



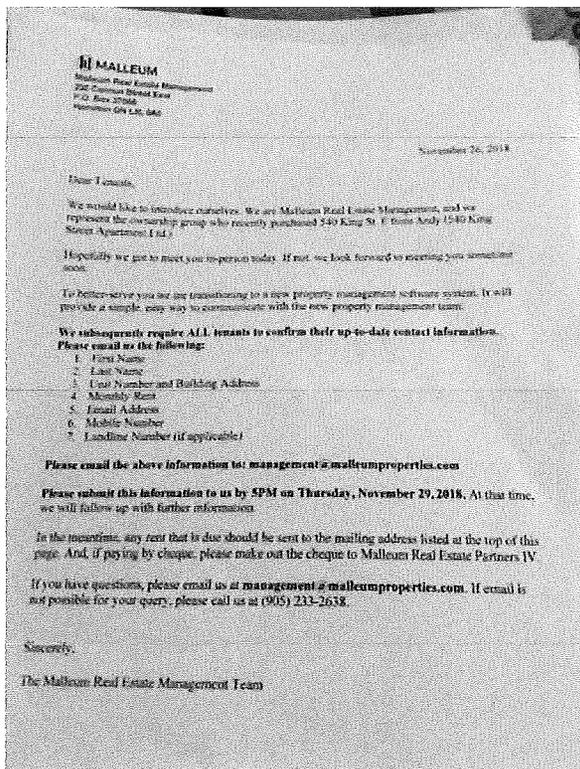
Submission for August 4th General Issues Committee by ACORN Hamilton.

Item: Tenant Displacement by Malleum

On July 5th, ACORN members delegated to the General Issues Committee asking that Council deny the grant application to Malleum for renovations at 540 King St E in Ward 3.

This request was made on the following grounds:

- 1) Malleum purchased 540 King St E with tenants in 2018 but remaining tenants were displaced. The building was vacant by summer 2019. Rent at the building went from \$825 in 2018 (previous landlord) to starting at \$1,395 in 2021 (Malleum) after tenants displaced & "upscale" renovations.
- A) ACORN conducted outreach in the building in November 2018 and saw a notice from Malleum posted on Block entrances introducing themselves as the new landlord.



- B) Documents shared with ACORN at the end of 2018 that were given to the tenants by the landlord that sold the building to Malleum. Tenants told ACORN that the landlord (known as Andy) informed tenants that he was selling the building and tenants had to move.

Relocation Benefit Package

Hello,

Included in this package, you will find multiple ways you can be assisted in relocating. We are prepared to offer multiple ways of making the transition as easy and smooth as possible for you and everyone in your unit.

Some of these include:

- Assistance in finding a new apartment, find list of some options of available apartments throughout Hamilton attached
- Provide you with the necessary tools for your move; boxes, tape, bubble wrap/packing paper, sharpies, bins, blankets/covers for fragile items, garbage bags, etc.
- A helping hand on moving day, including a moving truck rental with a driver and people to help you move your items
- A written letter of recommendation from your landlord to help towards getting a new tenancy
- Support in the moving process, find a list of moving companies attached
- Assistance with the application process and any other paperwork that needs to be handled throughout moving process

For any questions or if you would like to discuss your options, please feel free to email:
(or you can call Andy, 647-201-4088)


540 King Street Apartments Ltd.
540 King St. E. Hamilton, ON
L8N 1E2

To Whom It May Concern,

RE: Tenancy at 540 King St. E., Hamilton

This Letter of Recommendation is to confirm that _____
have been tenants at the above property since _____. The rental property is a
_____ bedroom apartment.

Their last rent payment was _____ which was paid on time on _____. During
the tenancy, they have been responsible and timely with their rent payments which were due
monthly.

I can highly recommend renting to _____ and can confirm that the tenants were
respectful, quiet and friendly.

You are welcome to contact me at 647-201-4088 if you have any further questions or concerns.

Sincerely,




C) ACORN kept in contact with a family living in Block [REDACTED] till around May 2019. They shared that they were repeatedly approached by management to accept the buyout to move out. The Block was not maintained with tenants still living there and the rest of the vacant units under construction.



D) ACORN kept in contact with [REDACTED] whose mother lived at 540 King St E. [REDACTED] wrote this statement to share with Council and Mountain Chair [REDACTED] read part of the statement during her July 5th delegation.

For City Council

RE: Malleum renovation(s) city grant

I, [REDACTED] make this statement on behalf of the late [REDACTED] my Mother,

and a former tenant of 540 King St. E. who was eventually renovicted by Malleum.

For just about 2 years, my Mother was a tenant at the said address. My Mom was classified as a low-income individual who was receiving social assistance from the ODSP Support Program. The apartment she was in was affordable for her. She was happy living there. She had everything there that she could have needed. Her rent and hydro bills was always paid on time. She had a good working relationship with her Landlord.

My Mother was a sick woman who was always receiving treatment and home health care services for her many medical issues as well as her addictions.

Unfortunately, Malleum came into the picture. My Mom did not want to leave. She was stable. She said for as long as she could. Unfortunately she was one of the very last tenants to eventually move out. I remember her calling me upset asking for my help (which I provided as not only am I her Son but I was also her Executor, Power of Attorney, and Next of Kin). I also took care of her for years up until the day she died.

Eventually, Malleum "won" and paid her first and last month's rent for a new place to live in and minimal moving expenses. I told my Mother to keep the moving expense aspect of the cheque as I moved her myself (like I always did for her when she needed to move). I moved her from the place she had once loved and called home to the apartment that she had lived and passed away in.

Her rent went from \$800.00 monthly to \$1200.00 monthly. She now lived beside the Helping Hands organization on Barton and Emerald. The apartment she was able to get in a hurry was not even better than the one she had at 540 King St. E. It was run down and with drug activity being high in the area, her personal safety became more of a concern. My Mother accepted this however and she made do. This should never have happened to her!

The City of Hamilton has a major housing crisis. One that is not getting any better and one that no one not even the Municipal Government is dealing with. We have Landlords here in this city who are more concerned about making monetary profits than to provide proper and affordable housing for people, who are concerned with people's credit ratings and reports (which in my opinion should not be allowed to begin with), and who will actively discriminate those who are not within a certain income tax bracket and whose credit report may not be the greatest amongst many other things (again this should not be allowed).

Housing is a given human right in Provincial Law, Federal Law, and even under International Law. This human right is constantly being infringed upon and no one seems to even want to speak about it.

This needs to stop! Malleum does not deserve a grant to cover their renovation costs. They can recoup their costs some other way. This grant only encourages gentrification and the eviction for low income and vulnerable citizens that we are supposed to serve.

Enough is enough! People like my Mother should not be put in renoviction types of situations. It is unfair and unjust. We need affordable housing not big corporations

coming in and driving costs up unnecessarily.

Reject Malleum's grant application and send a message out to the general public that they are seen and heard and that help is on the way! As elected officials who were voted in by the people, you are supposed to work for and serve the people and not the other way around.

Make the right decision and reject Malleum's application.

Thank you for your time.

Sincerely,

[Redacted signature]

E) ACORN recovered a 2018 rental ad for 540 King St E. The rent was listed at \$825 for a 1 bedroom in 2018 but after Malleum bought and renovated the building, rent starts at \$1,395. 540 King St E was part of Hamilton's market affordable housing stock.

| 2018 Rental Ad for 540 King St E | 2021 Rental Ad for 540 King St E | | | | | | | | | | |
|--|---|----------|---|-----------|---|-------------|-----|--------------------|---------|--------------|---------------|
| <p>\$825, 1 Bedroom, For Rent, 540 King Street East, Hamilton, ON L8N 1E2</p> <p>2018-06-19 - 540 King Street East, Hamilton, ON L8N 1E2, Canada - Downtown Location - 1 Bedroom Apartment 1 Bedroom Hamilton Description Large 1 Beds Apartment - \$825+ Hydro Available Now! Call Jim or Andy 905 522 7979 / 647 201 4088 for a tour! One bedroom suites is very spacious, freshly painted, newly hardwood floor and newly upgraded security entry system, 905-522-7979, 647-201-4088</p> | <p>1 BEDROOM</p> <table><tr><td>Bedrooms</td><td>1</td></tr><tr><td>Bathrooms</td><td>1</td></tr><tr><td>Square feet</td><td>509</td></tr><tr><td>Rent Starting From</td><td>\$1,395</td></tr><tr><td>Availability</td><td>Available Now</td></tr></table> | Bedrooms | 1 | Bathrooms | 1 | Square feet | 509 | Rent Starting From | \$1,395 | Availability | Available Now |
| Bedrooms | 1 | | | | | | | | | | |
| Bathrooms | 1 | | | | | | | | | | |
| Square feet | 509 | | | | | | | | | | |
| Rent Starting From | \$1,395 | | | | | | | | | | |
| Availability | Available Now | | | | | | | | | | |
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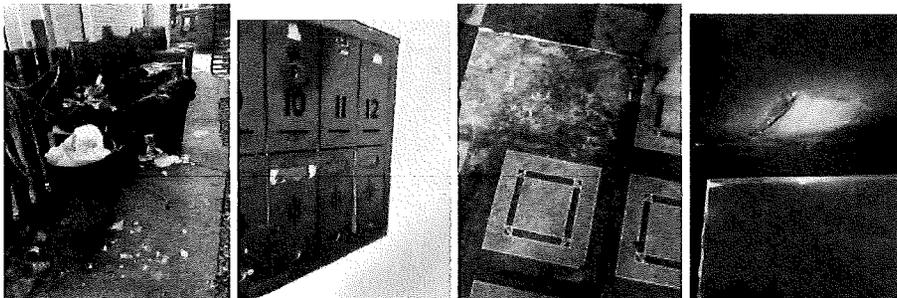
- F) ACORN conducted outreach to 540 King St E on July 1 2021 and spoke to two current tenants in the building. The tenants shared that the renovations were cheaply done, there is nowhere for tenants to put their garbage, common areas and grounds are not being maintained / cleaned and that the rent is very expensive. One tenant (who made a video delegation for GIC July 5) shared that there are sometimes homeless people in front of the building that tell her & her neighbors that they used to live there.



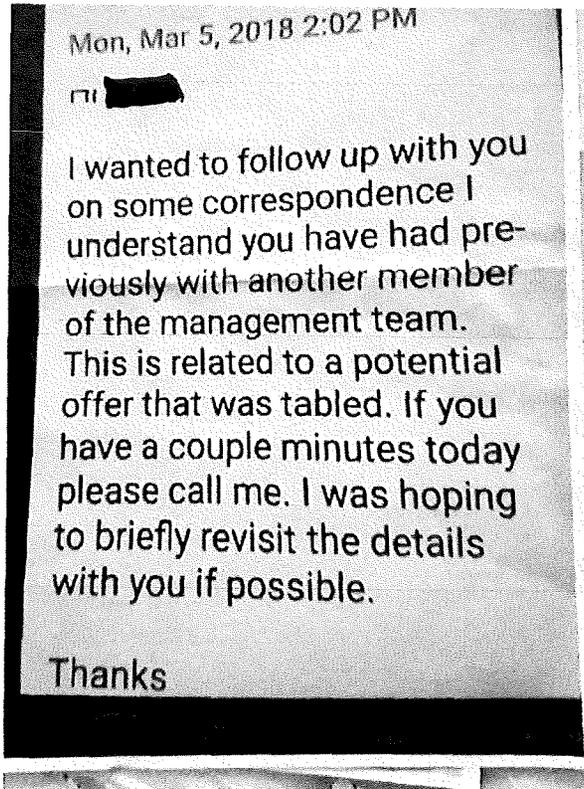
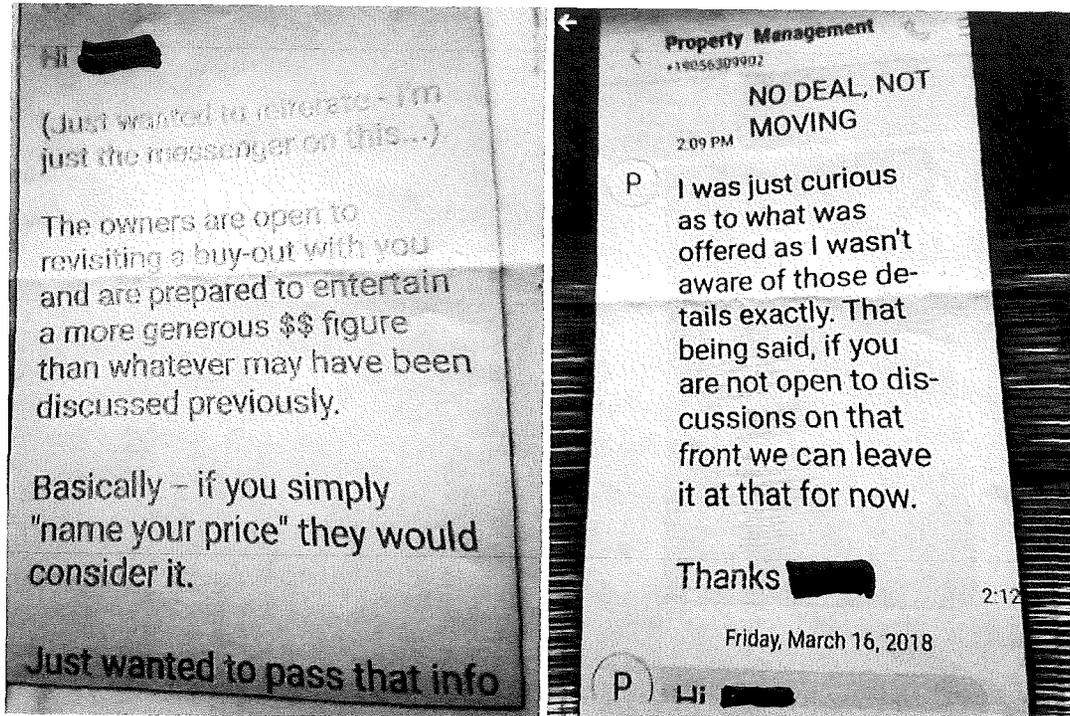
2) Malleum has caused tenant displacement at several of their properties in downtown Hamilton through aggressive buyout offers, handing tenants N13s & deliberate neglect at their buildings

- a) Malleum aggressively offered buyouts to ACORN members at [REDACTED] Albert St during their ownership between August 2016 - December 2019, served one tenant a N13 notice and deliberately neglected the building.

Photos taken during Malleum Ownership. *Left to right.* Unmaintained grounds, broken mailboxes, broken tiles in ACORN member's unit, leak in ACORN's members unit.



Text messages between a tenant at [REDACTED] Albert St and a Malleum property manager RE: buyouts in March 2018.



Real estate ad for [REDACTED] Albert St which states opportunity to displace the 5 remaining tenants in unrenovated units and re-rent at a higher price.



41 Albert Street, Hamilton, Ontario, L8M 2Y1

\$2,449,500

PROPERTY INFORMATION

Great opportunity to own this carefully redeveloped 13 unit apartment building. 3 storey walkup with 12-1 bedroom units & 1-4 bedroom unit. Separate coin laundry room for all tenants. This building has seen great attention to detail with renovations in 8 of 13 units. New kitchens with quartz counter tops, stainless steel appliances, refinished original hardwood floors, restored character and charm throughout. This building is in demand and commands excellent rents with 1 bedrooms currently renting for \$1325 plus hydro. Basement has been fully redeveloped into a luxury 5 bedroom unit and is rented to great tenants who utilize the basement commercial lease for their employees during short local stays. OPPORTUNITY 1: to renovate remaining 5 units and re-rent at \$1,295 (or higher), resulting in income increase of \$3,136 per month (\$37,632 annual), equal to approx \$640,000+ value lift, available to the new owner! OPPORTUNITY 2: 13 separate condo titles for each unit, offers buyer significantly lower land transfer taxes in addition to the option to sell individual units in future. Current gross income of \$180,025 and a net operating income of \$135,638. Offered at a 5.5 cap. rate. Located within walking distance to new LRT line and all transit options. A short walk to Gage park, Hamilton's largest city park. Financials available on request. Buy now and as cap rates decrease watch value increase. \$1,295

Press:

[https://www.hamiltonnews.com/news-story/9647871-tenant-advocates-argue-against-grant-for-hamilton-developer-accused-of-renoviction-/](https://www.hamiltonnews.com/news-story/9647871-tenant-advocates-argue-against-grant-for-hamilton-developer-accused-of-renoviction/)

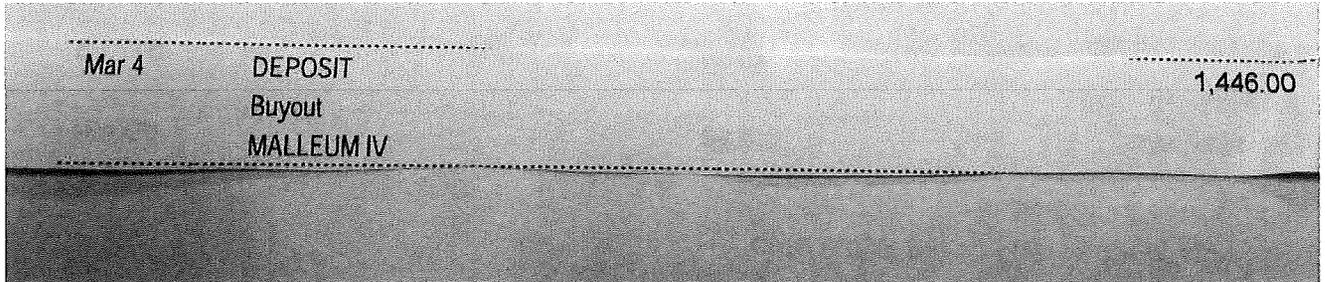
"Another tenant, who didn't want to be named because she feared repercussions, said she has been pressured to leave her apartment of 11 years at [REDACTED] Albert St. "I'm staying put. I can't afford to move."

The woman said tenants in five apartments in the low-rise, 13-unit building still pay under \$700 a month but renovated units go for \$1,325 a month.

Malleum has put the property up for sale with a listed price of \$2.4 million. The advertisement notes the buyer can renovate the remaining five units and "re-rent at \$1,295 (or higher)."

b) Malleum displaced ACORN members at █████ Sherman Ave N by forcing tenants to accept low ball buyouts between fall 2018 & February 2019.

Photo of ACORN member █████ bank statement with buyout from Malleum. She moved out February 2019. █████ has delegated three times to Council sharing her experience.



| | | |
|-------|------------|----------|
| Mar 4 | DEPOSIT | 1,446.00 |
| | Buyout | |
| | MALLEUM IV | |

Press:

<https://www.cbc.ca/news/canada/hamilton/160-sherman-problems-1.4833633>

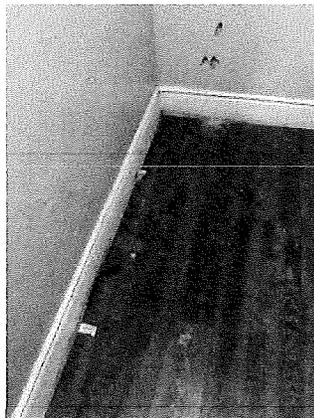
<https://www.thespec.com/news/hamilton-region/2019/05/13/fight-renovictions-with-policy-hamilton-tenant-advocates-urge-city.html>

“█████ regrets taking a \$2,000 buyout from her landlord.

In fact, she wanted to stay at █████ Sherman Ave. N., but under pressure from the building's new owner, agreed to leave, Ellis says.”

- c) Malleum displaced an ACORN member & tenants at 1083 Main St E in 2019 by buyouts but also showed N13 notices if tenants did not accept the buyout.

Photos of neglect at the building (taken September 2019). *Left to right.* Malleum made no improvements to the facade, unkept parking garage, common areas not cleaned.



Example of N13 given to tenants at King side of 1083 Main St. The tenant at this specific unit felt forced to accept the buyout and the unit remains vacant till this day.

Notice to End your Tenancy
Because the Landlord Wants to Demolish the Rental Unit, Repair it or Convert it to Another Use
N13
(Disponible en français)

| | |
|--|-------------------------------------|
| To: (Tenant's name) (circle all tenant names) | From: (Landlord's name) |
| [REDACTED] | MALLEUM REAL ESTATE MANAGEMENT CORP |
| Address of the Rental Unit | |
| 1286.5 KING STREET EAST [REDACTED] HAMILTON ON L8M 1G8 | |

This is a legal notice that could lead to you being evicted from your home.

The following information is from your landlord

I am giving you this notice because I want to end your tenancy. I want you to move out of your rental unit by the following termination date: 3/17/2019.

My Reason for Ending your Tenancy
I have shaded the circle next to my reason for ending your tenancy.

Reason 1: I intend to demolish the rental unit or the residential complex.

Reason 2: I require the rental unit to be vacant in order to do repairs or renovations so extensive that I am required to get a building permit and the rental unit must be vacant to do the work.

Note: You have the right to move back into the rental unit once I have completed the repairs or renovations. If you want to move back in once the work is done, you must give me written notice telling me you want to move back in. Also, you must keep me informed in writing any time your address changes.

Reason 3: I intend to convert the rental unit or the residential complex to a non-residential use.

Details About the Work I Plan to do
I have described below the work I plan to do for the reason shown above, including specific details about how I will carry out the work.

| Work planned | Details of the Work |
|---|--|
| 1. Electrical Upgrades 2. Heating Upgrades | 1. The Landlord intends to upgrade the electrical infrastructure in the building. To complete this work, the section of the building where you reside will not have any electrical service for a period in excess of 6 months. The Landlord intends to begin this work starting on January 2nd 2020. The Landlord expects the work to be completed within 8-12 months, assuming there are no major delays or surprises. 2. The Landlord intends to upgrade the heating infrastructure in the building and complete substantial repairs to the existing heating system. To complete this work the section of the building where you reside will not have any heat for a period in excess of 6 months. The Landlord intends to begin this work starting on January 2nd 2020. The Landlord expects the work to be completed within 8-12 months, assuming there are no major delays or surprises. |

One of our members who took the buyout described to us the pressure to move out.

“Once I was alone in this section the cockroaches increased. One crawled on my son. The dumpster was broken on a regular basis, the tower door lock was broken. I didn’t want my son living in those conditions.”

The tenant accepted a buyout because he felt like there was no other option.

2021 Real Estate Brochure for Malleum selling the building. States 41 vacant units out of 60.

FOR SALE | 60 Units

1083 Main St. E. | Hamilton, ON

PROPERTY OVERVIEW

ABOUT HAMILTON

Hamilton is a historic port city known as "Steeltown" thanks to its years of work in steel that made the city what it is today. It's a rapidly growing region in Southern Ontario with a population of approximately 747,545. Thanks to both its proximity to Toronto and its employment boom in recent years, Hamilton has begun to attract a growing crowd of young people and creative professionals to the downtown core.

ABOUT PARK MANOR

1083 Main St. E is located at the intersection of King Street East and Main Street East in one of the most sought after neighbourhoods in Hamilton, Crown Point West. Right across the street is the iconic Gage Park, a 71 acre urban park featuring floral gardens, fountains, playgrounds and ice-skating rinks.

This is the ideal property for any investor looking to add value immediately. The amazing location right across from Gage Park allows for complete rebranding and is an exciting opportunity to create a boutique 60 unit building. The 41 vacant units provide a huge upside potential on rents. You can create a quick turnaround by upgrading this building and units all at one time.

PROPERTY DETAILS

Unit Breakdown: 60 residential (23 x 1 bed, 35 x 2 bed and 2 x 3 bed)
Construction: Concrete block, brick exterior
AC: Present in 8 renovated units
Heating: Electric Baseboards and HWG

Year Built: 1922 and c.1945
Number of Full Storeys: 5
Flooring Type: Vinyl Plank
Vacancies: 41 units
Square Footage of Lot: 24,111.14 ft² (0.554 ac)
Balconies: None

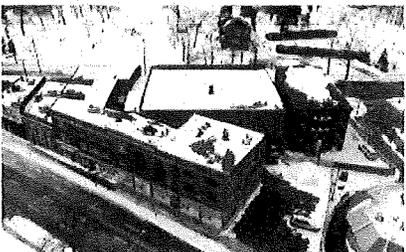
Legal Description: PT LT 6, CON 2 BARTON , AS IN CD470792 ; HAMILTON



Location: Central location close to St. Peter's Hospital (3 minute walk), The Centre Mall on Barton St. E., Ottawa Street, The Hamilton's Children's Museum, The Tim Hortons Field and McMaster University



Public Transportation: Hamilton Street Railway (HSR) operates public transit buses in the city with multiple bus routes near the property.



D) A father of a senior tenant living at [redacted] Kenilworth Ave N called the ACORN office to share that his father was displaced by Malleum. He sent ACORN a copy of an N13 & N11 form given to his father in October 2019.

72-1

Notice to End your Tenancy
Because the Landlord Wants to Demolish the Rental Unit, Repair it or Convert it to Another Use
N13

| | |
|---|--|
| To: (Tenant's name) include all tenant names | From: (Landlord's name) MALLEUM REAL ESTATE MANAGEMENT |
|---|--|

Address of the Rental Unit:
[redacted] Kenilworth Ave. N. [redacted] Hamilton, ON L8H 4S8

This is a legal notice that could lead to you being evicted from your home.

The following information is from your landlord

I am giving you this notice because I want to end your tenancy. I want you to move out of your rental unit by the following termination date:

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 3 | 0 | / | 0 | 4 | / | 2 | 0 | 1 | 9 |
|---|---|---|---|---|---|---|---|---|---|

dd/mm/yyyy

My Reason for Ending your Tenancy
I have shaded the circle next to my reason for ending your tenancy.

- Reason 1:** I intend to demolish the rental unit or the residential complex.
- Reason 2:** I require the rental unit to be vacant in order to do repairs or renovations so extensive that I am required to get a building permit and the rental unit must be vacant to do the work.
Note: You have the right to move back into the rental unit once I have completed the repairs or renovations. If you want to move back in once the work is done, you must give me written notice telling me you want to move back in. Also, you must keep me informed in writing any time your address changes.
- Reason 3:** I intend to convert the rental unit or the residential complex to a non-residential use.

Details of the Work I Plan to do
I have shaded the circle next to the work I plan to do for the reason shown above, including specific details about the work to be done.

| Work planned | Details of the Work |
|--------------|---------------------|
| | |

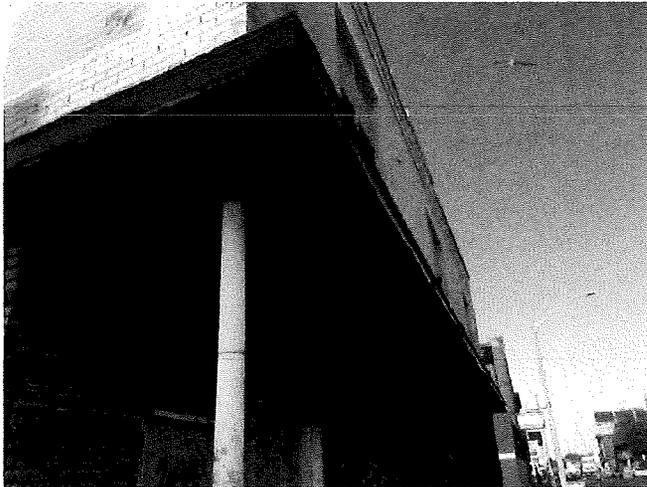
Page 1 of 3

E) ACORN also had contact in 2019 with tenants at [redacted] Steven St & [redacted] King St (both buildings became vacant after Malleum took over, properties are beside each other) but we were not provided copies of any forms.

Vacant [redacted] Steven St, photo taken 2019.



Vacant apartments above commercial space - [redacted] King St E. Photo taken 2019.





July 15 2021

Submission for August 4th General Issues Committee by ACORN Hamilton.

Item: Improvements to city incentive grant programs to ensure the City of Hamilton is not contributing to tenant displacement

ACORN has advocated to the city to not give grants to companies with a history of tenant displacement. In July 2019, a motion was approved unanimously to review and make changes to city incentives programs to ensure city grants were not contributing to tenant displacement.

Unfortunately the staff recommendations passed in October 2019 are not adequate.

ACORN recommends:

Long term

- Reevaluating the purpose of the grant programs. Why is the city giving money to a private equity firm for interior renovations? Malleum promises huge return to their investors & charges rents out of reach for low and moderate income tenants. Malleum & similar private investment companies are making it harder for tenants in Hamilton to afford housing.

Short term

- Approved applications should be restricted on offering tenant buyouts & serving N13 eviction notices (renovictions)
- Grant applicants should be required to disclose if there were tenants when they bought the building and if there were and they are no longer there, explain why the building / units are now vacant. If the applicant displaced tenants (buyouts, N13) then the application should be denied.
- Reject grants to applicants with a history of tenant displacement in Hamilton. Weight should be given to the applicant's impact in the community. Consult local tenant & housing groups as needed.

Hamilton is in a housing crisis. The city needs to protect tenants & our existing market affordable housing stock.

Renoviction is when tenants are forced out or evicted from their home because the landlord claims they need vacancy for major renovations. The goal is to get out long term tenants / tenants playing under market rent and re-rent the units to new tenants at a higher rent.

Renoviction has a huge social and financial impact on tenants and Hamilton:

- Displacement of low income & vulnerable residents
- Destroys existing stock of market affordable housing
- Drives up rents in the neighborhood
- Housing instability for tenants
- Increases demand for social housing
- Incentivizes landlords to deliberately let their buildings fall into disrepair
- Increasing pressure on social and health services
- Increase in homelessness

Renoviction is usually a combination of tactics:

- Offering tenants low ball buyouts (also known as "Cash for keys"). Buyouts are only offered when a landlord is trying to get a tenant to give up their rent controlled apartment. The idea is to offer a financial incentive for tenants to move. This eliminates the tenant's right to have the option to return to the unit after renovations (N13 - first right of refusal).
- N13 eviction notices (Landlord may not even file at the Landlord and Tenant Board). Tenants often will not challenge the eviction at the board and move out by the 'move out date'. Landlords are under no obligation to keep to a certain timeline. Finding a short term affordable lease is near impossible, most tenants are forced to move on.
- Stopping repairs, maintenance & pest control to frustrate tenants
- Verbal or written notices that tenants have to move out for renovations (not a legal notice to move out but may come across as one to tenants)
- Disturbing tenants with water shutoffs, noise, and dust during renovations as units become vacant

The City of Hamilton needs to pass local legislation to restrict renoviction and stop subsidizing developers that are making the housing crisis worse.