

## **Rental Housing and Dwelling Room Replacement: Supporting Tenants with Additional Housing Barriers**

**Date:** January 8, 2025

**To:** Planning and Housing Committee

**From:** Chief Planner and Executive Director, City Planning

**Wards:** All

### **SUMMARY**

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This report recommends an updated approach to support vulnerable tenants who are going through the rental demolition and replacement process. Staff undertook extensive engagement with a broad range of stakeholders to identify barriers vulnerable tenants face during the rental demolition and replacement process and the appropriate supports they would require to move out of their existing rental units and into interim housing, then into their replacement rental units once these are ready.

The recommended approach for Tenants with Additional Housing Barriers proposes a shift from a one-size-fits-all approach of providing additional financial compensation for tenants with special needs or vulnerable tenants to providing more appropriate and individualized in-kind supports. Supporting guidelines will also help to standardize how these in-kind supports are delivered, including supports that are already being provided as part of the City's Tenant Assistance Plan. A phased implementation approach is proposed to allow for immediate implementation of supports that already exist or require only minor modifications while allowing more time for supports that require additional work and collaboration. This recommended approach for Tenants with Additional Housing Barriers will be implemented within the current policy context, and no Official Plan policy or Rental Housing Demolition By-law changes are required.

Supports for Tenants with Additional Housing Barriers is proposed to be refined to tenants whose rental dwelling unit or rental dwelling room is proposed for demolition as a result of new development and who would need additional supports to move out of their current rental units and into replacement rental units or rental dwelling rooms once these are ready. These would include tenants with low or moderate incomes who are also seniors or single parents, tenants with accessibility needs and/or disabilities, and tenants receiving income-based government benefits.

Several process changes are also recommended, including providing information to tenants and developers earlier and more often, improving the handling of private and sensitive information, and the ability for tenants to identify their need for additional supports earlier in the process as well as before they move out. These recommended

changes aim to provide tenants with more appropriate supports while also lessening the risk of project delays. These recommended process changes build on the changes that were implemented in early 2025 as part of the review of the overall rental replacement process and that are outlined in the [Rental Demolition and Replacement Handbook](#). Housing Secretariat and City Planning, in consultation with relevant divisions, will also explore in 2026 the feasibility of enhanced coordination services to support Tenants with Additional Housing Barriers who are facing displacement.

This report also responds to Council's request to review whether amendments are needed to the Official Plan's dwelling room replacement policy to require that every affordable and mid-range occupied dwelling room be replaced with a dwelling room and whether replacement housing should be required where the combined number of rental units and rooms proposed for demolition is 10 or more.

## **RECOMMENDATIONS**

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The Chief Planner and Executive Director, City Planning recommends that:

1. City Council direct the Chief Planner and Executive Director, City Planning to use the recommended approach for supporting Tenants with Additional Housing Barriers, as set out in Attachment 1 - Updates to the Rental Demolition and Replacement Handbook, to assess all Rental Housing Demolition applications and development applications where replacement rental housing is required.
2. City Council request the Government of Ontario to ensure the City's Tenant Assistance Plan for development applications involving rental demolition does not impact eligibility for benefits for tenants who are receiving income-based social assistance such as Ontario Works and Ontario Disability Support Program.

## **FINANCIAL IMPACT**

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City Planning confirms that there are no financial implications resulting from the recommendations included within this report in the current budget year.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

## **EQUITY IMPACT**

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The recommended approach for Tenants with Additional Housing Barriers is rooted in principles of equity, access, inclusion and choice. It helps ensure that tenants facing additional housing barriers, including tenants from equity deserving groups, who are being evicted from their current homes have access to safe, appropriate and affordable housing. The recommended approach supports the HousingTO 2020-2030 Action Plan which is centred on a human rights based approach to housing and aligns with the

Government of Canada's recognition that the right to adequate housing is a fundamental right affirmed in international law. The recommended approach recognizes that housing is essential to the inherent dignity and wellbeing of a person and to building inclusive, healthy, sustainable, and livable communities. It also recognizes that resources must be prioritized to help those most in need.

## DECISION HISTORY

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On April 17 and 18, 2024, City Council adopted PH11.10 - Response to Including New Approval Conditions for Rental Demolition Applications. This report responded to City Councils' requests for staff to review components of the City's implementation practices and approval conditions for Rental Housing Demolition applications. The item was amended to direct staff to continue stakeholder consultation while developing updated implementation practices and report back on the feasibility of using secondary market rental data to inform financial compensation secured through the City's Tenant Assistance Plan and compliance with rental replacement policies.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH11.10>

On March 26 and 27, 2025 City Council adopted PH19.10 - Replacement Units for Demovicted Dwelling Room Tenants. This motion directed staff to review amending the Official Plan's dwelling room replacement policies and report back by Q1 2026.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PH19.10>

On April 23 and 24, 2025, City Council adopted PH20.2 - Implementation Guidelines for Rental Replacement. This report brought forward recommended implementation guidelines for Rental Housing Demolition applications, including the required tenant assistance plan. The item was amended to direct staff to report back by January 2026 on the outcome of additional stakeholder consultations related to designing an updated process for vulnerable tenants.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PH20.2>

## COMMENTS

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### Rental Replacement Legislative and Policy Framework

Section 111 of the City of Toronto Act, 2006 provides City Council with the authority to regulate the demolition and conversion of residential rental properties in Toronto. Chapter 667 of the Toronto Municipal Code, the Residential Rental Property Demolition and Conversion Control By-law, implements the authority under Section 111 and prohibits the demolition or conversion of residential rental units in buildings containing six or more residential units, of which at least one is rental, without obtaining a permit from the City.

The City's Official Plan contains policies on the demolition and conversion of existing rental housing with affordable and mid-range rents. Official Plan Policy 3.2.1.6.b) requires that at least the same number, size and type of rental housing units are

replaced and maintained with rents similar to those in effect at the time the redevelopment application was submitted. Further, Policy 3.2.1.6.c) requires the provision of an acceptable tenant assistance plan addressing the right to return to occupy one of the replacement units at similar rents, the provision of alternative accommodation at similar rents, and other assistance to lessen hardship.

Policy 3.2.1.11 regulates the demolition of dwelling rooms and applies to development applications that will result in the demolition of six or more existing dwelling rooms. Policy 3.2.1.11 b) requires at the least the same amount of residential gross floor area (GFA) be replaced and maintained as dwelling rooms or studio units at similar rents in effect at the time. It also requires the provision of an acceptable tenant assistance plan addressing the right to return to occupy one of the replacement units at similar rents, the provision of alternative accommodation at similar rents, and other assistance to lessen hardship.

Policy 3.2.1.12 requires the provision of an acceptable tenant relocation and assistance plan to lessen hardship for existing tenants where new development would result in the loss of one or more rental units or dwelling rooms.

## **Background**

In April 2025, Council adopted the [Rental Demolition and Replacement Handbook](#) which provides information to help tenants and property owners understand the City's approach to the demolition and replacement of rental housing. This Handbook is available online and is being translated into multiple languages (Tamil, Tagalog, Simplified and Traditional Chinese, and Arabic). Staff also developed a shorter, plain-language, accessible [public brochure](#) which summarizes the Rental Demolition and Replacement Handbook. As of mid-December, this brochure is provided to tenants as part of an information package at the outset of all rental housing demolition applications. In addition, City Planning staff are currently working, in consultation with the Housing Secretariat, on a strategy for wider distribution of the Handbook and brochure. This distribution strategy will build on the Housing Secretariat's approach to further distributing the City's [Preventing Evictions in Toronto](#) handbook.

The City's Tenant Assistance Plan, which is outlined in the Rental Demolition and Replacement Handbook, requires a six month notice period, financial compensation over and above the requirements of the Residential Tenancies Act, 2006, in the form of rent gap payments or an alternative unit, moving allowances based on unit type, and the services of a leasing agent.

Tenants with special needs, those who are 65 years or older and/or who have a physical disability and/or mental health issue, receive additional financial compensation equal to four times the City of Toronto's average market rent by unit type as reported by Canada Mortgage and Housing Corporation. As an example, this additional financial compensation would equate to \$6,860 (\$1,715 x 4) for a one-bedroom unit in 2025. This financial compensation is meant to supplement the standard Tenant Assistance Plan to cover additional services that tenants with special needs may require, such as packing and taxi fares to view interim rental units for tenants with physical disabilities. The additional compensation for tenants with special needs also includes prioritization for an

accessible unit for tenants with accessibility needs if one is included in the replacement rental units.

In adopting the Rental Demolition and Replacement Handbook, Council directed staff to consult on an updated process for tenants with special needs or vulnerable tenants. This report recommends an updated approach and staff recommend a change in terminology to Tenants with Additional Housing Barriers.

## **Engagement Approach and Summary**

In July 2025, City Planning staff retained Public Progress to lead stakeholder engagement with tenants with lived experience of the rental replacement process, tenant advocates, support service providers serving tenants, legal clinics, front line workers, the development industry, and landlords.

A first round of engagements was undertaken in September 2025 and included eight sessions with a total of 65 participants. This round focused on identifying barriers that tenants with additional housing barriers faced when their existing units were proposed to be demolished and the supports that would assist them through the process. A second round of engagements was undertaken in November 2025 and included a total of 21 participants who had also participated in the first round. This second round focused on obtaining feedback on the proposed approach for Tenants with Additional Housing Barriers. City Planning staff also presented on stakeholder feedback and proposed approaches to City committees, including the Tenant Advisory Committee, the Housing Rights Advisory Committee and the Toronto Accessibility Advisory Committee.

The feedback from these stakeholder and City committee engagements are as follows.

## **Terminology**

- There was no consensus on terminology, but stakeholders all agreed that the terms "vulnerable tenants" and "special needs tenants" had stigma associated with them and should not be used.

## **Supports**

- Stakeholders all agreed that there is a need for a tenant support coordinator to oversee the administration of supports, assist tenants in finding safe and appropriate interim units, and be the primary contact person for tenants. There was concern that this role is being proposed as a long-term support vs. being implemented immediately but stakeholders understood the need for a clear framework and ensuring capacity among non-profits to provide this service.
- Minimum qualifications of tenant support coordinator and financial trustees should be considered.
- There is a need to ensure that the financial compensation does not impact a tenant's income-based government benefits.
- There was general support for the proposed shift from additional financial compensation to the provision of in-kind supports, but developers and property owners asked for further clarity on the associated costs of these in-kind supports.

- Leasing agents are commission-based and may not have tenants' best interest in mind.
- Replacement units may not fully meet tenants' accessibility needs.
- There is a need for in-kind moving and packing services for some tenants, such as persons with physical disabilities or seniors with mobility issues.
- Transportation to viewings of interim or alternative units would be helpful for tenants with accessibility needs.

## **Eligibility**

- There was general support among stakeholders for context-driven eligibility, as determined through a tenant needs survey, so long as any information collected adheres to privacy laws.
- Disability should be a determining factor for eligibility.
- Some criteria, such as age and being a single parent, should be considered along with other criteria, such as income, as these are not necessarily tied to vulnerabilities.

## **Process**

- Communication is not clear and too infrequent and should be in multiple languages, different modes, and be culturally relevant.
- Privacy and confidentiality are extremely important, particularly for tenants experiencing gender-based violence and intimate partner violence.
- Six months may not be enough time to find interim housing, particularly for tenants requiring accessible units.
- There is a need to balance support for tenants with an expedient approval and demolition process.
- There is a need for clarity on who would be responsible for providing the in-kind supports as there was concern that developers and property owners did not have the expertise to provide these supports.

Full details of the engagement approach, participants, and stakeholder feedback can be found in Attachment 2: Engagement Summary Report. Appendix 2 of the report provides the list of stakeholder organizations, including property owners and tenant advocates, engaged in the process,

City Planning staff also led a series of engagements with city staff from other divisions and agencies and municipal staff from the Cities of Victoria and Vancouver. These engagements were held from July to November 2025 and were focused on identifying promising practices and resources that could be leveraged for an updated approach for vulnerable tenants going through the rental replacement process.

## **Recommended Changes to Support Tenants with Additional Housing Barriers**

The recommended changes to the City's Tenant Assistance Plan for Tenants with Additional Housing Barriers (TAHB) was developed based on the following principles.

- **Equity:** The proposed eligibility criteria was developed with an equity lens to identify tenants impacted by rental demolition who would need additional supports.
- **Individualized:** The recommended changes shift from the one-size-fits-all approach of the current Tenant Assistance Plan for tenants with special needs to more individualized, appropriate supports based on context and barriers faced.
- **Choice-based:** While the recommended changes identify tenants who would be eligible for the various supports, tenants will always have the option to avail themselves of a support or not. For some supports, such as in-kind moving and packing services, they will also have the option to choose financial compensation instead of the in-kind support.
- **Standardized:** The recommended changes include new guidelines for supports already part of the Tenant Assistance Plan and frameworks for proposed supports to ensure standardization of supports across all rental demolition files.

City Planning staff recommend that the following changes be implemented for Tenants with Additional Housing Barriers to meet the Tenant Assistance Plan where a Rental Housing Demolition application or replacement rental housing is required. Where appropriate, these changes may also be considered to support Tenants with Additional Housing Barriers for development applications where at least one rental dwelling unit or rental dwelling room is proposed to be demolished. The recommended changes are based on the results of research on practices in other jurisdictions and city agencies and input from stakeholders. These build on supports that already exist and are already being provided.

## 1. Provision of In-kind Supports Instead of Additional Financial Compensation

The current Tenant Assistance Plan includes additional financial compensation for tenants with special needs equal to four times the average market rent by unit type. The recommended changes will remove this additional financial compensation and, instead, require the provision of the following in-kind supports to Tenants with Additional Housing Barriers. Property owners would be responsible for the cost of, and arranging for, these in-kind supports.

- **Alternative Rent-Gap administration:** Rent-gap payments are currently provided as a lump sum when tenants move out of their existing rental unit. This support would allow a tenant to opt in for monthly rent-gap payments instead of the lump sum payment while still receiving the same amount of compensation across the length of the construction period.
- **In-kind moving and packing services:** Tenants currently receive a move-out allowance and a move-back allowance if eligible for replacement rental housing (e.g. \$1,500 per move for studio and one-bedroom units and \$2,500 per move for two-bedroom or larger units). A Tenant with Additional Housing Barriers would have the option to select in-kind moving and packing services, to be arranged by the property owner, instead of the moving allowance. Details for the provision of this service will

be outlined for property owners and tenants, including the requirement for movers to be certified under the Canadian Association of Movers.

- **Leasing Agent:** All tenants are currently offered the services of a leasing agent to assist them in finding interim housing, arrange for viewings, and coordinate landlord references. Guidelines for leasing agents will be provided to property owners. These guidelines would address expectations for this service, including the role of the leasing agent.
- **Transportation to viewings or Virtual Tour:** This support would be arranged by the leasing agent for tenants with accessibility needs and would include a taxi or assistance arranging for the TTC's Wheel Trans service to viewings for interim units.
- **Priority for units in the neighbourhood:** Where requested by the tenant, the leasing agent would prioritize sharing listings for available interim rental units within the neighbourhood for the identified group of tenants.
- **Accessibility Modifications of Replacement Rental Units:** This support is based on the requirements of the Ontario Human Rights Code for landlords to accommodate reasonable requests for accessibility modifications. While tenants with accessibility needs are already prioritized for accessible replacement rental units, if available, this requirement by the Ontario Human Rights Code gives tenants who are not offered an accessible replacement rental unit the option to request minor accessibility modifications to their rental replacement unit. Tenants may be asked to sign a lease to the replacement rental unit sooner than the standard 60 days. This option would only be available for Tenants with Additional Housing Barriers who are eligible to return to a replacement rental unit.
- **Alternative Unit Guidelines:** Section 52 of the Residential Tenancies Act requires the landlord to offer a tenant who is being evicted for the purposes of demolition either financial compensation or another rental unit acceptable to the tenant. Currently, the City encourages property owners to offer tenants an alternative rental unit. The tenant can refuse the alternative unit, in which case the property owner must provide rent gap assistance instead. As part of the recommended changes, a property owner would be required to offer Tenants with Additional Housing Barriers who are receiving income-based government benefits and who are eligible to return to replacement rental housing an alternative unit to minimize the impact on tenants' benefits. Property owners can also offer other tenants alternative units if these are available. A framework will be developed to provide clarity on the expectations for the process of offering alternative units, including how many options a tenant gets and what would be considered a reasonable option, as this would replace the rent-gap payment and the financial compensation required by the Residential Tenancies Act.
- **Hoarding services:** This service would be provided by moving firms and support service providers specializing in this service. A list of agencies who provide this service will be shared with property owners. This option would only be available for Tenants with Additional Housing Barriers who are eligible to return to replacement rental housing.



## 2. Exploring Additional Supports Which Require More Resources and Capacity

There was consensus among stakeholders on the need for a tenant support coordinator to assist tenants in finding interim housing, be the primary contact for Tenants with Additional Housing Barriers, provide referrals to available support services in the community, and assist tenants navigate the move out and move in process.

Stakeholders recommended that a tenant support coordinator service be provided by a third-party, non-profit agency.

As an example, in the City of Victoria, this service is provided by a third party whose services are paid for by the developer. Similarly, Toronto Community Housing have staff who provide a similar service and who work one-on-one with tenants to identify their replacement housing needs and to connect them with supports available in the community.

City Planning staff, in consultation with the Housing Secretariat, will explore the feasibility of coordinating services to support Tenants with Additional Housing Barriers who are facing displacement.

**Voluntary Trusteeship services** were also noted by some stakeholders as a support to assist tenants facing additional housing barriers with managing rent gap payments during the displacement period. The cost of this service would be covered by the owner of the redevelopment site. Additional work is required to determine the best approach for delivering this service.

In situations where risks are high and particularly complex, matters may be brought forward to the Situation Table for Housing-at-Risk (STAR) by relevant partner divisions and agencies supporting the tenant. STAR is a city-wide situation table that serves tenants and others who are facing housing instability due to increased vulnerability such as aging, physical and mental health challenges, substance misuse, diminished capacity and social isolation. STAR does not replace existing City responses and provides supports by coordinating partner agencies to work together within their own mandates to reduce vulnerability.

## 3. Refining Eligibility Criteria

The current Tenant Assistance Plan defines tenants with special needs as tenants who are 65 years or older and/or who have a physical disability or mental health issue. The recommended changes in supports for Tenants with Additional Housing Barriers focuses the provision of additional in-kind supports for tenants who need extra assistance during the rental demolition process. Similar to the current process, eligibility would include tenants who are named on the lease and/or their dependents and who meet the eligibility criteria below. The following table identifies the proposed supports as well as corresponding eligibility for each support.

<b>Supports</b>	<b>Eligibility</b>
Leasing agent (with guidelines)	<ul style="list-style-type: none"> <li>• All tenants</li> </ul>
Translated material and/or interpretation services during tenant meetings	<ul style="list-style-type: none"> <li>• All tenants by request</li> </ul>
Alternative unit (with guidelines)	<ul style="list-style-type: none"> <li>• All tenants, if available</li> <li>• Tenant households receiving income-based government benefits, e.g., OW, ODSP, GIS, and who are eligible to return to a replacement rental unit, must be offered an alternative unit</li> </ul>
Alternative Rent Gap administration	<ul style="list-style-type: none"> <li>• Tenant households receiving income-based government benefits, e.g., OW, ODSP, GIS,</li> <li>• Tenants with challenges handling money</li> </ul>
In-kind Moving and Packing services	<ul style="list-style-type: none"> <li>• Tenants 65+ years with low and moderate income<sup>1</sup></li> <li>• Tenants with disabilities and/or accessibility needs</li> <li>• Single parents with low and moderate income<sup>1</sup></li> <li>• Tenant households receiving income-based government benefits, e.g., OW, ODSP, GIS</li> </ul>
Transportation to viewings or virtual tour	<ul style="list-style-type: none"> <li>• Tenants with accessibility needs</li> </ul>
Priority access to listings for alternative units in the neighbourhood	<ul style="list-style-type: none"> <li>• Tenants currently undergoing catchment-based medical treatment or specialized therapies in the neighbourhood, e.g., for autism or cancer</li> <li>• Tenant households with school-aged children</li> </ul>
Prioritized Accessible Replacement Rental units	<ul style="list-style-type: none"> <li>• Tenants with accessibility needs (based on seniority) who are eligible to return to a replacement rental unit</li> </ul>
Accessibility Modifications of Replacement Rental units (as per the Ontario Human Rights Code)	<ul style="list-style-type: none"> <li>• Tenants with accessibility needs who are eligible to return to a replacement rental unit</li> </ul>
Hoarding Services	<ul style="list-style-type: none"> <li>• Tenants with hoarding issues who are eligible to return to a replacement rental unit.</li> </ul>

<sup>1</sup>Low and moderate income refers to a household earning no more than the 60th income percentile for a 1-person renter household and a 2-person renter household in the City of Toronto; \$56,140 and \$103,788 in 2025. This information can be found on the City's [Housing website](#).

## **Recommended Implementation of the Changes in Supports for Tenants with Additional Housing Barriers**

A phased implementation approach is proposed to allow for the immediate implementation of supports that already exist and/or require only minor modifications while allowing more time for supports that require additional work and collaboration across city divisions and with non-profit support providers.

The following supports are recommended to be in effect for all Rental Housing Demolition applications and development applications requiring replacement rental housing that are under review where a city-led tenant meeting has not been held prior to Council approval of the updated approach for Tenants with Additional Housing Barriers.

- Leasing agent
- Alternative unit
- Translation services
- Alternative Rent-Gap administration
- In-kind Moving and Packing service
- Transportation to viewings or Virtual Tour
- Prioritized Accessible units
- Prioritized access to listings for alternative units
- Accessibility Modifications for Replacement Rental units (as per the Ontario Human Rights Code), where replacement rental housing is required

Additional supports are proposed to be implemented in the fourth quarter of 2026 to reflect the additional work required to implement these. These additional supports will be secured in all new Section 111 agreements but are proposed to only come into effect where a Notice to Vacate (N13) is issued after the guidelines have been developed.

- Alternative units (with guidelines)
- Hoarding services

The following changes to the Rental Housing Demolition and Replacement process are proposed based on feedback from stakeholders as well as practices in other jurisdictions.

### **1. Information Shared Earlier in the Process and More Often**

The menu of supports and corresponding eligibility will be added to the Rental Demolition and Replacement Handbook as an appendix and be made available online in multiple languages. Information on the Tenant Assistance Plan and supports for Tenants with Additional Housing Barriers will also be shared at the following application review milestones for development applications where replacement rental housing is required:

- Pre-Application Consultation (PAC) meeting with the applicant/developer
- Notice of Complete Application
  - A paper brochure will be hand delivered to all tenants with the Notice of Application. The brochure will provide information on where tenants can find the

Handbook and the contact information of the Housing Planner assigned to the file.

- City-led Tenant Meeting during the Application Review Process
- City-led Tenant Meeting at Move Out
- City-led Tenant Meeting at Occupancy Notice

## **2. Introduction of a Tenant Needs Survey**

A City-led Tenant Needs Survey is proposed which will give tenants the opportunity to identify the additional supports they require. The Tenant Needs Survey will be made available at two points in the application review process, at the beginning when tenants receive the Notice of Application and prior to when the Notice to Vacate (N13) is issued. A link to the online survey will be provided as part of the Notice of Complete Application package and tenants will also have the option of completing a paper survey. Tenants may be asked to provide documentation to confirm their eligibility. The Tenant Needs Survey will only be available to tenants of rental units or dwelling rooms who are part of a Rental Housing Demolition application or where replacement rental housing is required as part of a development application.

In addition to the Tenant Needs Survey, the current practice of property managers identifying tenants who require additional supports to the property owner and/or City staff will continue to help ensure all tenants facing additional barriers will have access to additional supports.

## **3. Tenants' Documentation to Confirm Eligibility Provided Directly to City Staff**

To ensure privacy and confidentiality, any documentation used to confirm a tenant's eligibility for additional supports will be sent directly to the City's Housing Planner through secure means. The results of the Tenants Needs Survey will also go directly to City staff.

## **4. Biannual Project Updates**

Property owners are currently required to provide tenants with updates on the proposed demolition every six months starting 30 days from execution of the Section 111 agreement. Property owners will be required to continue these biannual updates throughout the construction period and until tenants are provided the notice of occupancy forms. Tenants will continue to be responsible for ensuring the property owner has their up-to-date contact information.

## **Review of Dwelling Room Replacement Policy**

Through [PH19.10](#) City Council directed staff to review whether the Official Plan's dwelling room replacement policy (3.2.1.11) should be amended to:

- Require the provision of replacement units for all occupied affordable and mid-range dwelling rooms for development that will result in the loss of 6 or more dwelling rooms; and

- Broaden the threshold for which the policy would apply to include development where the combined number of impacted rental units and dwelling rooms is 10 or more.

## Overview and Background on Dwelling Room Replacement

The Official Plan's dwelling room replacement policy was adopted by City Council on June 18, 2019 and came into full force and effect on October 25, 2021. The policy was developed through an extensive consultation process which included public meetings, stakeholder roundtables and online surveys. Feedback from tenants, housing advocates, and the development industry helped inform key aspects of the policy including minimum rent and dwelling room thresholds, replacement requirements, affordability periods, and appropriate tenant assistance.

## Dwelling Room Replacement Requirements

Development applications that will result in the demolition of 6 or more dwelling rooms require the total residential gross floor area of the existing dwelling rooms be replaced as dwelling rooms or self-contained studio units. This approach allows for flexibility to implement a city-wide policy across a broad range of land use permissions and types of development to support maintaining the supply of housing at the lower end of the private rental housing market. This approach also aligns with the City's rental housing demolition and replacement framework which requires 100% replacement of the demolished rental unit gross floor area.

Achieving a one-to-one dwelling room replacement approach is not always possible for a variety of reasons, and in some cases such an approach may present other challenges:

- **Zoning by-law restrictions:** The City implemented a new regulatory framework for multi-tenant houses in March 2024. While multi-tenant housing is now permitted in all areas of the city that permit residential uses, the maximum limit of dwelling rooms ranges from 6 to 25, depending on the zone. This means that existing multi-tenant houses that have more dwelling rooms than permitted would not be able to accommodate the replacement of all existing dwelling rooms as dwelling rooms. Where existing dwelling rooms are replaced as studio units due to by-law restrictions, a one-to-one approach may not be possible as small studio units are often larger than existing dwelling rooms.
- **Difficulty in finding an owner/operator for replacement dwelling rooms:** While there are a number of private owners and operators for purpose-built rental housing, there are comparatively few for multi-tenant housing, and particularly those that would be interested in operating replacement dwelling rooms. These operators may have specific requirements, such as geography, minimum operating size or operating model, that may not align with the redevelopment or serving existing tenants with a right to return.
- **Limited demand for replacement dwelling rooms:** Affordable replacement dwelling rooms or studio units without returning tenants will be filled through by

income-eligible tenants through the Centralized Affordable Housing Access System. Based on the City's experience, it is challenging to fill dwelling rooms and studio units.

- **Unit sizes:** Replacement dwelling rooms may need to be larger than the existing size to address design matters and help to achieve better quality housing.

Given a one-to-one outcome is not always possible or feasible, staff's current approach to implementing the replacement policy where full room/unit replacement cannot be achieved is to work with the property owner with attention to a number of matters:

- maximizing the amount of replacement rooms/units by providing for smaller sized rooms/units where possible to allow as many tenants as possible to return with the goal of securing replacement rooms/units for all eligible tenants;
- securing a Tenant Assistance Plan with the goal of relocating some tenants to permanent alternative housing, thereby reducing the number of tenants who may return; and
- seeking 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, in accordance with Official Plan policy 3.2.1.11.c;

Since enactment of the policy in 2021, two applications have been approved under the dwelling room replacement policy. Combined, these applications proposed the demolition of 35 rental dwelling rooms and secured replacement comprised of 12 dwelling rooms and 20 studio units. Although there was a combined net loss of three rooms, all of the existing eligible tenants in each application were provided the right to return to a replacement rental home.

### **Minimum Dwelling Room/Unit Replacement Threshold**

The Official Plan's rental and dwelling room replacement policies (3.2.1.6 and 3.2.1.11 respectively) are applied separately to development applications. The minimum room/unit threshold in which each policy applies is six, meaning developments that will result in the demolition of less than six dwelling rooms or six rental units are not subject to the replacement policies.

In addition to the rental replacement policies, Official Plan policy 3.2.1.12 requires a property owner provide an acceptable Tenant Assistance Plan if a development will result in the loss of at least one rental unit or dwelling room.

The current approach for applications that result in the loss of fewer than six dwelling rooms or rental units is to secure an appropriate tenant assistance plan to lessen hardship for existing tenants. This plan includes additional notice and financial compensation (comprised of rent gap assistance, moving allowances, and additional assistance for tenants with special needs) beyond the requirements of the Residential Tenancies Act.

Staff have reviewed approved development applications over the four-year period to determine how many applications had fewer than either six rental units or six rental dwelling rooms, but more than 10 total combined rental dwelling rooms and units; only one such application was identified. That application resulted in one rental unit not being replaced. Consequently, the household occupying that unit was not provided with the right to return. However, a tenant assistance plan for that household was secured as a condition of approval.

Overall, staff are satisfied that the current thresholds of either six rental dwelling units or six rental dwelling rooms provide for appropriate replacement requirements.

## **Recommended Approach**

### **Dwelling Room Replacement Requirements**

Staff are not recommending amendments to the Official Plan to modify the current policy requirements for how dwelling rooms are replaced. Staff are of the opinion that the existing policy requirements appropriately maintain the existing stock of affordable rental housing and address hardship for tenants of dwelling rooms. The current replacement approach is in alignment with how Official Plan policy 3.2.1.6 is implemented, which does not require additional gross floor area be replaced, while also providing for additional flexibility to secure more replacement floor area through policy 3.2.1.11.c in situations where more replacement GFA is required to provide all eligible tenants with the right to return and/or increase the number of replacement rental units/rooms (e.g. to secure a one-to-one replacement approach).

In addition, staff will continue to secure an appropriate Tenant Assistance Plan to help relocate tenants to suitable alternative housing, including housing supported by other City-led initiatives. Moving forward, Tenant Assistance Plans for projects involving the demolition and replacement of existing dwelling rooms will also implement the recommended changes in supports for Tenants with Additional Housing Barriers and offer in-kind supports for those who may face additional barriers in accessing housing.

### **Minimum Dwelling Room/Unit Replacement Threshold**

Staff are not recommending the Official Plan be amended to require replacement housing when the combined number of rental units and dwelling rooms that would be lost to demolition is 10 or more. Staff are of the opinion that existing replacement thresholds are appropriate.

The City's rental and dwelling room replacement policies have secured the replacement of 4,327 rental units and 32 dwelling rooms over the four-year period (Q4 2021-Q3 2025) since the dwelling room replacement policy has been in effect. Based on staff's review of applications approved over this period only one additional unit would have been required to be replaced if the alternative threshold of 10 or more rental units plus rental rooms was applied. Staff will continue monitor the prevalence of these types of applications.

## Next Steps

The recommended changes to the City's Tenant Assistance Plan for Tenants with Additional Housing Barriers aims to provide more appropriate, individualized supports to tenants who need the extra help while also lessening the risk of project delays. It builds on supports that already exist and, in some cases, are already being provided while introducing guidelines to standardize the provision of these supports. Additional supports are being considered for longer term implementation to allow city staff to identify an appropriate framework for the delivery of these supports. As next steps in the process, City Planning staff will work on developing guidelines as identified in this report. Staff will also continue to monitor the implementation of the framework and adjust as necessary.

## CONTACT

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## SIGNATURE

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Chief Planner and Executive Director  
City Planning

## ATTACHMENTS

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Attachment 1: Updates to the Rental Demolition and Replacement Handbook  
Attachment 2: Engagement Summary Report