TORONTO

REPORT FOR ACTION

Follow Up on 2026.EX31.2: Framework for Implementing a Maximum Indoor Temperature By-Law

Date: June 23, 2026
To: City Council
From: Executive Director, Municipal Licensing and Standards
Wards: All

SUMMARY

Extreme heat and its impacts on human health is one of the City of Toronto's most urgent climate hazards, now and for the future. Excessive indoor temperatures are of particular concern for tenants in leased residential premises without cooling equipment like air conditioning or heat pumps. At its meeting on May 20 and 21, 2026, City Council directed staff to report directly to the June 24, 25, 26, 2026 meeting of City Council with a framework for implementation of a maximum heat by-law (i.e., a maximum indoor temperature requirement), with alignment to implementation timelines of other municipalities, as well as to request that the Government of Ontario exempt Above Guideline rent increases for any costs incurred to comply with a future maximum heat by-law and for the City to convene a Stakeholder Working Group (2026.EX31.2).

In response to Council direction, this report provides analysis on the implementation of a maximum indoor temperature by-law, including the results of a compliance cost analysis, jurisdictional research, and potential impacts to tenants and rental housing providers. Based on the analysis and consultation conducted to-date, this report recommends Council endorse a proposed implementation framework that establishes a structured path towards a maximum temperature by-law. This framework entails addressing key enabling factors necessary to support the successful implementation of a by-law:

- Mitigating cost impacts to tenants of private-market rental (which can be subject to above-guideline rent increases under the Residential Tenancies Act) and exploring climate and green funding incentives
- Mitigating cost impacts to non-market rental housing (i.e. community housing), to protect the rental unit stock
- Reiterating and making new requests for provincial and federal regulatory changes to the Residential Tenancies Act for above-guideline rent increase prevention and to the Provincial and National Building Code for a maximum indoor temperature requirement and/or thermal safety provisions for new builds
- Engaging other jurisdictions that have a maximum indoor temperature requirement to identify and apply lessons learned from implementation, including

timing and actions to mitigate unintended consequences (e.g., increase in evictions, housing insecurity, etc.)
- Convening and engaging with a Stakeholder Working Group (as directed in 2026.EX31.2) on implementation questions and path forward
- Studying market preparedness to understand how quickly the supply chain can react (and how quickly electrical upgrades can take place), which would inform when a by-law could come into effect
- Monitoring implementation of recent Provincial Residential Tenancies Act changes that expressly permit tenants to install their own portable or window air conditioners, subject to safe installation

Staff propose reporting back to Council in the second quarter of 2027 with:
- Results from City staff's next phase of research and analysis (enabling factors), including from jurisdictional implementation research, as outlined by the framework in this report
- Feedback from Stakeholder Working Group meetings and engagement
- Key components and considerations for a by-law (e.g., phased implementation, potential exemption process)
- Update on the status of intergovernmental engagement and any other intergovernmental work on mitigating the impacts of extreme heat
- Recommendations on next steps on by-law implementation

Staff propose a subsequent report back to Council in the third quarter of 2028 with final by-law options.

The report was developed in consultation with the Housing Secretariat, Toronto Public Health, Environment, Climate, and Forestry Division, Toronto Community Housing Corporation, Toronto Seniors Housing Corporation, and Toronto Hydro.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards recommends:

1. City Council endorse the proposed framework towards the implementation of a maximum indoor temperature by-law, as outlined in Table 1 of the report (June 23, 2026) from the Executive Director, Municipal Licensing and Standards and direct the City Manager to report back in the second quarter of 2027 with:
    a. Results from City staff's next phase of research and analysis, as outlined by the framework in the report (June 23, 2026) from the Executive Director, Municipal Licensing and Standards, such as outcomes from additional jurisdictional implementation research
    b. Results from Stakeholder Working Group meetings and engagement
    c. Key components and considerations for a by-law (e.g., phased implementation, potential exemption process)
    d. Update on the status of intergovernmental engagement and any other intergovernmental work on mitigated the impacts of extreme heat

e. Recommendations on next steps on implementation of a by-law

2. City Council direct the City Manager to report back in the third quarter of 2028 with options for a maximum indoor temperature by-law.

3. City Council request the Government of Ontario amend the Residential Tenancies Act, 2006 to prohibit above-guideline rent increase applications for any costs incurred to comply with any municipal maximum indoor temperature by-law.

4. City Council reiterate its request to the Government of Ontario to:
    a. amend the Ontario Building Code to support the health and well being of occupants by addressing overheating in new dwellings through introducing a maximum indoor air temperature standard
    b. amend the Residential Tenancies Act, 2006, to introduce a maximum temperature standard of 26 degrees Celsius for rental units and add cooling to the definition of “vital services” to ensure thermal safety protections are available to tenants
    c. examine additional measures to support vulnerable and low-income tenants with associated cooling costs such as the Ontario Electricity Support Program and Low-Income Energy Program, and service disconnection bans

5. City Council request that the Chief Building Official and Executive Director, Toronto Building submit a code change request to the Secretary, Canadian Board for Harmonized Construction Codes for amendments to the National Building Code to support the health and well being of occupants by addressing overheating in new dwellings.

FINANCIAL IMPACT

There are no financial impacts as a result of this report. Financial impacts related to the development and implementation of any forthcoming City indoor temperature regulations will be assessed in future staff reports.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact statement.

EQUITY IMPACT STATEMENT

Climate-related risks in Toronto such as heat are not experienced evenly. Everyone is vulnerable to the effects of excessive heat, but certain groups are at higher risk than others. These groups include older adults, infants and young children, people with chronic illnesses (e.g., breathing problems, heart problems, or certain mental health conditions), people on certain medications, or people with limited physical mobility.

Vulnerable groups also include economically and socially disadvantaged individuals (e.g. low income, experiencing homelessness or living alone), people who work in the heat, and people who are physically active outside. Systemic inequities, including racism, ableism, poverty, isolation, precarious work, insecure housing, and language barriers limit people's ability to prepare for, withstand, and recover from extreme heat.

The HousingTO 2020-2030 Action Plan and Toronto Housing Charter, both adopted in 2019, commit the City to progressively advance the right to adequate housing within the City's means and jurisdiction. They are centred in a human rights-based approach, which recognizes that housing is essential to the inherent dignity and well-being of a person and to building healthy, inclusive, and sustainable communities. Specifically, housing adequacy includes ensuring a persons' home is habitable and protected from extreme temperature. Implementing a maximum indoor temperature requirement, in a way that also balances other components of the right to adequate housing (such as affordability and security of tenure) is a concrete step the City can take in alignment with its Housing Charter. Access to good quality and safe housing that can be adapted to extreme heat events will become more critical as climate change accelerates the frequency and duration of these events.

Any proposals to address harmful indoor temperatures must be considered in tandem with other key strategies and policies such as the City's HousingTO 2020-2030 Action Plan and the work to decarbonize the building sector. Collectively, they aim to address strategic priorities, including reducing carbon emissions, enhancing community preparedness for climate events, and improving housing quality, and maintaining existing affordable housing. As such, thoughtful regulatory design to address excessive indoor temperature must include consideration of compliance measures for building owners, supports for tenants and housing providers, and coordination with climate action to ensure equitable and successful outcomes for all.

DECISION HISTORY

On May 20 and 21, 2026, City Council adopted 2026.EX31.2 – Standardizing the Air Conditioner Benefit (Pilot), directing City staff to report back to the June 24, 25, 26, 2026 meeting of City Council with a framework for implementation of a maximum heat by-law, and to request to the Government of Ontario approve an exemption to Above Guideline rent increases for associated costs incurred.

On December 16 and 17, 2025, City Council adopted 2025.EX28.3 – Towards Implementing a Maximum Indoor Temperature Requirement for Rental Units and Cooling Rooms, directing City staff to report back to the appropriate Committee no later than May 2026 with a proposed Maximum Temperature By-law for rental units, considering varying building infrastructure, mechanisms to prevent above guideline rent increases passed on to tenants and informed by a compliance analysis study.

On December 17 and 18, 2024, City Council adopted 2024.PH17.5 – Establishing a Framework to Address Excessive Indoor Temperatures in Leased Residential

Premises, to report back by Q4 2025 with implementation considerations and recommended next steps, leading to City Council's endorsement of implementing a health-based maximum indoor temperature of 26°C for leased residential premises and cooling rooms.

On June 14, 2023, City Council adopted 2023.MM7.8 - Request to Implement an Adequate Temperature By-law, directing staff to examine the feasibility of establishing minimum and maximum temperatures for leased residential premises and cooling rooms in addition to other data collection and building retrofit considerations.

COMMENTS

Purpose of Report

As part of Item 2026.EX31.2, City Council directed staff to report back to the June 24, 25, 26, 2026 meeting of City Council with a framework for implementation of a maximum indoor temperature by-law. The report proposes a framework that establishes a structured path towards a maximum temperature by-law, informed by analysis, including a compliance cost study conducted by a third-party vendor, and consultation findings to date. The report proposes specific actions through a structured workplan to enable the implementation of a by-law, along with next steps and proposed report backs to City Council.

Background

Urgency of Action

Toronto is increasingly experiencing the effects of climate change, including more frequent, prolonged, and extreme heat events, and hotter weather overall. According to Toronto's Current and Future Climate, the number of days per year with temperatures above 30°C is expected to increase from 10 days between 1971 and 2000, to 36-44 days by the 2050s, and 46-78 days by the 2080s, depending on future greenhouse gas emissions trends.

Extreme heat poses a growing risk to human health. Health Canada's report on Heat related morbidity and mortality in Canada shows a significant rise in heat-related deaths in recent years. Of all such deaths recorded in Canada since 1981, 66.3% have occurred since 2016, with 35.8% taking place in 2021 alone. The Health Canada report also indicates that emergency department visits and hospitalizations due to heat-related illness rose significantly during recent severe heat events, with emergency department visit rates rising by 38.7% in 2018, when there was an eastern Canada heat event, and 69% in 2021, during the western Canada heat dome.

Guiding Principles

(a) Protecting tenants who are most vulnerable to the impacts of extreme heat

In 2024, the City released Toronto's Current and Future Climate, which established that Toronto is hotter than it used to be and will continue to warm. In 2025, a climate risk assessment for the City, Toronto's Climate Risks: Understanding Vulnerability Today, Preparing for Tomorrow, reported that extreme heat and its impacts on human health is one of the City's most urgent climate hazards, now and for the future. As reported in 2025.EX28.3 and 2024.PH17.5, research and expert advice establish that a maximum indoor temperature of 26°C provides health and safety benefits for tenants, particularly for certain vulnerable groups that have higher risks (see Equity Impact Statement).

(b) Protecting the affordability and supply of rental housing

Toronto is facing a deep and multi-faceted housing crisis. The impacts of this crisis are most acutely experienced by low- and moderate-income tenants, people experiencing homelessness in Toronto, as well as Indigenous people, Black residents, youth, seniors, 2SLGBTQ+ individuals, and other equity-deserving groups. Household incomes and social assistance rates have not kept pace with housing costs, leading to acute and wide-spread affordability and stability challenges. Protecting and preserving Toronto's existing housing supply is critical to advancing the City's housing goals. Growth in new supply will not yield improved housing affordability without ensuring the existing stock of both private-market rental housing and community housing is protected and maintained.

(c) Taking action to reduce building sector greenhouse gas emissions

The City is moving toward net zero greenhouse gas (GHG) emissions community-wide and doing as much as it can as soon as it can, while being sensitive to residents' and businesses' current economic situations. The building sector is the primary source of GHG emissions in Toronto, contributing 55% of the city-wide total. In December 2021, City Council adopted the TransformTO Net Zero Strategy (TransformTO) and a net zero by 2040 GHG emissions target recognizing a need to accelerate actions to reduce emissions from the previous net zero by 2050 target (2021.IE26.16). The adoption of the new target followed the endorsement of the Net Zero Existing Buildings Strategy in July 2021, which sets out several critical actions for the City to consider for the reduction of building sector emissions.

Recommendations

To implement a by-law, staff propose a framework approach, organized in phases and which reflects the work necessary to enable the successful implementation of a by-law. This section will outline (1) work completed to-date to consider a by-law (2) staff's proposed framework for implementing a by-law, including specific types of work and report back timelines, and (3) requests to other levels of government to enhance heat-related health and safety protections.

1. Work Completed to Date to Consider a By-Law

The following work has been completed to further the City's efforts to consider successful implementation of a maximum indoor temperature by-law:

A. Regulatory Pathway for the City to Implement a Maximum Temperature Standard

The City has the authority to pass by-laws that prescribe standards for the maintenance and occupancy of property within the municipality and by-laws respecting the protection of persons and property and the health, safety and well-being of persons, but must be mindful not to exceed limits set out in provincial legislation or conflict with provincial or federal legislation.

In order to address the urgent health and safety risks of harmful indoor temperatures, staff have identified options for a regulatory pathway to introduce a maximum indoor temperature standard, such as if introduced as a maintenance and occupancy standard under Chapter 629, Property Standards, working alongside existing by-law provisions.

B. Council Endorsement of a Health-Based Temperature Threshold of 26 Degrees Celsius

In December 2024 (2024.PH17.5), per staff's recommendation, City Council endorsed a health-based maximum indoor temperature standard of 26°C for leased residential premises and cooling rooms. The 2024 staff report sets out the rationale as to why indoor temperatures above 26 degrees Celsius are associated with tenant health and safety hazards. For instance, a mortality analysis (including any case of death that was not an accident) conducted by Public Health Ontario found that on average, across the entire population of Toronto, there is an increase in the risk of mortality when outdoor temperatures are approximately 26°C or higher, compared with the risk at 20°C.

C. Consultation on a Maximum Indoor Temperature Requirement

Staff conducted targeted consultation in 2024 (2024.PH17.5) and broader public consultation in 2025 on a potential maximum indoor temperature requirement in rental units and short-term measures, like cooling rooms, to protect tenants and their health and safety (see Attachment 7 from Item 2025.EX28.3). During consultations, tenants and tenant advocates expressed significant support for implementing a maximum indoor temperature requirement, while rental housing providers noted the extensive costs and barriers to introducing cooling in rental units. However, both sides were concerned about bearing the extensive costs. 90% of landlords/property owners who participated in the consultation indicated that they would seek to pass the costs on to tenants. Tenants and tenant representatives indicated that they are concerned about the impact on their cost of living (rent increases and utility bills). Both sides – tenant and landlords – argued that government subsidies and targeted supports will be essential. In Winter/Spring 2026, staff focused engagement efforts on community housing providers to determine

whether special consideration is needed to meet a maximum indoor temperature by-law[1]. See Potential Impacts Section for more detailed analysis.

D. Procured C40 Cities to Develop a Roadmap for the City of Toronto on Indoor Thermal Safety

In 2025, City staff procured C40 Cities to develop a roadmap for the City of Toronto on policy pathways to indoor thermal safety in existing rental buildings (2025.EX28.3). C40 Cities examined this topic in Toronto and other North American cities. The C40 report for Toronto recommends several actions that seek to address indoor thermal safety, including an analysis of implementing active cooling measures. The report recommends that the City consider, amongst other things, phasing-in a maximum temperature standard. The report noted that while passive cooling strategies (such as minimizing solar heat gains and improving air flow) may not be sufficient alone to meet the 26°C threshold during extreme heat, they also play a critical role when combined with active cooling measures. See Item 2025.EX28.3, Attachment 6 for more details.

E. Jurisdictional Research

Staff continue to closely monitor ongoing developments in other jurisdictions regarding maximum indoor temperature requirements and implementation timing. Note that each jurisdiction has its own enabling factors and legislative environments, and thus actions may not be broadly applicable in the City of Toronto context as the City's authorities may differ from municipalities in other provinces, states or countries. A summary of findings is below, with more detailed jurisdictional information in Attachment 1.

In **British Columbia** (B.C.), recent changes to the provincial B.C. Building Code introduced requirements for new buildings (those for which a permit was applied for on or after March 8, 2024) to include at least one living space that is kept no more than 26 degrees Celsius (when the outdoor temperature is up to a certain threshold). Ontario's building code does not include a similar provision.

On June 8, 2026, the **City of New Westminster** in B.C. (population of ~80,000) approved a bylaw effective immediately, that requires landlords and property owners to maintain a temperature of 26 degrees Celsius in at least one living space in a rental unit occupied by a tenant. The temperature standard applies from 8pm to 8am (i.e., overnight) in one living space from April 1 to October 31, unless an owner or operator applies to the Building Officer for a 2-year exemption.

The **City of Hamilton**, Ontario, is also exploring a maximum temperature requirement. In May 2023, Hamilton's City Council directed staff in Licensing and By-law Services to explore potential options for the development and introduction of a Maximum or

[1] In Toronto, "community housing" refers to social and affordable housing that is owned and/or operated by non-profit housing organizations, non-profit housing co-operatives, and Indigenous housing providers, along with the TCHC and the TSHC.

Adequate Temperature By-law. City of Toronto staff and the City of Hamilton staff have met regularly to share lessons learned in advancing this work.

Some jurisdictions in the **United States** have a mandatory cooling systems or equipment requirement in rental units. A handful of jurisdictions in the Southern part of the United States have longstanding mandatory cooling requirements. In recent years, more have considered changes to introduce such a requirement. For example, **New York City** passed a recent bill requiring cooling in tenant-occupied homes as of June 1, 2030, upon the request of the tenant. The bill makes changes under the New York City Administrative Code, and the New York City Building Code. The changes to the New York City Administrative Code targets existing rental buildings, while the changes to the New York City Building Code introduce requirements for air conditioner operation and/or ventilation in newly constructed tenant-occupied buildings.

F. Compliance Analysis Study

Per Council direction (2025.EX28.3), staff hired a third-party consultant to conduct a condensed compliance analysis study to inform the impacts of a potential maximum indoor temperature by-law, including potential costs and timeframe of potential by-law implementation across different types of rental housing. The study analyzed seven building archetypes[2], developed to represent the broad spectrum of available rental housing building types in Toronto's rental housing market, and generated cost and timeline estimates for each building archetype using two scenarios:

- Installation of "individual AC units" (including portable and window AC units) placed in one room per dwelling unit and in all habitable rooms in a dwelling unit; and,
- Installation of "integrated cooling systems" (permanently installed systems providing cooling, like multi-split ductless and packaged terminal ACs).

Capital costs considered included equipment, materials, design and permitting, electrical upgrades (where applicable), installation labour and equipment rentals, consideration for installing in occupied rental units, and contingencies[3].

Overall Findings

- Integrated cooling systems will have significantly higher upfront capital costs in the short term when compared to individual ACs. When compared to a single AC unit in one room per dwelling unit, integrated cooling systems are 19 times more expensive when electrical upgrades are not needed, or nearly 30 times more expensive when electrical upgrades are needed.
- Regardless of the cooling mechanism, implementation is more expensive in high-rise multi-unit residential buildings than in low-rise buildings and single-detached dwellings.

[2] The archetypes account for: building size (e.g. high-rise apartment buildings, low-rise apartment buildings, and single-family homes[2]), existing temperature control systems (e.g. natural gas boiler, electric baseboards, and forced air furnaces), and whether buildings do or do not have balconies.
[3] The cost estimates generated are expected to be accurate within +/- 30%.

- Electrical upgrades are expected in cases of installing full dwelling-unit cooling options in multi-unit residential buildings that are currently heated with natural gas (which is ~92% of all multi-unit residential buildings).
- Total capital cost to the rental housing market would be an estimated $500 million in a scenario where one individual AC unit was installed in every dwelling unit that does not currently have AC.
- It would cost an estimated $14 billion in a scenario where full dwelling unit cooling was provided through integrated cooling systems with heat pump options in all dwellings that do not currently have AC.

For more detailed information and analysis, see Attachments 2 and 3.

G. Potential Impacts of Implementing a Maximum Indoor Temperature By-Law to be Considered Through Implementation Plan

Based on analysis, including the compliance cost study conducted by a third-party vendor, and consultation findings to date, City staff determined that there would be several potential impacts of implementing a maximum indoor temperature by-law on rental housing providers and tenants, depending on the policy, financial and legislative tools and options supporting the by-law.

Rental Housing Providers

Compliance requirements of a maximum indoor temperature by-law would fall on property owners to determine how to comply with the 26 degrees standard. Based on stakeholder engagement and the compliance analysis study, the following impacts on rental housing providers were identified, particularly in the absence of significant funding from other sources (e.g., from other orders of government) to help to address or offset costs.

Initial, Upfront Costs:

- Costs to procure chosen cooling methods, such as a heat pump or portable AC unit
- Cost of installation of chosen cooling methods (e.g., hiring a licensed HVAC technician)
- Applicable associated costs, such as window upgrades to improve insulation
- If needed, costs to increase electricity supply, working with Toronto Hydro
- If needed, financing costs to pay for any of the above costs

Time:

- Time to raise funds to pay for the above work, if needed
- Lifespan and/or planned upgrades of existing mechanical cooling equipment
- Time to purchase equipment and other supplies, relying on shipping (sometimes international), depending on market supply and equipment availability
- Time to procure a licensed technician(s) to install cooling measures
- Toronto Hydro may require time to meet new electrical demand of the customer

Operating Costs:

- Whichever party (landlord or tenant) is responsible for utilities (gas or electric), may have significant cost increases depending on cooling equipment type and how much it is used
- Cost of keeping the equipment in good repair and maintained in good working condition, as required by the City's Property Standards Bylaw
- Costs of operating cooling equipment from June 1 to September 30 every year, as required by the City's Heating Bylaw

An increase in costs to rental housing providers may, depending on several factors, negatively impact the ongoing viability of rental housing projects (and potentially impact the supply of rental housing). The City and its partners have programs that can help to offset capital improvement costs faced by residential buildings owners, subject to availability. These programs could be used to offset some of the potential costs above.

Tenants

For private-market rental housing providers, costs are generally expected to be passed on to tenants and the City alone would have limited tools to prevent this from occurring. Based on consultation and the compliance analysis study, the following impacts on tenants are possible, depending on by-law scope, and whether protections from other orders of government are in place to mitigate these impacts.

Increase in rent/above-guideline rent increases (AGIs):

- During the 2025 consultations with stakeholders on a potential maximum indoor temperature requirement, 90% of private-market landlord respondents indicated that they would seek to pass the costs on to tenants.
- For units first occupied before November 15, 2018, rent increases are capped at the annual provincial rent increase guideline, set by the Government of Ontario. This is the maximum a landlord can increase rent for tenants of these units during a year without the approval of the Landlord and Tenant Board (LTB). The rent increase guideline for 2026 is 2.1%.
- Under section 126 of the RTA, landlords can apply to the LTB for an AGI. Landlords may apply for an AGI on one or more of the following grounds: extraordinary increase in municipal taxes for the residential building; eligible capital expenditures (such as certain work necessary to maintain the provision of heating, mechanical, electrical, ventilation, or air conditioning systems) and operating costs related to the provision of security services.
- If the LTB approves their application, landlords can increase rents on existing tenants above the guideline up to an additional 3% in cases where the increase is related to capital expenditure; and in some cases, 3% per year for up to three years.
- For rental units first occupied after November 15, 2018, rent can legally be increased annually by any amount and are able to incorporate any increased operating costs (such as AC) into the annual rent increase.
- Section 123 of the RTA allows landlords and tenants to voluntarily agree to add AC as a new service in exchange for a rent increase.

Staff have confirmed that the City cannot prevent landlords from applying to the LTB for AGIs or prevent the LTB from approving AGIs. The rules regarding AGIs are set out in the RTA, and it is within the LTB's jurisdiction to approve or deny AGI applications[4].

Increase in tenant utility bills:

- Operating cooling equipment can be costly in terms of monthly utility charges. For tenants who pay for their electricity separate from their rent, this can be prohibitively expensive, especially for low-income tenants. For tenants whose electricity is included in their lawful rent, landlords may increase rents to offset these increased utility costs.
- In some cases, public subsidy programs for capital improvements can be leveraged to minimize cost impacts on tenants by assisting housing providers with compliance costs.

Community Housing Providers

The City, as Service Manager, oversees approximately 90,000 units of community housing (including 70,000 rent-geared-to-income homes), operated by community housing providers, including TCHC, TSHC, Indigenous organizations, non-profits and co-operatives. The community housing stock is generally older, less likely to provide centralized air conditioning, and carries a significant capital repair backlog. For example, 94% of the TCHC portfolio (which includes TSHC buildings) does not have central air conditioning. Maintaining a state of good repair and upgrading building systems in community housing requires significant investment specifically from the federal and provincial governments, as these providers do not have the same market means as private landlords to recoup costs from tenants, who often live on fixed incomes.

Without adequate intergovernmental financial support, community housing providers would be unable to cover the expenses of complying with a potential maximum temperature by-law. These costs would be above and beyond existing significant capital repair backlogs that require prioritization (approximately $2.2 billion for TCHC alone in 2026).

In addition to sufficient funding, community housing providers would require substantial time to come into compliance with a by-law. Capital repair plans in community housing, particularly TCHC given the size of its portfolio, must balance availability of funding and planning for spending across multi-year and sometimes multi-decade repair plans. Multi-year planning also ensures replacement of building systems occurs in accordance with the intended lifecycle of the asset.

[4] Under limited circumstances, the City may restrict landlords from seeking AGIs through the terms of voluntary funding agreements landlords enter into with the City. Restrictions on AGI applications have been applied in City funding agreements for affordable housing and for sustainable building upgrades, such as heat pumps or energy-efficient windows. City capital funding and incentive programs have limited funding available, and agreements are entirely voluntary, limiting their potential as a tool to prevent AGIs.

For the purposes of estimating the potential cost of compliance with a maximum temperature by-law applying to all rental properties, TCHC prepared rough cost estimates for achieving compliance through centralized AC and associated retrofits, and through portable ACs. These estimates were prepared considering a 25-year life cycle to capture long-term benefits in energy efficiency associated with different approaches. To deliver centralized AC across the TCHC and TSHC portfolio, using electrified air-source heat pumps, would require the retrofit of major building systems from gas to electricity, and is estimated to cost $6.1 billion over a 25-year period (inclusive of maintenance, repairs, and building electrical upgrades). However, this is approximately $1.6 billion in incremental additional costs above capital work already required over 25 years without introducing centralized cooling.

Achieving compliance through portable ACs is estimated to cost approximately $1.1 billion over 25 years, inclusive of repairs, replacement, building electrical upgrades, and ongoing electricity costs. Notably, this option does not advance City and TCHC commitments to greenhouse gas reductions and does not create permanent cooling infrastructure. TCHC is subject to the Lead by Example 2030 corporate emissions target of 65% reduction from 2008 levels, in alignment with the City's TransformTO Net Zero Strategy, which aims to achieve net-zero greenhouse gas emissions by 2040. This target is a key factor TCHC will need to consider when deciding on the type of cooling equipment needed to meet a maximum temperature requirement.

Due to the high initial capital costs of implementing portfolio wide central cooling, interim cooling approaches are likely to include a mix of both building retrofit and portable air conditioners. In both cases, electrical upgrades are a prerequisite due to the age of the buildings and the impact to the grid capacity.

Impacts on additional community housing providers beyond TCHC will be assessed using lessons learned from the TCHC approach, as part of the preparation of future reports to Council in accordance with the framework described in this report.

Hydro Demand and Distribution

City staff have worked closely with Toronto Hydro since 2024 to better understand the potential impacts on hydro distribution that may result from a future maximum indoor temperature standard in rental units. Throughout consultations with stakeholders, many raised concerns about whether the electricity grid in Toronto has the capacity to meet the increased demand that would result from a maximum indoor temperature standard. Through capacity investments, Toronto Hydro is increasing the system's ability to accommodate incremental demand.

Through its connections process, Toronto Hydro works with its customers[5] to determine how much electricity a building may need to meet its intended electricity uses. Time and

[5] Toronto Hydro indicated that the best way for a resident to determine time and cost to increase electrical capacity is to contact the utility directly via climateaction@torontohydro.com. Toronto Hydro's Climate

cost vary based on connection requirements and location and can only be determined on a case-by-case basis.

Toronto Hydro's Capacity Map is a snapshot in time intended to be used as an early planning tool for its customers. Toronto Hydro expects that most low-rise residential buildings, like single-detached and semi-detached, have more than enough electricity to meet the temperature standard as is. High-rise buildings that use electrical heat are also unlikely to need any new capacity. Older gas-heated high-rise buildings that were not built to use energy efficiently are most likely to need to work with Toronto Hydro for additional electrical needs.

H. Interim Support Measures

While staff continue work towards implementing a maximum indoor temperature by-law, the City has several interim measures, actions and programs in its approach to hot weather, indoor temperatures, and climate resilience through other strategic policy commitments and operational programs overseen by various City divisions:

- **Requiring Cooled Amenity Spaces in RentSafeTO Buildings:** In December 2025 (2025.EX28.3), City Council approved a maximum indoor temperature requirement in RentSafeTO apartment building amenity spaces, effective June 1, 2026. Specifically, RentSafeTO buildings that do not provide AC in all rental units are now required to keep at least one existing indoor amenity space (e.g. a meeting room or fitness centre) no more than 26 degrees Celsius from June 1 to September 30 of each year.
- **Free Air Conditioner Program:** As per 2026.EX31.2, on May 20 and 21, 2026, City Council approved the expansion and harmonization of air conditioner benefits across the City's various program offerings to low-income and vulnerable residents. These programs are intended to reach applicants to the City's Hardship Fund, recipients of Ontario Works/Ontario Disability Support Program benefits, and tenants across TCHC and TSHC buildings. This will allow for up to 2400 air conditioners to be supplied and installed during the summer of 2026.
- **Heat Relief Strategy and Network:** The City of Toronto's Heat Relief Strategy is a protocol for hot weather response to reduce the incidence of heat-related illness and death in Toronto due to extreme heat. One important component of the Strategy is Toronto's Heat Relief Network, which maximizes the use of existing air-conditioned and other cool spaces throughout the heat season. The City's webpage, Keep Cool & Stay Safe, provides tips to beat the heat both indoors and outdoors.
- **Guidance Material for Property Owners (Summer 2026):** City staff are developing guidance material for rental housing providers to help introduce cooling in their rental units. The guidance will outline cooling technology options, cost ranges, planning considerations, and strategies to minimize tenant impacts.

Action Team will assist customers in selecting an efficient and affordable cooling option and can provide a non-binding estimate.

2. Framework for Implementing a Maximum Indoor Temperature By-law

Based on the above findings and analysis of the potential impacts on tenants and rental housing providers, staff propose a framework for implementing a maximum indoor temperature bylaw that outlines a roadmap to implementation, including several critical factors that would enable successful implementation. The framework is summarized in the Table below.

If endorsed by Council, staff will advance the framework by building on previous work and assessing the following considerations and questions for implementation and readiness:

- What is the **scope of space** in rental units that the maximum temperature requirement should apply to (e.g., one habitable room, multiple rooms, entire dwelling)?
- Should the implementation of a maximum indoor temperature requirement be **phased** depending on housing type (low-rise, high-rise, etc.), housing provider (for-profit, community housing, etc.) and what are options for phasing?
- What should the **implementation date(s)** be? What additional information or analysis is required to be in place in order to finalize an implementation date?
- Should the City of Toronto provide for a **tenant opt-in process**, similar to New York City?
- Should the City of Toronto provide an **exemption process** for certain rental housing provider types, such as community housing?
- Should the City of Toronto provide for a compliance **time extension** process, such as is done in the City of New Westminster (e.g., provide an additional 2 years for rental housing providers to comply if they can demonstrate they need to conduct extensive renovations or electrical upgrades)?
- How can the City and other levels of government adequately **fund and support community housing**?
- Should **community housing providers be provided with additional time** to meet the requirement?

Table 1: Framework for Implementing a Maximum Indoor Temperature By-Law

Type of Work	Rationale and Details	Intergovernmental / Partner Requests; Role of the City
Q3 2026 – Q2 2027 ENABLING SUCCESSFUL BY-LAW IMPLEMENTATION		
Engage other jurisdictions that have a maximum indoor temperature requirement to identify and apply lessons learned from implementation, including timing and actions to mitigate unintended	Helps City of Toronto staff to identify any potential solutions that were used in other jurisdictions that could support the successful implementation of a by-law in Toronto.	Information-sharing from other jurisdictions **Within City Control**

Type of Work	Rationale and Details	Intergovernmental / Partner Requests; Role of the City
consequences (e.g., increase in evictions, housing insecurity, etc.).		
Convene and engage with Stakeholder Working Group (per 2026.EX31.2) on implementation questions and path forward.	Informs implementation matters specifically. While the City consulted with stakeholders in 2024-2025 on support for a maximum indoor temperature requirement and cooling rooms, practical by-law implementation matters (e.g., tenant protections, exemption process) could benefit from additional consultation to ensure stakeholder voices are accounted for during this next phase of work.	Stakeholder participation **Within City Control**
Study market preparedness (availability of A/C units and technicians) how quickly electrical updates can take place to understand how quickly the supply chain can react and inform when a by-law could come into effect.	Supports implementation timing analysis and recommendations. Balances urgency for cooling with enforceable timelines.	N/A **Within City Control**
Mitigate cost impacts to tenants in private-market rental housing (which can be subject to above guideline-rent increases under the Residential Tenancies Act) and explore climate and green funding incentives.	Significant intergovernmental engagement is required to pursue adequate funding and/or financing to enable building upgrades to comply with a maximum temperature by-law, while advancing climate and building retrofit objectives.	Request support and involvement from Government of Ontario, Government of Canada **Not Within City Control**
	Should efforts to secure the required funding or legislative tools to mitigate	Stakeholder participation

Type of Work	Rationale and Details	Intergovernmental / Partner Requests; Role of the City
	against the increased cost to tenants in private rental buildings be unsuccessful, the City may explore policy options with stakeholders, such as **reviewing phasing, defined scope, tenant opt-in**, or other measures to preserve housing affordability while achieving the objectives of a maximum indoor temperature by-law.	**Within City Control**
Mitigate cost impacts on non-market rental housing (i.e., community housing).	Significant intergovernmental engagement is required to secure adequate funding and/or financing to enable building upgrades to comply with a maximum temperature by-law and avoid the degradation of supply and affordability of community housing.	Active support and involvement from Government of Ontario, Government of Canada **Not Within City Control**
	Should other levels of government not commit to provide support to social housing and community housing providers to come into compliance, the City can consider alternative policy options with stakeholders to avoid the loss of community housing, including **providing exemptions, extended phase-in periods**, or other measures.	Stakeholder participation **Within City Control**
Reiterate and make new requests for provincial and federal regulatory changes to	The City of Toronto works within its given authorities to set building maintenance	Government of Ontario, Government of Canada

Type of Work	Rationale and Details	Intergovernmental / Partner Requests; Role of the City
the RTA for AGI prevention and to the Provincial and National Building Code for new build maximum indoor temperature / thermal safety provisions.	and occupancy standards which provide health and safety protections for tenants from extreme heat. However, the Government of Ontario and the Government of Canada have critical roles to play in legislating heat-related health and safety protections.	**Not Within City Control**
	Should efforts to secure the necessary legislative tools to mitigate against the risk of AGIs be unsuccessful, the City may recommend alternative policy options in consultation with stakeholders, to lessen the impact on private market rental housing, including **reviewing phasing, defined scope, tenant opt-in**, or other measures to protect tenants and preserve affordable housing.	Stakeholder participation **Within City Control**
Monitor implementation of recent provincial *Residential Tenancies Act, 2006* changes made through the proclamation of Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023. The changes will, as of July 1, 2026, expressly permit tenants to install their own portable or window air conditioners, subject to certain conditions (e.g., safe and secure installation). In cases where the landlord is obligated under the tenancy agreement to supply	This is a critical new regulatory development that helps to protect tenants from the harmful indoor temperatures by providing tenants the option of cooling their homes. Staff will monitor the implementation of these changes to understand the impact it has on tenant health and safety from harmful indoor temperatures., as well as	N/A

Type of Work	Rationale and Details	Intergovernmental / Partner Requests; Role of the City
electricity to the rental unit, the landlord may charge the tenant a seasonal rent increase, subject to certain rules.	any financial impacts to tenants.	
REPORT BACK TO COUNCIL (Q2 2027)		
Report back on: • Results from City staff's next phase of research and analysis • Feedback from Stakeholder Working Group meetings and engagement. • Key components and considerations for a by-law (e.g., phased implementation, potential exemption process). • Update on the status of intergovernmental engagement and any other intergovernmental work on mitigating the impacts of extreme heat. • Recommendations on next steps on implementation of a by-law.	To inform Council and stakeholders of the results of the above research and analysis towards enabling the implementation of a by-law.	N/A
Q2 2027 TO Q2 2028 **FINAL IMPLEMENTATION CONSIDERATIONS (PENDING COUNCIL DIRECTION)**		
Financial support for community housing: Determine how to fund community housing such that they can comply with the by-law in the future (special consideration needed).	Essential to compliance for community housing providers.	Government of Ontario, Government of Canada **Partially Within and Partially Not Within City Control**
Implementation details: Develop phasing (+timing), identify appropriate penalties for non-compliance, potential exemption process or	Essential to drafting the by-law.	N/A

Type of Work	Rationale and Details	Intergovernmental / Partner Requests; Role of the City
extensions to compliance, tenant opt-in, etc.		
Enforcement resources: Identify and seek resources needed to operationalize and enforce the by-law at the municipal level (including for potential exemption process).	Essential to operationalizing and enforcing the by-law.	N/A
Q3 2028 FINAL BY-LAW OPTIONS		
Report back to Council with Maximum Indoor Temperature By-law Options	Staff would report to Council, outlining by-law options, considering strategies to balance the various key considerations, including the protection of tenants from extreme heat and health concerns, preserving housing affordability, impacts on housing supply, and the ability for a range of housing providers to comply. This report would also detail what would be required to set an in-force date for a by-law.	N/A

3. Requests to Other Levels of Government

To support the proposed framework, this report recommends reiterating the following requests to the Government of Ontario:

- Amend the Ontario Building Code (OBC) to support the health and well being of occupants by addressing overheating in new dwellings through introducing a maximum indoor air temperature standard.
- Amend the RTA to introduce a maximum temperature standard of 26 degrees Celsius for all rental units and add cooling to the definition of “vital services” to ensure thermal safety protections are available to tenants.

- Examine additional measures to support vulnerable and low-income tenants with associated cooling costs such as the Ontario Electricity Support Program and Low-Income Energy Program, and service disconnection bans.

This report recommends the following new request to the Government of Ontario:

- Amend the RTA to prohibit above-guideline rent increase applications for any costs incurred to comply with any municipal maximum indoor temperature by-law.

Lastly, this report recommends that the Chief Building Official and Toronto Building submit a code change request to the Secretary, Canadian Board for Harmonized Construction Codes for amendments to the National Building Code of Canada, 2020 (NBC) to support the health and well being of occupants by addressing overheating in new dwellings.

The City has been actively engaged in supporting code changes to the NBC and OBC to address overheating, for example:

- In February 2025, City staff supported proposed changes to the NBC which would introduce a maximum indoor air temperature of 26 degrees Celsius for new dwelling units. The proposed change included in the Winter 2025 public review would require that new residential dwelling units be provided with mechanical cooling or, where achievable, through passive cooling design measures, to achieve the indoor air temperature specified. The proposed change to the NBC aligns with 2024 updates to the British Columbia Building Code, which introduced requirements for new homes to include at least one living space that is kept below a temperature threshold during extreme heat events. The proposed change was not adopted into the 2025 NBC.
- In August 2025, City staff submitted a letter to the Government of Ontario requesting a similar amendment to the OBC, reiterating City Council's December 2024 request to amend the OBC to address overheating in new residential dwelling units. Staff requested that the provisions also apply to building undergoing renovation or change of use.

Staff continue to engage staff at the provincial and federal levels advocating for changes in this area and expressing the urgency of these requests.

Next Steps

To advance the framework, staff propose future report backs to City Council on the implementation of a maximum temperature by-law:

Report Back in Q2 2027

Staff propose reporting back to Council in Q2 2027 on:

- Results from City staff's next phase of research and analysis;
- Feedback from Stakeholder Working Group meetings and engagement;

- A research study of market preparedness, including whether skilled trades, cooling equipment, and associated retrofit supplies can accommodate the new demand on the supply chain;
- Key components and considerations for a by-law (e.g., phased implementation, potential exemption process);
- Update on the status of intergovernmental engagement and any other intergovernmental work on mitigating the impacts of extreme heat; and
- Recommendations on next steps on implementation of a by-law

To ensure a future maximum temperature by-law is feasible for the market by certain timeframes and under the proposed scope as set out by the framework, staff will continue research by focusing on these outstanding areas. For instance, through the market research, staff will seek to identify what implementation year or years (potential phased approach) are feasible to consider for by-law drafting.

Once the above work is completed, additional measures will need to be addressed for successful implementation, including:

- **Financial support for community housing:**
  - How to fund community housing such that they can comply with the by-law in the future (special consideration needed).
  - Funding responsibility should be inter-governmental.
- **Implementation considerations, which could be:**
  - Phasing of implementation (including specific dates).
  - Potential exemption process or extensions to compliance, with clear eligibility criteria for rental housing providers.
  - Tenant opt-in process, similar to the NYC model (see Attachment 1).
- **Enforcement resources:**
  - Identify and seek resources needed to enforce a by-law.
  - Identify and seek resources to operational any implementation considerations proposed, such as a process for receiving, reviewing, and approving or denying exemption applications.

Report Back in Q3 2028

Staff would report to Council, outlining by-law options, considering strategies to balance the various key considerations, including the protection of tenants from extreme heat and health concerns, preserving housing affordability, impacts on housing supply, and the ability for a range of housing providers to comply. This report would also detail what would be required to set an in-force date for a by-law.

Conclusion

The proposed framework as outlined in this report establishes the key aspects of future work that needs to be undertaken towards enabling the successful implementation of a by-law. In the Q2 2027 report back, staff will provide the outcomes of further work to enable by-law implementation and recommendations for next steps. In the meantime,

interim measures to protect tenant health and safety, like cooled amenity spaces in RentSafeTO buildings without AC and providing free ACs to vulnerable tenants, continue to provide immediate relief to those who need it the most. Engagement with other levels of government will be critical, given that extreme heat impacts all Ontarians/Canadians, and a broader response through legislative and financial supports will be crucial as this work progresses.

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ATTACHMENTS

Attachment 1 – Jurisdictional Scan
Attachment 2 – Compliance Analysis Study Report
Attachment 3 – Summary of Compliance Analysis Study Findings