the density permissions were increased and/or costs were reduced. The study noted that the City could “consider expanding the dwelling room caps to improve the feasibility of developing licensed MTH properties,” but also noted that “adequate zoning permissions are only one factor influencing the existence of unlicensed MTH, as many of these operators are likely to encounter significant permitting and licensing costs to become a legal operation, as well as the capital costs required to structurally adjust/expand their homes in a legally conforming fashion.”

Only 2 operators have applied for zoning variances to operate more than 6 rooms, and only one of those applications was approved. The “process uncertainty” that staff observed is well-founded. A 50/50 chance of securing a variance represents far too much risk for operators.

While changes to the Renovation Program will hopefully encourage uptake and be an effective solution to address some of the costs involved in compliance, this will not change the fact that requiring operators to reduce the number of rooms they operate will significantly impact their rental income and the sustainability of their operations.

Operators in areas where MTH were not legally permitted are used to operating in secret, because they've never had access to another option. Pursuing licensing is all risk and great expense with no reward. Much more will have to be done to encourage these operators to pursue compliance, or enforcement will simply result in closures and a dramatic increase in homelessness. At the very least, the 6 room cap should be increased to improve the feasibility of operating this housing.

When the Licensing Framework was being developed, staff responded to criticism of proposed room caps by reviewing data on the sizes of houses in Toronto across the areas of all four Community Councils. Staff tested the number of rooms that could be accommodated in average sized houses in different areas across the city, using the minimum room size under the City's Property Standards By-law, which is the standard that would be applied to dwelling rooms in multi-tenant houses. Applying this to the average house size, staff found that anywhere from 11-13 rooms could be accommodated in most of the city, with 16 rooms in the average house in North York house. Staff noted that applying the minimum room size approach could result in an intensity of use that is higher than what would be expected in most low density Neighbourhoods.<sup>1</sup>

While the City remains focused on creating more housing via the City's Expanding Housing Options in Neighbourhoods initiative, which aims to increase the number of units permitted in residential areas through redevelopment, the City has at the same time chosen to turn its back on an easy opportunity to create more rental housing options and limited the number of dwelling rooms to a fraction of what can be accommodated under the property standards bylaw, thereby preventing gentle intensification.

### **Recommendations:**

#### **Make it more feasible for operators to become compliant with the law:**

- **Increase the current limit of 6 dwelling rooms to 12 - 20 rooms, dependent on building size.**
- **Enable operators to anonymously access license and Renovation Fund application forms & information.**

**Previously licensed operators have been transitioning successfully to the new Framework, however those that were not licensed under the past licensing regime (many nonprofit operators operating good, deeply affordable housing) are finding it difficult or impossible to transition successfully to the new Framework, putting a significant amount (hundreds of rooms!) of good, non-profit housing at risk of closure, because:**

Properties that were considered exempt under the previous law are not being considered exempt under this new law, even though the exemptions in both laws are almost identical.

The most glaring example: Student housing co-ops (and sororities and fraternities) have been exempt from licensing requirements since [Chapter 285: Rooming Houses](#) (the previous MTH bylaw for the old City of Toronto) came into force decades ago. Six years ago the bylaw was amended to add clarity to the definition of exempt co-op student housing. The exemption is not new, and MLS and Toronto Buildings should have DECADES of experience properly enforcing this exemption. However they harassed a student co-op housing operation for months, demanding they apply for a license and refused to acknowledge their exemption until they finally consulted with their legal team, which confirmed this long-standing exemption

The most concerning example: Housing that is regulated and/or funded by the province of Ontario or government of Canada, is not being exempted, or not being consistently exempted. Supportive housing properties funded by the provincial Ministry of Health are being told they are not exempt and ordered to apply for a license.

Operators are required by the City to comply with 4 different and sometimes conflicting laws at the same time, but City staff in each division only really know the one law that they're responsible for enforcing. This means staff don't really understand the legal context they and operators are working within and this has produced a complicated licensing process that is unworkable for many operators, with no complaints process or forum in which to raise issues and resolve problems. MLS will tell an operator of an MTH with 4 dwelling rooms that they need a building permit, but Buildings will tell the operator they don't need a permit because the Building Code doesn't consider their property a MTH and sends them back to MLS. At the same time, operators are **also** required to comply with the Residential Tenancies Act, but not by the City, so City staff don't take compliance with the RTA into account when enforcing the law. So enforcement staff will prioritize achieving compliance with their law, and if the operator

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<sup>1</sup> P.37: <https://www.toronto.ca/legdocs/mmis/2023/cc/bgrd/backgroundfile-230435.pdf>

violates the RTA to do that, it's not the enforcement staffer's concern. Adding to the confusion, different divisions involved in the Framework each have different priorities and goals, and they often are at odds with each other.

License requirements in the bylaw are too strict about the wrong things and enforcement is inflexible: Operators won't be approved for a license if they leave out of their applications the dates and times of the City's own waste management schedule, or if they don't put the 7 plans and several documents all on a notice board, but put them in a binder on a table in front of the notice board instead.

Operators routinely get conflicting and inaccurate info/decisions- officers refusing to accept that an exempt property is exempt; one officer interpreting the law one way and a second officer undoing what the previous officer did because they interpret the law a different way; endless demands for additional paperwork not listed in license requirements, etc. Many MTH that offer similar services as Type B MTH are being classified as Type A.

Framework implementation involves many different City divisions and the application and enforcement of 4 different and often conflicting sets of rules for multi-tenant houses: the Ontario Fire and Building Codes, Municipal Code 575, and the Zoning bylaw. MTH operators are required to comply with all 4 sets of rules simultaneously as well as the provincial Residential Tenancies Act and other applicable laws. Too often staff don't understand the legal context they and operators are working within and this has produced a complicated licensing process that is unworkable for many operators, with no complaints process or forum in which to raise issues and resolve problems.

No one at the city has a birds eye view of the entire licensing process, and there is no one in place monitoring operators' experiences of it. There is no one to see operators being bounced from one division to another division and then back again and then back again...getting absolutely nowhere.

There is no process for operators to file a complaint or resolve a dispute, never mind in a way that the decision sets a precedent, as these issues are not within the scope of the licensing tribunal. And every operator is dealt with separately, with no one collecting complaints or looking for systemic issues and trying to address them.

From the outside it appears that there are no interpretation guidelines, Standard Operating Procedures, or protocols to guide enforcement officers in ensuring the consistent enforcement and application of 4 different and conflicting laws at the same time, while respecting the RTA. Staff need better training to be able to do their jobs well, which is unsurprising considering how complicated this is.

Staff's plan to download MTH Framework advisory responsibility to the Housing Rights Advisory Committee is inappropriate, given that members have no first-hand experience with implementation of the Framework, do not include any MTH operators, and the body largely relies on its own expertise and priorities to set agenda items and does not engage the broader public or stakeholders except by allowing deputations and submissions.

### **Recommendations:**

- **Establish a conflict resolution process involving staff and stakeholders, led by an experienced mediator, to bring resolution to these conflicts in law, in application of laws, in interpretation of the law, in enforcing laws, and in priorities, with the goal of developing viable paths for operators to come into compliance while ensuring the supply of MTH is maintained and tenants aren't displaced**
- **Consider exempting City funded MTH and supportive housing providers from licensing requirements by changing Chapter 575 3.a, so that it reads "A multi-tenant house does not include a) Residential premises licensed, funded or similarly approved of by the Government of Ontario, the Government of Canada, or the City of Toronto." to ensure the continued operation of these properties.**
- **Produce policy interpretation & guidance materials for staff, but available to the public, to ensure consistent interpretation and application of the law. Develop SOPs and protocols to guide officers in achieving compliance in a way that prioritizes maintaining tenancies and preserving dwelling room supply.**
- **Train staff in understanding all relevant laws, newly developed SOPs and protocols, & the right to housing**

- **Bring back/fund the MTH Framework Coordinator position to ensure the effective coordination of the many Divisions involved in implementing the MTH Framework, to ensure consistency in information, guidance and direction across Divisions; to regularly engage and consult with stakeholders, and to ensure Council delivery of Council directives and in a timely manner.**
- **Temporarily pause enforcement of licensing requirements until viable pathways for operators to become licensed are established and interpretation and guidance documents are produced and staff receive training.**

**There is indication that MTH is being lost, dwelling rooms closed, and tenants displaced, but the City is not tracking, monitoring or reporting on the supply of dwelling rooms or tenant outcomes.**

Current data reporting practices make it impossible to track the supply of MTH and monitor and evaluate progress towards the goal of preserving and expanding deeply affordable housing, as MLS has reported only building-level data, not dwelling room data, and MTH supply is calculated at the dwelling room level, not the building level. When an MTH is opened or closed, the only way to know what the implications are for the supply of MTH and for tenants, is by counting the number of dwelling rooms that exist in the MTH.

This is particularly concerning because the building-level data provided by MLS indicates that rather than preserve or expand deeply affordable housing, the supply of dwelling rooms has likely been significantly reduced:

MLS reports that 133 MTH (half of all MTH that received an Order to Comply) no longer “meet the definition of multi-tenant house.” 109 of those properties (82%) are in areas where MTH were not previously permitted, 66% of which are in Scarborough. In areas where MTH were previously permitted, 24 MTH that have received an Order to Comply no longer meet the definition of MTH.

Staff explain that, “these closures indicate administrative resolution of the enforcement file only; they do not necessarily mean that properties ceased operation or that rooms were lost, whether permanently or temporarily. In some instances, occupancy may have changed temporarily (for example, reduced to three or fewer rooms at the time of inspection), but could later return to a configuration that again meets the definition of a multi-tenant house under Chapter 575. Similarly, when a property converts to a single housekeeping unit, tenants may remain in place, but under a different living arrangement that no longer meets the bylaw’s definition. where the property became vacant, converted to a single housekeeping unit, or reduced the number of rooms from four or more to three or fewer.” Staff report that some operators are responding to Orders to Comply by altering their operations to fall outside the bylaw’s scope, including by reducing the number of rooms to three or fewer; and note that “In some cases, investigations identified properties that were overcrowded or not suitable for the number of tenants residing within them. Where this has occurred, resulting reductions in occupancy may reflect actions taken to bring properties into compliance and to align with the framework’s intent to improve health and safety conditions for tenants,” (p.20)

However, while staff take pains to neutralize concerns, it is clear that some rooms are being closed and the number is not being tracked, despite the goal of preserving & expanding deeply affordable housing.

Staff also report that Toronto Fire Services (TFS) conducted 480 inspection files at 356 addresses, (251 licensed and 106 unlicensed properties) between March 31, 2024 and July 31, 2025, and initiated legal proceedings against 58 addresses for noncompliance with the Ontario Fire Code. TFS provides no indication if these inspections resulted in any MTH closures or the displacement of tenants. Monitoring and reporting on these metrics should be a top priority when monitoring preservation of the existing MTH supply, improving tenant safety and housing conditions, and preventing displacement.

This is all the information that is provided about MTH supply; the situation of dwelling room loss and its impact on tenants is not investigated any further.

While the staff report says that “City staff use a range of internal and external information sources to monitor the impact of the framework on tenant housing stability, including data from City Divisions, licensing and enforcement data, and quantitative and anecdotal data collected from TTSP agencies specific to MTH tenants and their experiences,” the only mention in the report of the impact of the framework on tenant housing stability was based on data provided by tenant support agencies that the City made a point of noting “may not be representative.”

It is fairly obvious that not only are dwelling rooms not being tracked, but dwelling room tenancies and tenants are not being tracked. Applying an equity lens to the regulation of MTH necessarily requires monitoring and reporting on tenants and tenant outcomes.

For example, while the City observes that some rooms are being closed and some MTH are no longer operating as MTH, the status of the tenants that are or had been living in those homes is not even mentioned. Similarly, Toronto Fire only reports on the number of investigations and legal proceedings, and not the impact of those investigations and legal proceedings on the tenants.

As a result, the staff report includes only a single data point related to tenant outcomes: 11 of the 256 tenants (or 5%) who engaged with tenant support through the TTSP experienced an eviction attempt and understood it to be related to the implementation of the framework (e.g. meaning that the landlord referenced being unlicensed, reducing rooms due to overcrowding, or had referenced the framework as a reason for the eviction). There is no data provided regarding the status of these 11 tenancies.

Most concerningly, information about MTH tenants who are displaced from their homes due to sudden emergencies is not included in the report. All other tenant-related data is output data:

For example, staff report that the FMTA visited 135 suspected unlicensed MTHs that have received Orders to Comply and provided support to 192 tenants. There is no data provided regarding the number of tenancies implicated in the 135 MTH that were visited, information about tenant outcomes, or explanation as to why only half of the total number of MTH that have received Orders to Comply received a visit from the FMTA.

Staff report that TTSP agencies have provided renter rights information, legal advice, and other supports to approximately 400 MTH tenants through both door-to-door outreach, one-on-one counselling and legal support, and 3,300 copies of MTH tenant brochure has been distributed, however these output-based metrics are an indicator of nothing without an assessment of the total number of MTH tenants, the total number of at-risk MTH tenants, the demand for services, and the effectiveness of the information dissemination in improving tenant housing conditions and housing security.

In PH10.2, staff state that “throughout year one implementation of the Multi-Tenant Houses Framework, staff will be monitoring demand across these programs to identify any impacts on demand arising from implementation, if existing resources are sufficient, and assess if policy changes or additional resources are needed in future.” This staff report provides no information regarding demand for programs and whether existing resources are sufficient. Although this information may be included in the report being presented as a follow up to the Ombudsman’s recommendations, this is the appropriate place for it.

Despite what should be considered incredibly concerning results, staff have not yet established a method to effectively monitor and report on the loss of dwelling rooms, the loss of MTH, or tenant displacement risk, although the staff report does include a vague plan to do so in the future. City staff say in this report that they will now take “additional measures” to better monitor tenant outcomes, including:

- Updating data collection practices across Divisions engaged in enforcement and compliance action, to more accurately identify cases where tenants may be at risk of displacement.
- Where risks are identified, mobilizing outreach and supports for tenants in parallel to compliance activity.
- Creating more consistency in how Divisions collect information related to how a property came into compliance as a result of enforcement action.

While this effort is welcome, staff say this work will be advanced through an informal “interdivisional working group” focused on a stronger housing at-risk lens on data monitoring and sharing related to MTH. The long-promised HART Table was supposed to be the interdivisional working group tasked with this work, but it never got off the

ground and staff gave up and announced that the STAR table would take its place. This working group needs a formal structure and resourcing if it is to do the work it has committed to doing in this report.

The staff report itself provides information that points to potential administrative data sources (from City-administered programs and services) that the City should be collecting, which would help provide insight into tenant impacts and tenant outcomes:

- # of properties where Toronto Building or Toronto Fire Services ordered the closure of a property,
- # of instances, per ward, the Emergency Management (TEM) Emergency Social Services (ESS) program was activated because of a) a closure ordered by Buildings and b) a closure ordered by TOFire, and the number of tenants and rooms implicated in each instance
- # of tenants provided with accommodation and support by Toronto Emergency Management (TEM) through its Emergency Social Services (ESS) program following the 14 days of support provided by Red Cross.
- The number of tenants referred to EPIC by TEM ESS and the number accepted for support
- The outcomes for tenants accepted by EPIC (and not accepted by EPIC)
- The number of MTH tenants that have been “accepted” for support by the STAR table<sup>2</sup>
- The number of at-risk MTH properties that have been submitted to MURA for consideration

Simply arranging follow up visits by FMTA with properties with a closed Order would allow for tracking of the Framework’s impact on tenant outcomes, but would require additional funding.

The City says that starting Spring 2026, licensing and enforcement data will be released through an annual report, similar to the RentSafeTO Year in Review. This would formalize the collection and public reporting of data on licensing activity, inspections, enforcement outcomes, tenant supports, program outcomes and other program metrics on a yearly basis.

I have asked for annual reporting in this manner and am pleased to see this commitment. I am concerned however, that given the many serious data gaps identified in this analysis, that this report will only include output-based and building-level data and won’t include anything meaningful about anything other than progress with the licensing of MTH properties.

#### **Recommendations:**

- **To start: require MLS to track and report dwelling room data and not just MTH data, including the number of dwelling rooms represented by MTH license applicants and licensees in each ward**
- **When investigators close Orders, data should be collected and reported to quantify:**
  - **The number and locations of operators now operating three or fewer rooms**
  - **The estimated number of rooms lost in each case of an operator reducing the number of rooms**
  - **The total number of estimated MTH rooms lost via room reductions**
  - **The number of properties identified as overcrowded or unsuitable for the number of tenants residing there and the number of rooms these MTH represent**
- **Require Toronto Fire and Toronto Buildings to report the number of MTH closures ordered, the number of tenants implicated, and the number of tenants referred to TEM.**
- **Require Toronto Emergency Management, Emergency Social Services, EPIC, and the STAR to each report the number of MTH tenants referred to them for support and the number accepted.**
- **Engage the expertise available through TAC and HRAC in developing data tracking and reporting methods and metrics.**

**Supports available for MTH tenants need better resourcing and the needs of the most vulnerable tenants need to be better addressed.**

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<sup>2</sup> [STAR@toronto.ca](mailto:STAR@toronto.ca)

FMTA outreach staff were only able to visit about half of the MTH that had received Orders to Comply, indicating that a second outreach worker is required. The tenant supports available to MTH tenants through the TTSP are designed for low acuity/high functioning tenants: they are focused on educating tenants about their rights and the resources available so that the tenants can self-advocate. This type of support is inappropriate for the many vulnerable and higher acuity tenants who lack the capacity to advocate for themselves; additional supports must be made available for these tenants.

**Recommendations:**

- **Increase funding for MTH tenant outreach**
- **Ensure tenant outreach is trauma-informed, involves an initial assessment to identify acuity levels, and when deemed necessary, involves [warm referrals](#) to appropriate supports (including advanced level, instrumental supports to help with eviction prevention and rehousing)**
- **The City must provide tenant outreach staff with access to City staff and resources in different divisions who can best respond to/intervene in different emergency situations**

**More and better oversight is needed of the implementation of the Framework, in monitoring its effects, and in looking for and addressing systemic issues.**

Staff report that instead of installing dedicated oversight and advisory measures, they will use the Housing Rights Advisory Committee to provide advice to Council on implementation of the Framework, however HRAC is not an adequate substitute for an MTH Advisory Body or proper oversight mechanism.

The members of HRAC are not experts in complicated MTH policy or program implementation. And they are not MTH operators and have no experience of operating an MTH or first-hand experience with the Framework. Tasking HRAC with the oversight of the implementation of the MTH Licensing Framework effectively hijacks their agenda and undermines the committee's ability to address other issues with implications for the progressive realization of the right to housing.

Measures to improve oversight have been recommended throughout this submission. Bringing back the MTH Framework coordinator position and establishing a conflict resolution process involving staff and stakeholders, led by an experienced mediator, to bring resolution to conflicts, would be more helpful than tasking HRAC with oversight.