

City Clerk's Office

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In reply please quote: Ref.: 24-PH13.7

(Sent by Email)

July 31, 2024

## **GREATER TORONTO HAMILTON AREA MUNICIPALITIES:**

#### Subject: Planning and Housing Committee Item 13.7 Renovictions Policy Implementation: Review of Hamilton Renovation Licence and Tenant Relocation By-law and developing a Toronto Renovictions By-law (Ward All)

City Council on June 26 and 27, 2024, adopted <u>Item PH13.7</u> as amended and, in so doing, has forwarded this report to the Association of Municipalities of Ontario and Greater Toronto Hamilton Area municipalities for information, as they may be considering the development of similar strategies to address renovictions within their jurisdictions.

). *Canchela* for City Clerk

J. Canchela/wg

Attachment

- Sent to: Executive Director, Association of Municipalities of Ontario Greater Toronto Hamilton Area Municipalities
- c. City Manager



# **City Council**

## Planning and Housing Committee - Meeting 13

PH13.7	ACTION	Amended		Ward: All
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Renovictions Policy Implementation: Review of Hamilton Renovation Licence and Tenant Relocation By-law and developing a Toronto Renovictions By-law

## **City Council Decision**

City Council on June 26 and 27, 2024, adopted the following:

1. City Council direct the Chief Building Official and Executive Director, Toronto Building, in consultation with the Executive Director, Housing Secretariat, the Executive Director, Municipal Licensing and Standards, and other relevant divisions to report to the Planning and Housing Committee on October 30, 2024 with a proposed Renovictions By-law incorporating requirements and components that include, but are not limited to:

a. requiring landlords to apply for a renovation licence within seven days of issuing an N13 notice to a tenant;

b. requiring landlords to submit the following documents to the City as part of the renovation licence application process:

1. confirmation of approved building permits, and any other required approvals;

2. a copy of the N13 notice to end tenancy;

3. confirmation that the landlord has posted a Tenant Information Notice notifying tenants of a building permit application and how to obtain information on eviction prevention, tenants' rights, and the Renovictions By-law;

4. a report prepared by a qualified person noting that the renovation requires vacant possession; and

5. a tenant accommodation and/or compensation plan that is signed and agreed to by the tenant;

d. requiring landlords to provide tenants with a notice of their renovation licence application;

e. prohibiting landlords from beginning renovations until their renovation licence is obtained; and

f. applying the by-law to all rental units in Toronto, except certain types of housing which may be exempted, and identifying any types of housing that require further consideration for a phased approach.

2. City Council direct the Chief Building Official and Executive Director, Toronto Building and the Executive Director, Housing Secretariat, in consultation with the Executive Director, Municipal Licensing and Standards, to conduct relevant engagement and consultations with stakeholders on a Hamilton style Renovictions By-law and its implementation; and include the results of this engagement process in the staff report to the Planning and Housing Committee.

3. City Council direct the Chief Building Official and Executive Director, Toronto Building to establish a dedicated staff team (led by a Project Director) to work with senior staff across relevant City divisions to develop a renoviction by-law and its operational framework by the fourth quarter of 2024.

4. City Council direct the Chief Building Official and Executive Director, Toronto Building, the Executive Director, Housing Secretariat, in consultation with the Executive Director, Municipal Licensing and Standards, to report through the 2025 and 2026 budget processes on any additional budget and resource impacts of the renoviction by-law implementation.

5. City Council direct the Chief Building Official and Executive Director, Toronto Building, in consultation with the Executive Director, Housing Secretariat, and the Executive Director, Municipal Licensing and Standards, to report on the implementation framework for the Renovictions By-law, including but not limited to a recommended structure of proposed fees and fines as well as other compliance and enforcement tools.

6. City Council direct the Chief Building Official and Executive Director, Toronto Building, in consultation with the Executive Director, Housing Secretariat, and the Executive Director, Municipal Licensing and Standards, to include in the report, referenced in Part 5 above, consideration for applying the by-law to all rental units in Toronto and identifying any types of housing that require further consideration for a phased approach.

7. City Council request the Province of Ontario to proclaim and bring into force Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023, and/or related regulations to:

a. require that when landlords provide a notice to terminate a tenancy for repairs or renovations, that it be accompanied by a report from a qualified person confirming that the renovations/repairs are so extensive that they require vacant possession of the rental unit. A qualified person should include someone with professional qualifications who is licensed and required to meet professional and ethical obligations under provincial legislation (e.g. architects and professional engineers);

b. require landlords to provide tenants who have provided notice that they wish to have a right of first refusal to return to the unit with written notice of the estimated completion date, any changes to this date, and final notification once the renovations/repairs are completed;

c. require landlords to provide tenants with a grace period of at least 60 days after the rental unit is ready for occupancy, to allow tenants to move back in and provide the required 60-day notice to end their tenancy in their temporary accommodation; and

d. allow tenants whose landlords fail to provide the required written notices, the grace period and/or the right of first refusal to apply to the Landlord and Tenant Board for a

remedy until the later of two years after the tenant moved out or six months after renovations/repairs are completed.

8. City Council reiterate its requests to the Province of Ontario to amend the Residential Tenancies Act, 2006, and/or related regulations to:

a. reintroduce vacancy control legislation which ties rents to residential units rather than tenancies;

b. introduce rent control to cover units first occupied after November 15, 2018;

c. require landlords of residential units to be responsible for finding temporary accommodation or provide sufficient relocation assistance for their tenants for the duration of the renovations if tenants intend to return post-repair/renovation;

d. require landlords to obtain a building permit before issuing an N13 notice of termination, provide a copy of the applicable permit to tenants together with any N13 notice of termination, require evidence that the permit was delivered with the N13 notice of termination as part of any L2 application to end a tenancy filed on that basis, and require the approved permit be provided to the Landlord and Tenant Board as part of any L2 application to end a tenancy filed on that basis of any L2 application to end a tenancy filed on the basis of an N13 notice of termination;

e. provide the same rights and compensation afforded to tenants in buildings with five (5) or more units to those in buildings with less than five (5) units;

f. increase the required compensation for tenants in no-fault evictions;

g. remove ex parte eviction orders for breached repayment agreements;

h. require landlords to attach a plain-language tenants' rights information package to N13 eviction notices (similar to the City of Toronto's Eviction Prevention Handbook);

i. regulate N11s and buy-out agreements; and

j. amend Above Guideline Increase rules to eliminate the eligibility of capital expenditures that constitute general repair and maintenance of the property; add a new subsection requiring landlords to save 10 percent of rental income to be accessed for capital expenditures; and require landlords to notify tenants of the decrease in advance of the date when rent is required to be reduced as specified in an order permitting an Above Guideline Increase related to eligible capital expenses.

9. City Council reiterate its requests to the Province of Ontario to make the following operational changes:

a. allow tenants the right to in-person Landlord and Tenant Board hearings to eliminate technological barriers for individuals who do not have access to digital devices or reliable internet connection;

b. simplify Landlord and Tenant Board notices with plain language so they are easily understood and ensure all forms include a tracking number that is linked to a public registry; and c. establish a provincial rental registry that tracks building ownership, rental rates, Above Guideline Increases and their expiry dates, and Landlord and Tenant Board eviction filings and their outcomes; and monitor data on N12 and N13 evictions.

10. City Council reiterate its requests to the federal and provincial governments to significantly increase their investment in the HousingTO 2020-2030 Action Plan which will increase the supply of new affordable and supportive homes, protect existing rental stock, including through retrofit programs, and help residents across the city to maintain their existing homes.

11. City Council forward this report to the Association of Municipalities of Ontario and Greater Toronto Hamilton Area municipalities for information, as they may be considering the development of similar strategies to address renovictions within their jurisdictions.

12. City Council direct that the confidential information contained in Confidential Attachment 1 to the report (June 6, 2024) from the City Solicitor remain confidential in its entirety, as it contains advice that is subject to solicitor-client privilege.

Confidential Attachment 1 to the report (June 6, 2024) from the City Solicitor remains confidential in its entirety in accordance with the provisions of the City of Toronto Act, 2006, as it contains advice that is subject to solicitor-client privilege.

## Summary

The HousingTO 2020-2030 Action Plan and Toronto Housing Charter, both adopted in 2019, commit the City to advancing the progressive realization of the right to adequate housing and set a number of strategic priorities related to protecting tenants, preserving affordable housing supply, and realizing a vision of a city where everyone has a safe, affordable place to call home. City Council has recently increased its housing targets under the HousingTO Plan, however, to ensure the City has sufficient affordable rental homes for low- and moderate-income residents, it is also vital to preserve existing affordable rental homes. As a result of factors impacting Toronto's housing market, including low rental vacancy rates, insufficient new rental homes, and the financialization of housing, over the past decade the Toronto region has lost more affordable and mid-range rental homes than have been built. These housing market pressures combined with gaps in provincial rent control requirements have resulted in increased rates of evictions, with disproportionate impacts on low-income and marginalized residents, including those from equity-deserving groups.

There have been reports of a growing trend of renovictions in Toronto, where a landlord illegitimately evicts a tenant by alleging that vacant possession of a rental unit is needed to undertake renovations or repairs. Renovictions can include refusing to allow a tenant who has exercised their right of first refusal to return post-renovation, illegally raising the rent on a returning tenant, or not undertaking major renovations after evicting renters. This results in the displacement of tenants, the permanent loss of affordable market rental housing, and contributes to rising homelessness in Toronto.

The Province of Ontario has jurisdiction over rent control policy and landlord-tenant matters through the Residential Tenancies Act, 2006. The most effective tools to protect tenants and deter renovictions reside at the provincial level. City Council has previously requested that the Province introduce measures to amend provincial legislation to protect tenants from renovictions, including but not limited to: introducing rent control that is maintained upon turnover of a unit, requiring landlords to provide temporary relocation assistance while renovations are taking place, and creating a centralized data system and registry for rental properties and eviction activities in Toronto.

In the absence of these changes, Toronto and other cities are considering steps to address the growing trend of renovictions within their authorities. On July 19, 2022, City Council, through Item PH35.18, adopted a Renovictions Policy as a framework to guide the development of a new renovictions by-law that would respond to growing trends in illegitimate evictions, protect tenants, and preserve affordable housing supply.

In January 2024, the City of Hamilton adopted a Renovation Licence and Tenant Relocation By-law ("Hamilton by-law") that aims to prevent renovictions and mitigate harms to tenants by requiring a licence to renovate tenanted rental units. The by-law includes several new requirements of landlords to achieve these objectives and establishes a dedicated investigation, compliance, and enforcement framework. The Hamilton by-law was enacted on April 10, 2024, and the administrative and enforcement framework are under development. The Hamilton bylaw is expected to come into force January 1, 2025.

On February 28, 2024, the Planning and Housing Committee directed staff to include in this report consideration and analysis of the Hamilton by-law and how that approach could be adopted by Toronto. This report responds to this direction and provides staff's analysis of implementation considerations related to the Hamilton by-law. Further comments respecting the by-law will be provided by the City Solicitor by way of a separate report. It also provides City Council with an update on actions underway to implement the renovictions policy and corresponding by-law, and provides necessary context regarding provincial policy and legislative changes impacting renovictions and tenants' rights (including Provincial Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023). Finally, the report provides Council with information on how the Hamilton by-law approach could be implemented in Toronto, should Council provide such direction.

## **Background Information (Committee)**

(May 30, 2024) Report from the Chief Building Official and Executive Director, Toronto Building, and the Executive Director, Housing Secretariat on Renovictions Policy Implementation: Review of Hamilton Renovation Licence and Tenant Relocation By-law and developing a Toronto Renovictions By-law

(https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-246288.pdf) Attachment 1: City of Toronto Renovictions By-law Draft Framework (https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-246463.pdf)

## **Background Information (City Council)**

(June 25, 2024) Supplementary report from the Deputy City Manager, Development and Growth Services and Deputy City Manager, Infrastructure Services on Supplementary Report: Renovictions Policy Implementation (PH13.7a) (https://www.toronto.ca/legdocs/mmis/2024/cc/bgrd/backgroundfile-247174.pdf)

## **Communications (Committee)**

(June 10, 2024) Letter from Geordie Dent, Executive Director, Federation of Metro Tenants' Associations (PH.New) (https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-180606.pdf) (June 12, 2024) Letter from Douglas Kwan, Director of Advocacy and Legal Services, Advocacy Centre for Tenants Ontario (ACTO) (PH.New) (https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-180610.pdf) (June 12, 2024) Letter from Karly Wilson, Staff Lawyer, Team Lead - Housing, on behalf of Don Valley Community Legal Services (PH.New) (https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-180615.pdf) (June 12, 2024) Letter from Jonella Evangelista, Right to Housing Toronto (R2HTO) (PH.New) (https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-180615.pdf)

(June 13, 2024) Letter from Bhumika Jhamb, Association of Community Organizations for

Reform Now (ACORN) (PH.New) (https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-180624.pdf) (June 13, 2024) Letter from Melissa Goldstein, City of Toronto Tenant Advisory Committee (PH.New) (https://www.toronto.ca/legdocs/mmis/2024/ph/comm/communicationfile-180588.pdf)

## **Communications (City Council)**

(June 24, 2024) Letter from Peter D'Gama, Chair, Etobicoke, ACORN, Jacquie Mitchell Chair, York West, ACORN, Marcia Stone, Chair, Weston, ACORN, Rama Fayaz, Chair, Downtown, ACORN, Alejandra Ruiz-Vargas, Chair, East York, ACORN, Marva Burnett, Chair, Scarborough, ACORN (CC.New) (https://www.toronto.ca/legdocs/mmis/2024/cc/comm/communicationfile-181156.pdf)

#### 7a Renovictions Policy Implementation and Hamilton By-law - Supplementary Report

## Summary

This report is supplementary to the report from the Chief Building Official and Executive Director, Toronto Building and the Executive Director, Housing Secretariat entitled Renovictions Policy Implementation: Review of Hamilton Renovation Licence and Tenant Relocation By-law and developing a Toronto Renovictions By-law dated May 30, 2024 (the **"Renovictions Update Report"**). This report provides legal advice on the City of Hamilton's Renovation Licence and Relocation By-law and the potential implementation of a similar by-law in Toronto.

## **Background Information (Committee)**

(June 6, 2024) Supplementary Report from the City Solicitor on Renovictions Policy Implementation and Hamilton By-law (<u>https://www.toronto.ca/legdocs/mmis/2024/ph/bgrd/backgroundfile-246433.pdf</u>) Confidential Attachment 1 - Supplementary Report on Legal Issues Relating to the Proposed Draft Renovictions By-law Framework for Toronto