

Protecting the Affordable Rental Housing Stock

RIGHTS
REVIEW

Right to
Housing
in Toronto



© Right to Housing Toronto, July 2022.

Right to Housing Toronto (R2HTO) is a network of individuals and organizational supporters that are working to ensure that the City of Toronto takes a rights-based approach to its housing planning and policy.

The work of R2HTO is guided by a Steering Committee that consists of ACORN Canada, Advocacy Centre for Tenants Ontario (ACTO), Centre for Equality Rights in Accommodation (CERA), Centre for Independent Living in Toronto, Colour of Poverty – Colour of Change, Federation of Metro Tenants' Associations (FMTA), Jane Finch Housing Coalition, Maytree, West Scarborough Community Legal Services, and housing advocates Joy Connelly and Ingrid Palmer.

TABLE OF CONTENTS

1. Right to Housing Principles Guiding our Recommendations	4
2. A Rights-Based Approach to Protecting Affordable Rental Housing	6
3. Toronto's Policies, Strategies and Frameworks	15
4. Reports from the Ground	28
5. Key Priorities for the City of Toronto	34
6. Recommendations for the City of Toronto	36

1

Right to Housing Principles

Our recommendations for the City of Toronto are based on the following right to housing principles:

1 The City should consider new policies and review existing policies to ensure they protect affordable housing stock and benefit residents in most need of affordable housing options.

2 The City must use all available revenue tools and resources to act with urgency to protect affordable housing for low- to moderate-income renter households.

3 The City should leverage all available avenues to facilitate collaboration between the various service and housing providers involved in the provision of affordable rental housing and access to justice for renters.

4 The City must engage with impacted communities and the full range of stakeholders (i.e. developers, landlords, neighborhood groups, nonprofit organizations) to build shared understanding of the right to housing and create cohesive, inclusive and diverse communities.

5 The City should leverage all available avenues to reconcile policy objectives and encourage cooperation between different orders of government to preserve affordable rental housing stock.



A Rights-Based
Approach to
Protecting
Affordable
Rental Housing

The City of Toronto's stock of affordable housing consists of a mix of public, private, co-operative, and non-profit models that emerged during various phases of government investment and divestment in housing over the past century. Notably, from the 1970s to the 1990s, significant federal and provincial investments in affordable housing and policy innovation¹ targeted Canada's lower income households in particular.² The housing policy approach and priorities of this period were rooted in what was then a relatively prevalent notion that access to affordable housing is a human right.³

Today, the City of Toronto has committed to advancing the right to housing in its Housing Charter, articulated specifically in its HousingTO 2020-2030 Action Plan.⁴ The City's efforts are reinforced at the national level by the National Housing Strategy Act (NHS Act), through which the federal government has also committed to advance the right to housing.⁵ This means that all levels of government across Canada should be working to ensure that housing is affordable to all. In fact, international law equates the right to housing with adequacy, where a home must not only be affordable, but habitable, accessible, culturally adequate, located near essential services and employment, and where tenants can live without fear of forced eviction.⁶

The City of Toronto has taken an important step in implementing the right to housing through its 10-year housing strategy. However, implementation will require significant and sustained action, in coordination with other levels of government, to address the increasing housing needs of the city's diverse residents. For example, Census data from 2016 shows that 37% of households in Toronto spent more than 30% of their before-tax income on shelter, which means they have been living in unaffordable housing.⁷ The problem is concentrated amongst renters, 47% of whom are paying unaffordable rents.⁸ Strikingly, 87% of low-income households who are living in private rental housing and earning \$30,000 or less are paying unaffordable rents.⁹ Meanwhile, waitlists for non-market affordable housing options stand at about 100,000 and it can take approximately ten years for an eligible applicant to secure these rare units.¹⁰

1 Greg Suttor. *Canadian Social Housing: Policy Evolution and Impacts on the Housing System and Urban Space* (University of Toronto, 2014), https://tspace.library.utoronto.ca/bitstream/1807/68158/1/Suttor_Gregory_201411_PhD_thesis.pdf

2 Laurence B Smith. *Anatomy of a Crisis* (Fraser Institute, 1977), <https://www.fraserinstitute.org/sites/default/files/anatomy-of-a-crisis.pdf>

3 Greg Suttor. *Canadian Social Housing: Policy Evolution and Impacts on the Housing System and Urban Space* (University of Toronto, 2014), https://tspace.library.utoronto.ca/bitstream/1807/68158/1/Suttor_Gregory_201411_PhD_thesis.pdf

4 City of Toronto. *HousingTO 2020-2030 Action Plan*, 2020, <https://www.toronto.ca/wp-content/uploads/2020/04/94f0-housing-to-2020-2030-action-plan-housing-secretariat.pdf>

5 *The National Housing Strategy Act* 2019, C.29, <https://laws-lois.justice.gc.ca/eng/acts/n-11.2/FullText.html>

6 UN-Habitat. *The Right to Adequate Housing: Fact Sheet No 21*, <https://unhabitat.org/sites/default/files/download-manager-files/Right%20to%20adequate%20housing.pdf>

7 City of Toronto. *2018 Issue Briefing: Affordable Housing – Housing Affordability, Availability & Repair*, 2018, <https://www.toronto.ca/city-government/council/2018-council-issue-notes/housing-affordability-availability-repair/>

8 Ibid.

9 Canadian Centre for Economic Analysis & Canadian Urban Institute. *Toronto Housing Market Analysis*, 2019, <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-140633.pdf>

10 Ibid.

In addition, most of the city's rental housing options that are affordable to lower income tenants, whether public or market housing, are aging. The majority of private, purpose-built rental apartments were built by the 1980s¹¹ with only 10% built after the 1990s.¹² Multi-tenant houses, which provide a rare alternative option for those seeking affordable private market rentals, were largely built before the second world war as family homes, and were later converted to house multiple tenants.¹³ Meanwhile, the construction of publicly-funded community housing (defined as a mix of government owned social housing, non-profit or co-operative housing) effectively came to a halt in the mid-1990s.¹⁴

The aging of much of the affordable rental stock has also compromised its physical integrity. Uninhabitable and unsafe living conditions in many of these older buildings are well documented in reports capturing tenants' complaints about unaddressed fire hazards, faulty elevators, mouldy units, pest infestations and other grievances.¹⁵ Yet, with few viable alternative housing options, many people continue to live in poorly maintained homes. Seniors, newcomers, racialized groups, and single mothers make up a significant share of these households, while some larger families face the additional challenge of living in overcrowded conditions.¹⁶

To sum it up, about 20% of households in 2016 lived in core housing need.¹⁷ That is, they are experiencing one or a combination of uninhabitable, unaffordable, and unsuitable (or overcrowded) living conditions and do not have the means to find alternative options that are affordable. Indeed, these households are being deprived of a right to adequate housing where a home should not only be affordable but also provide a degree of comfort. This is essential to living a life with dignity.

Clearly, there is a need to increase the supply of affordable housing, especially for rental options. The City's various efforts have been documented and assessed in the [Rights Review on Increasing Affordable Rental Supply](#) developed by the Right to Housing Toronto coalition. However, the results of these efforts will take time to show.

In the meantime, there remains a dire need to protect the city's existing affordable housing stock. Many of these affordable units are at risk of disappearing. One study indicates that for every new affordable

11 Ibid.

12 Ibid.

13 Philippa Campsie. *What We Talk About When We Talk About Rooming Houses: Regulation in Canada, 2000-2018* (Research Paper 244, Neighbourhood Change Research Partnership, 2018), <http://neighbourhoodchange.ca/documents/2018/10/campsie-2018-talking-about-rooming-houses-canada.pdf>

14 Gregory Suttor. *A Review of Affordable Rental Policy in Toronto, 1997-2017* (Paper for the Urban Affairs Association Conference, April 4-7, 2018), <http://gregsuttor.ca/wp-content/uploads/2020/05/UAA%20paper%20Suttor%202018%20Mar%202018%20rev.pdf>

15 ACORN Canada. *Toronto State of Repair 2020 Report*, 2020 <https://acorncanada.org/resource/toronto-state-repair-report-2020>

16 United Way. *Vertical Legacy: The case for revitalizing the GTA's aging rental tower communities*, 2021, <https://www.unitedwaygt.org/wp-content/uploads/2021/12/2021-Vertical-Legacy-Full-Report.pdf>

17 Canadian Centre for Economic Analysis & Canadian Urban Institute. *Toronto Housing Market Analysis*, 2019, <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-140633.pdf>

home that is created, 15 are lost across Canada.¹⁸ In Toronto, there have been instances in the past of Real Estate Investment Trusts (REITs) taking over aging purpose-built apartment buildings (known as legacy towers), renovating them and then rapidly increasing rents, ultimately displacing long-term tenants.¹⁹ Depriving such residents' security of tenure is another way in which the right to housing is not protected.

In part, protection means adopting measures to improve maintenance and repairs of affordable units, elements of which are explored in the [Rights Review on Safety and Maintenance](#) developed by the Right to Housing Toronto coalition. However, the management of public housing stock requires further investigation as do the incentive structures that result in increased rents and render the existing stock of market housing unaffordable for a large portion of Toronto's residents. This Rights Review explores these issues in more depth.

The heterogeneity of initiatives that have contributed to the current mix of affordable housing stock means that an equally diverse set of solutions is needed to respond to pressing challenges that threaten Toronto's affordable housing stock. A rights-based approach can help accomplish this objective, specifically by ensuring that Toronto's affordable housing stock is preserved and residents can live in their communities for the long term.

Toronto's Existing Affordable Housing Stock – Headwinds

A 2018 estimate found about 123,450 affordable and social housing rental units exist in Toronto.²⁰ About half of these were owned by the City of Toronto and administered by Toronto Community Housing Corporation (TCHC). They include a mix of Rent-Geared-to-Income (RGI) housing, which provides deep affordability, along with below-market and market-rate units. Non-profits and co-operatives managed a significant share of affordable housing stock as well, totaling about 32,000 units. The remaining portfolio consists of a mix of provincially and municipally funded supportive housing units, federal co-operatives, and private affordable rentals, including multi-tenant houses.²¹ Additionally, there are about 1,715 "legacy" towers or purpose-built apartments that were built before 1985, many of which offer rents below today's asking rents.²²

18 Steve Pomeroy. "Why Canada Needs a Non-Market Rental Acquisition Strategy." *Focus Consulting*, May 2020, <https://www.focus-consult.com/why-canada-needs-a-non-market-rental-acquisition-strategy/>

19 United Way. *Vertical Legacy: The case for revitalizing the GTA's aging rental tower communities*, 2021, <https://www.unitedwaygt.org/wp-content/uploads/2021/12/2021-Vertical-Legacy-Full-Report.pdf>

20 Canadian Centre for Economic Analysis & Canadian Urban Institute. *Toronto Housing Market Analysis*, 2019, <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-140633.pdf>

21 Ibid.

22 United Way. *Vertical Legacy: The case for revitalizing the GTA's aging rental tower communities*, 2021, <https://www.unitedwaygt.org/wp-content/uploads/2021/12/2021-Vertical-Legacy-Full-Report.pdf>

Since the 1990s, most of the new private financed construction has been in the form of condominiums, in addition to detached homes and townhouses.²³ These newer condo options are not affordable for the city's lower income households, and they generally do not offer a long-term rental housing alternative for the population at large. Even though many of the condominiums are rented out, tenants may face eviction if the owner or their family wishes to move back in.

While there has been an increase in the construction of purpose-built rentals in recent years, they continue to make up a small share of the total stock and contribute few affordable options.²⁴ In fact, recent market studies have shown that rents are rising relatively faster in the general stock of purpose-built rentals and have therefore contributed significantly to the loss of affordable housing options.²⁵ Conversely, multi-tenant houses have provided deeper affordability for students, newcomers, and other households living on low-incomes. However, they remain illegal and unregulated in most inner suburbs of Toronto.²⁶

Public housing options offer rents that are relatively stable where affordability is maintained through government subsidies and mandates to provide affordable rents. However, it is unclear whether many of the arrangements are sustainable. These uncertainties are rooted in the transfer of responsibility for social housing from the Province of Ontario to the City of Toronto in 2002. Since then, the City has had to take on increasing financial and administrative responsibilities to manage the existing stock of housing, while commitments from higher orders of government, particularly the Province, have declined over time.²⁷ Longer-term commitments for increased funding are hard to secure. This is problematic given the limited revenue sources available to the City relative to higher orders of government. It is no coincidence that the construction of *new* social housing units effectively came to a halt after higher orders of government retreated from their commitments.²⁸

The looming expiry of operating agreements regulating the provision of affordable housing by non-profit housing providers is another manifestation of this precarious environment.²⁹ Originally negotiated between the federal and provincial governments, these agreements regulate the number of affordable units non-profits must provide, and the duration for which they must be provided. The City of Toron-

unitedwaygt.org/wp-content/uploads/2021/12/2021-Vertical-Legacy-Full-Report.pdf

23 Canadian Centre for Economic Analysis & Canadian Urban Institute. *Toronto Housing Market Analysis*, 2019, <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-140633.pdf>

24 Ibid.

25 Ibid.

26 Philippa Campsie. *What We Talk About When We Talk About Rooming Houses: Regulation in Canada, 2000-2018* (Research Paper 244, Neighbourhood Change Research Partnership, 2018), <http://neighbourhoodchange.ca/documents/2018/10/campsie-2018-talking-about-rooming-houses-canada.pdf>

27 City of Toronto. *2018 Issue Briefing: Affordable Housing – Housing Affordability, Availability & Repair*, 2018, <https://www.toronto.ca/city-government/council/2018-council-issue-notes/housing-affordability-availability-repair/>

28 Canadian Centre for Economic Analysis & Canadian Urban Institute. *Toronto Housing Market Analysis*, 2019, <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-140633.pdf>

29 City of Toronto. *Community Housing Partnership Renewal Program, Report for Action* (Submission to Planning & Housing Committee), November 26, 2019, <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-140657.pdf>

to took over some of the responsibilities of overseeing operating agreements as a result of provincial transfers. To date, agreements covering about 5,000 units in the city have expired, while a large portion of the remaining agreements are nearing their end date, with little clarity from higher orders of government about whether they will be extended. These realities are in line with provincial trends that point to a loss of about 22,000 social housing units over the last 15 years.³⁰

The erosion of affordable housing stock is, in part, because of a public policy environment that has increasingly favoured market mechanisms to solve social problems in lieu of investing public resources in housing. This period has been characterized by a permissive regulatory regime aimed at attracting private investments and expediting the financialization of the housing market.³¹ Under these conditions, landlords increasingly view housing as an investment rather than as a place for people to live in safety and dignity. They are incentivized to increase their profit margins and employ various tactics that erode the affordable housing stock. Examples include increasing rents above the annual rent increase guideline; demolishing scarce affordable housing stock to create more lucrative condominiums; and shifting units to the more lucrative short-term rental market.

The increasing role of financial actors in housing has also had an impact on the public housing stock. Many older buildings have gone through revitalizations – a process of demolition and redevelopment that is contingent on a significant amount of private investment.³² Without sustained public funding from higher orders of government, local housing providers are left to experiment with alternative business models that secure more long-term revenue streams. While there is some justification to explore alternative funding for social housing,³³ it is not evident that lower income households are seeing the benefits of accessing more affordable and adequate housing options. For example, a province-wide analysis of Ontario’s municipally run social housing stock points to a grim trend – 30% of such residents continue to experience one or a combination of unaffordable, unsuitable and overcrowded living conditions.³⁴

In sum, many “affordable” options under current conditions are not affordable for lower income tenants, while some of the most affordable options are under threat.

30 Financial Accountability Office of Ontario. “Housing and Homelessness Programs in Ontario” (Blog), March 4, 2021, <https://www.fao-on.org/en/Blog/Publications/affordable-housing-2021>

31 Philip Zigman and Martine August. *Above Guideline Rent Increases in the Age of Financialization* (RenovictionsTO, 2021), <https://renovictionsto.com/agi-report>

32 Martine August. “Social Mix and Canadian Public Housing Redevelopment,” *Canadian Journal of Urban Research*, Vol 17, No 1, pp 82-100, 2008, <https://www.jstor.org/stable/26193206>

33 Steve Pomeroy. *Discussion Paper: Envisioning a Modernized Social and Affordable Housing Sector in Canada*, (Carleton University Centre for Urban Research and Education (CURE), 2017), <https://carleton.ca/cure/wp-content/uploads/Envisioning-a-strengthened-social-housing-sector-FINAL-Oct-2018.pdf>

34 Financial Accountability Office of Ontario. “Housing and Homelessness Programs in Ontario” (Blog), March 4, 2021, <https://www.fao-on.org/en/Blog/Publications/affordable-housing-2021>

The Role of Municipal and Higher Orders of Government

Even as a significant amount of the administration and funding of affordable housing has fallen under the jurisdiction of municipalities in Ontario, the role of higher orders of government in protecting affordable housing supply remains critical. The federal government’s history of providing financial support to building up the private and public housing market is an example.³⁵ It continues to have considerable fiscal power to influence housing policy, including through targeting resources to protect affordable housing. Provincial power over municipalities means their use of effective legislation, regulation and funding can potentially build municipal capacity to deliver more effectively on affordable housing. In addition, through long-range planning, they can set expectations on how cities, and by extension, the affordable housing stock should grow and be protected.

In fact, the federal government has taken on a more proactive role in affordable housing over the last few years. With the adoption of the National Housing Strategy (NHS) in 2017, several programs were initiated to provide loans and grants, coupled with technical support, with the aim of creating more affordable housing options and protecting the existing stock of affordable housing.³⁶ Notably, the National Housing Co-Investment Fund has committed \$1.34 billion over nine years in the form of loans and grants to TCHC to address the backlog of capital repair needs that had rendered many of the units in a state of disrepair.³⁷ Through the Rapid Housing Initiative, a pandemic response program, the federal government has acquired properties to house people experiencing homelessness. Additionally, the federal government entered into a bilateral agreement with the Province of Ontario in 2018, which included funding commitments for non-profit housing through the Canada-Ontario Community Housing Initiative.³⁸ However, initial studies point to the limitations of such programs in creating new affordable housing stock, while there is a lack of evidence on the extent to which existing stock has been protected.³⁹

At the provincial level, legislative changes and funding decisions have created a more challenging environment for the City of Toronto to preserve the existing affordable housing stock. The Province has con-

35 Greg Suttor. *Canadian Social Housing: Policy Evolution and Impacts on the Housing System and Urban Space* (University of Toronto, 2014), https://tspace.library.utoronto.ca/bitstream/1807/68158/1/Suttor_Gregory_201411_PhD_thesis.pdf

36 CMHC. *All Funding Opportunities*. <https://www.cmhc-schl.gc.ca/en/professionals/project-funding-and-mortgage-financing/funding-programs/all-funding-programs>

37 Toronto Community Housing Corporation. “Backgrounder: National Co-Investment Fund,” April 23, 2019, <https://www.torontohousing.ca/news/whatsnew/Pages/National-Co-investment-Fund-.aspx>

38 Financial Accountability Office of Ontario. “Housing and Homelessness Programs in Ontario” (Blog), March 4, 2021, <https://www.fao-on.org/en/Blog/Publications/affordable-housing-2021>

39 Blueprint. *Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs*, 2022, <https://assets.cmhc-schl.gc.ca/sites/place-to-call-home/pdfs/analysis-affordable-housing-supply-created-unilateral-nhs-programs-en.pdf>

tinued to loosen rent regulations, for example by exempting units first occupied as a residential space after November 15, 2018 from the annual rent increase regulation.⁴⁰ This makes it even more difficult for newer residents, many of whom are lower income, to find affordable housing options.⁴¹

In addition, there is no evidence of an integrated approach to dealing with evictions. In a financialized environment, many landlords are using loopholes to evict lower income tenants and secure higher rents.⁴² While some legal provisions are in place, for example in fiduciary obligations of landlords in the event of relocating tenants, data from the Landlord and Tenant Board points to significant increases in evictions. At the same time, the information is only partial, and there does not appear to be a concerted effort to collect data more systematically and strengthen enforcement capacity accordingly.

Furthermore, the Province's financial commitments to preserving the stock of affordable housing remains inadequate.⁴³ Limited to begin with, the Province's dedicated funding for retrofits and repairs through the Apartment Improvement Program, funded through a now defunct Cap and Trade system, has been scrapped.⁴⁴ While the province entered into a new bilateral agreement with the federal government to keep funding some housing programs, the commitments represent a relative decline over time and are largely dedicated to portable rent supplements. While these subsidies are crucial, they remain a small amount and do not cover other critical housing needs, such as capital investments for repairs and renovations of social housing stock.⁴⁵ The Province has, however, moved forward with making regulatory changes to the Housing Services Act, with the aim of establishing a more standardized set of rules to govern the social housing units. These regulatory changes have the potential to make the management of the stock more efficient.⁴⁶

Under these conditions, the City of Toronto has had to make use of its limited finances and relatively restricted powers creatively. It continues to contribute a significant share of funding for 250 non-profit housing providers and provides about 6,500 rental allowances.⁴⁷ As explained earlier, the City has also taken up the majority of funding responsibilities for the operation of TCHC stock.⁴⁸ Additional options

40 *Residential Tenancies Act* 2006, c.17, <https://www.ontario.ca/laws/statute/06r17>

41 ACTO. "Vacancy decontrol – what is it, and why does it matter?" September 30, 2021, <https://www.acto.ca/vacancy-decontrol-what-is-it-and-why-does-it-matter/>

42 Julie Mah. "Evictions in Toronto: Governance Challenges and the Need for Intergovernmental Cooperation," *IMFG Perspectives*, 32, 2021, https://tspace.library.utoronto.ca/bitstream/1807/107632/1/imfgperspectives_no32_evictionsintoronto_juliemah_october_7_2021.pdf

43 Financial Accountability Office of Ontario. "Housing and Homelessness Programs in Ontario" (Blog), March 4, 2021, <https://www.fao-on.org/en/Blog/Publications/affordable-housing-2021>

44 Ibid.

45 Ibid.

46 Ontario Regulatory Registry. *Proposed Regulatory Amendments under the Housing Services Act, 2011*, O. Reg. 367/11, 2022, <https://www.ontariocanada.com/registry/view.do?postingId=40247&language=en>

47 City of Toronto. *2022 Budget Notes: Shelter, Support and Housing Administration*, 2022, <https://www.toronto.ca/leg-docs/mmis/2022/bu/bgrd/backgroundfile-175007.pdf>

48 City of Toronto. *2022 Budget Note: Toronto Community Housing*, 2022, <https://www.toronto.ca/legdocs/mmis/2022/bu/bgrd/backgroundfile-175025.pdf>

that are currently being explored include dedicating funds and loans to purchase at-risk properties and invest in repairs. It is also leveraging incentives such as property tax exemptions to keep non-profit housing providers that may otherwise exit the market because of expiring operating agreements, to continue with their commitments.⁴⁹

In addition, the City is using licensing to enforce property standards that minimize the risk of neglect, and it is imposing conditions through zoning for the replacement of rental units that might be lost because of demolition and/or conversion. The City's Official Plan also serves as a useful document to set clear expectations over time that affordable housing will be preserved in a way that ensures the tenants' needs are adequately met.⁵⁰

The remainder of this report will review in more detail the City of Toronto's efforts to protect its affordable housing stock. The measures consist of regulatory interventions to manage market housing, and a combination of investments, incentives, partnerships and administrative changes to preserve the stock of social housing.

49 City of Toronto. *Implementation of the Community Housing Partnership Renewal Program – Authority to Enter into Municipal Housing Facility Agreements* (Submission to Planning & Housing Committee), October 5, 2020, <https://www.toronto.ca/legdocs/mmis/2020/ph/bgrd/backgroundfile-157266.pdf>

50 City of Toronto. *Official Plan, Chapter 3*, <https://www.toronto.ca/wp-content/uploads/2017/11/981f-cp-official-plan-chapter-3.pdf>

3

Toronto's Policies, Strategies and Frameworks

In its HousingTO 2020-2030 Action Plan, the City of Toronto not only committed to increasing the affordable housing supply, but it also paid considerable attention to protecting the affordable housing stock. Related objectives and targets are elaborated in a variety of strategic actions. For example, Action 5 commits to “Maintaining and Increasing Access to Affordable Rents.”⁵¹ This is complemented by efforts to “Ensure Well-Maintained and Secure Homes for Renters” in Action 7 and a commitment to “Support Toronto Community Housing Corporation and its Residents” in Action 8. Underlying these priorities is a call to “Improve Accountability and Transparency in Delivery of Housing Services to Residents,” as expressed in Action 12.⁵²

Many of these initiatives, including the RentSafeTO property standards program and the Tower Renewal initiative, have been explored in a previous [Rights Review on Safety and Maintenance](#) developed by the Right to Housing Toronto coalition.

The following review of City of Toronto programs and policies that protect affordable housing adds to past Rights Reviews. It provides an in-depth analysis of matters pertaining to regulation, financing, and collaboration. Some issues that have already been touched upon in prior Rights Reviews, such as multi-tenant housing, acquisitions, and renovictions, are revisited once again, with more nuanced analysis of their role in the preservation of affordable housing. Other matters, such as replacement policies and the complex portfolio of Toronto’s social housing stock, are also considered in depth.

Preservation Through Regulations

Demolitions and Rental Replacement Policy

Over the past few decades, rapid development pressures have caused the demolition and redevelopment of some of Toronto’s older rental stock. To minimize the loss of these much-needed rental units during the redevelopment process, the City adopted Policy 3.1.2.6 as part of the Official Plan in 2006. The policy specified that for any building with six or more rental units undergoing redevelopment, the new development should offer the same number of “replacement” rental units.⁵³ The size and type of the new rental units should also be similar, while the rents should remain the same if the initial rents were equal to or less than what the City defines as “mid-range.” These rent restrictions would be applied for ten years.⁵⁴

51 City of Toronto. *HousingTO 2020-2030 Action Plan*, 2020, <https://www.toronto.ca/wp-content/uploads/2020/04/94f0-housing-to-2020-2030-action-plan-housing-secretariat.pdf>

52 Ibid.

53 City of Toronto. *Official Plan, Chapter 3*, <https://www.toronto.ca/wp-content/uploads/2017/11/981f-cp-official-plan-chapter-3.pdf>

54 City of Toronto. *Final Recommendations Report: Official Plan Amendment – Policies to Address the Loss of Dwelling Rooms* (Submission to Housing & Planning Committee), May 21, 2019, <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-133413.pdf>

The City draws its authority on implementing policies pertaining to the demolition and conversion of residential properties from Chapter 111 of the City of Toronto Act, 2006.⁵⁵ This law also restricts the application of demolition controls to buildings with six or more rental units. In addition, specific procedures associated with redevelopment, including the requirement that developers secure the appropriate permit before proceeding with redevelopment, were introduced in 2007 in Chapter 667 of the Toronto Municipal Code.⁵⁶ A related Tenant Relocation and Assistance plan articulates the rights of tenants affected by redevelopment, including the notice periods to vacate, and the possibility for them to return and live in the same or a different unit in the same building at the same rent.⁵⁷

Following a report from Ontario's Auditor General in April 2022, Toronto City Council directed staff to report on options for amending the rental replacement policies to include clear expectations for how affordable rental replacement units would be made available to potential renters, in particular lower-income households, how new tenants for these units would be selected, and a process to monitor compliance with these procedures.⁵⁸ In line with the recommendation from the Auditor General, these directives and any resulting amendments aim to strengthen rental replacement policies to target access to affordable rental replacement units on the basis of financial need.⁵⁹

Up until 2017, reporting indicates that 2,256 rental units were secured through this policy, although only 1,146 of these were affordable.⁶⁰ An additional 1000 rental units have since been secured under the policy, although the proportion of rental units that remain affordable after redevelopment is unclear.⁶¹ However, data on the status of redevelopments of buildings with less than six rental units is not available.

55 *City of Toronto Act* 2006, c. 11, Sched A, <https://www.ontario.ca/laws/statute/06c11#BK144>

56 *Toronto Municipal Code Chapter 667, Residential and Rental Property Demolition and Conversion Control*, 2011, https://www.toronto.ca/legdocs/municode/1184_667.pdf

57 City of Toronto. *Housing*. <https://www.toronto.ca/city-government/planning-development/official-plan-guidelines/housing/>

58 *Toronto City Council Agenda Item AU 11.3: Revisiting Legacy Rental Replacement Policies to Align them with the City's Affordable Rental Housing Expectations*, April 6, 2022, <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.AU11.3>

59 City of Toronto Auditor General. *Revisiting Legacy Rental Replacement Policies to Align them with the City's Affordable Rental Housing Expectations* (Submission to the Audit Committee), February 17, 2022, <https://www.toronto.ca/legdocs/mmis/2022/au/bgrd/backgroundfile-222088.pdf>

60 City of Toronto. *Final Recommendations Report: Official Plan Amendment – Policies to Address the Loss of Dwelling Rooms* (Submission to Housing & Planning Committee), May 21, 2019, <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-133413.pdf>

61 Julie Mah. "Evictions in Toronto: Governance Challenges and the Need for Intergovernmental Cooperation," *IMFG Perspectives*, 32, 2021, https://tspace.library.utoronto.ca/bitstream/1807/107632/1/imfgperspectives_no32_evictionsintoronto_juliemah_october_7_2021.pdf

Preserving Multi-tenant Houses

Over the years, the City of Toronto has explored numerous approaches to preserving its stock of multi-tenant houses, a form of housing consisting of multiple rooms leased out individually to tenants, with a shared kitchen and/or washroom. For example, in 2019, the Official Plan expanded the wording of its policy on rental replacements from applying to 'dwelling *units*', which refers to self-contained units that may have multiple rooms, to include 'dwelling *rooms*' as well. In doing so, the City extended the coverage of the policy to multi-tenant buildings, which tend to be smaller homes with less than six units.⁶²

However, the policy still cannot be operationalized through codification in a bylaw because the City of Toronto Act restricts the City from applying such development controls to buildings with fewer than six units. City Council has taken note and requested the province to amend Section 111(3) of the City of Toronto Act to empower the City to target and protect dwelling *rooms*, in line with the parameters of the rental replacement policy.⁶³ The changes have yet to be considered. In fact, the changes to the Official Plan were also appealed at the Ontario Lands Tribunal (OLT). However, it is now in full force across the city with some site-specific exceptions.⁶⁴

The City has also deliberated extensively over introducing a regulatory framework that would legalize all multi-tenant houses across Toronto.⁶⁵ As detailed in the [Safety and Maintenance Rights Review](#), protecting these buildings under the current property standards regime failed when City Council deferred the matter last year. Legalizing and regulating multi-tenant houses holds the potential to protect residents, particularly because of new oversight mechanisms that would ensure homes are well maintained and safe to live in. It also protects this affordable housing stock from demolition.⁶⁶

Renovictions and Tenant Protections

The City has also enacted measures to more proactively prevent the displacement of low-income residents. These measures have been implemented in response to predatory behaviour by landlords seeking higher returns on their investments. For example, some landlords are using provincial exemptions to undertake cosmetic upgrades and apply above-guideline rent increases, leading to bad-faith

62 City of Toronto. *Final Recommendations Report: Official Plan Amendment – Policies to Address the Loss of Dwelling Rooms* (Submission to Housing & Planning Committee), May 21, 2019, <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-133413.pdf>

63 *Toronto City Council Agenda Item PH6.1: Official Plan Amendment – Policies to Address the Loss of Dwelling Rooms: Final Recommendation Report*, June 18, 2019, <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PH6.1>

64 City of Toronto. *Addressing the Loss of Dwelling Rooms*, 2021, <https://www.toronto.ca/city-government/planning-development/planning-studies-initiatives/addressing-the-loss-of-dwelling-rooms/>

65 City of Toronto. *Regulatory & Compliance Framework for Multi-Tenant (Rooming) Houses Across Toronto*, 2021, <https://www.toronto.ca/community-people/get-involved/public-consultations/multi-tenant-rooming-house-review/>

66 [Safety and Maintenance Rights Review - Right to Housing Toronto \(right2housingto.ca\)](#)

“renovictions”, while many tenants are unaware of their rights and obligations in this context. Other landlords often claim that they want their units back for personal use, while in reality the units are leased out again at a higher rent after the original tenant has left.

[The Rights Review on Safety and Maintenance](#) developed by the Right to Housing Coalition documented some of the measures undertaken by the City. For example, the City has strengthened the Tenant Defense Fund to support tenants with legal resources to fight suspected cases of renovictions.

Recently, City Council also adopted a policy framework that will help guide the development of a new bylaw to deter renovictions in Toronto.⁶⁷ The new by-law will require that all landlords obtain a building permit before proceeding with renovations, and that they provide a copy of the City’s Tenant Eviction Prevention Handbook to tenants when signing a lease for a unit and when they are in the process of vacating a possession to renovate a unit. Landlords of rental properties will also be required to prominently display a notice in a property when an application for a building permit has been made to ensure tenants are made aware of the developments.⁶⁸

The strategy is rooted in an “education-first” approach that would promote voluntary compliance.⁶⁹ Council has instructed City staff to report back to the Planning and Housing committee by the second quarter of 2023 on a detailed implementation plan of the regulatory by-law, including more details on compliance and enforcement. It has also requested staff to explore ways to strengthen the by-law through investigating whether right of return provisions can be incorporated along with requirements for landlords “to provide rental top-up payments and pay for moving costs and other support to help tenants to find a nearby unit.”⁷⁰

A Housing at Risk Table (HART) will also be set up to coordinate actions related to mitigating the loss of affordable and mid-range rental housing, as well as to help tenants who may be facing evictions.⁷¹ HART will be led by the Housing Secretariat and will consist of many other city divisions with possible input sought from external stakeholders to implement the renoviction policy. The mechanism will help address data gaps and recommend ways to strengthen the policy as it is developed and implemented over time.⁷²

Along with the policy framework, Council also made a wide variety of recommendations to the prov-

67 *Toronto City Council Agenda Item PH35.18 – Creating a Framework to Protect Affordable and Mid-Range Rental Homes and Deter Renovictions*, July 19, 2022, <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PH35.18>

68 City of Toronto. *Renoviction Policy*, 2022, <https://www.toronto.ca/legdocs/mmis/2022/ph/bgrd/backgroundfile-227761.pdf>

69 Ibid.

70 *Toronto City Council Agenda Item PH35.18 – Creating a Framework to Protect Affordable and Mid-Range Rental Homes and Deter Renovictions*, July 19, 2022, <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PH35.18>

71 City of Toronto. *Housing At-Risk Table Framework*, 2022, <https://www.toronto.ca/legdocs/mmis/2022/ph/bgrd/backgroundfile-227759.pdf>

72 Ibid.

ince to strengthen rental laws and related measures as a way to complement the City's efforts to protect affordable and mid-range rental housing units. Recommendations ranged from reintroducing rent control to cover units occupied after November 15, 2018, to introducing a vacancy control law which would tie rents to residential units instead of tenants.⁷³

Preservation Through Managing Public Housing

Toronto Community Housing Corporation - Organizational Reform, Capital Repairs, Revitalization and Sell Offs

Toronto Community Housing Corporation (TCHC) was formed in 2001, merging two former social housing providers after the City amalgamated.⁷⁴ With the transfer of social housing administration responsibilities from the provincial to municipal level during this period, TCHC acquired a stock of approximately 60,000 units that were made up of high to mid-rise apartments along with townhouses and walk-ups. Altogether, these units continue to service a wide mix of households including families, seniors, newcomers, and people with disabilities. The majority of the units are RGI, offering deeply affordable housing options to low-income families. Below market rent units provide alternative affordable rental options in addition to market rent units which are starting to constitute a larger share of TCHC's housing stock.⁷⁵

Many of the buildings date back to the post-war construction boom, while several of the smaller houses are even older. Over the years, many tenants have expressed dissatisfaction over living conditions, crime and safety, lack of employment opportunities and "ghettoization" or concentration of poverty in some TCHC projects. Large projects such as Regent Park have historically been the source of much attention for creating "slum" like living conditions where access to and quality of basic amenities and the structural integrity of the units have been sub-standard.⁷⁶

In part, the struggles with adequate living conditions are the result of the many financial and structural pressures faced by TCHC. For example, TCHC has long struggled to come up with funding to sustainably manage the buildings because of their age, diversity, increasing subsidy costs to maintain deeply afford-

73 Toronto City Council Agenda Item PH35.18 – Creating a Framework to Protect Affordable and Mid-Range Rental Homes and Deter Renovictions, July 19, 2022, <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PH35.18>

74 Standard & Poor's Rating Services. *Fully Analysis: Toronto Community Housing Corp*, 2014, <https://www.torontohousing.ca/transparency/financial-reporting/Documents/FA%20Toronto%20Community%20Housing%20Corp.03-Mar-2014.pdf>

75 Ibid.

76 Shauna Brail & Nishi Kumar. "Community leadership and engagement after the mix: The transformation of Toronto's Regent Park," *Urban Studies*, pp 1 –17, 2017, <http://neighbourhoodchange.ca/documents/2017/01/transformation-toronto-regent-park.pdf>

able units, and the size of the portfolio.⁷⁷ In addition, TCHC's governance structure and management approaches have routinely been critiqued, most notably by the City's Ombudsman, who highlighted a lack of accountability and disregard for tenant needs.⁷⁸

Nonetheless, TCHC has attempted to respond adaptively over time to the myriad challenges associated with the effective preservation of its deeply affordable housing stock. TCHC holds periodic consultations, responds to Council and City staff recommendations, and is subject to independent review. In this regard, TCHC has prioritized identifying new revenue generating models to fund capital repairs and operations, for example, through revitalizing larger properties by inducing private investments and either selling off smaller properties in the private market or transferring properties to non-profit housing providers.⁷⁹

While all these efforts have been moving in fits and starts since the early 2000s, a City report in 2015 recommending governance reforms has added some momentum to the transformations. As per the report's recommendations, the Corporation is restructuring to specialize in asset management practices such as overseeing revitalization, while other non-profits with niche expertise are in the process of taking on projects such as supportive housing to provide more dedicated care to residents with specialized needs.⁸⁰

Revitalization

Beginning in 2005, TCHC embarked on large scale efforts to demolish and redevelop larger public housing projects with the aim of inducing more private capital investment in the construction and management of the City's social housing stock, in light of significant funding gaps. Under this model, older public housing projects would be demolished and redeveloped to house a combination of RGI and affordable units, along with market rate options. The profits from the latter would be expected to fund a significant portion of the operations of the traditional social housing functions.⁸¹

The first major revitalization project began at Regent Park, which historically housed low-income residents, and at the time the project began, was comprised of largely racialized communities. Evidence

77 City of Toronto. *Transformative Change for TCHC: A Report from the Mayor's Task Force on Toronto Community Housing*, January 26, 2016, <https://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-88607.pdf>

78 Fiona Crean. *Unrule(y) Behaviour: An Investigation into Toronto Community Housing Corporation's Human Resources Policies and Practices* (Office of the Ombudsman, 2014), <https://www.toronto.ca/legdocs/mmis/2014/cc/bgrd/backgroundfile-68891.pdf>

79 *Toronto City Council Agenda Item Ex 16.11: Tenants First – A Way Forward for Toronto Community Housing and Social Housing in Toronto*, July 12, 2016, <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.11>

80 City of Toronto. *Transformative Change for TCHC: A Report from the Mayor's Task Force on Toronto Community Housing*, January 26, 2016, <https://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-88607.pdf>

81 Toronto Community Housing. *Capital Initiatives: Revitalization*, <https://www.torontohousing.ca/capital-initiatives/revitalization>

and testimony from residents throughout the 1990's suggested that residents of Regent Park fared worse in terms of employment opportunities and educational outcomes relative to the city's population at large. In this context, the City of Toronto sought a cost-effective and holistic approach to revitalize the community, while maintaining its affordable housing supply.⁸² This process was initiated through a partnership between TCHC and a private developer, Daniels Corporation. The revitalization project is being implemented in five phases, with the projected conclusion date to be in 2030. All of the approximately 2,000 RGI units are set to be demolished and replaced over these phases, while 5,400 new market rent units will be added.⁸³

Residents affected by redevelopment are usually relocated and have the right to return once a replacement unit is available, although there are conditions and caveats in place. For example, there is "no guarantee" of a return option if a household's income increases above RGI cut-offs during the period of reconstruction.⁸⁴ In addition, while it is TCHC's responsibility to find alternative accommodation in the meantime, they have struggled to do so because of limited available units. Plus, some residents who have moved have expressed concerns about the disorientation and negative social outcomes associated with loss of community and struggles associated with fitting into a new community.⁸⁵

The process of consultations and attempts to incorporate social and economic factors into the revitalization process has generated a somewhat integrated approach to planning and development. For example, to mitigate the risks of too many expensive stores replacing affordable options on account of gentrification, more culturally adequate stores have been facilitated to open. Regent Park's urban design is also being refined, most recently in creating more lanes to enhance active transportation and walkability, which in turn is expected to foster a sense of community. Various partners are also supporting the initiative to help tenants with employment opportunities and younger residents with mentoring and other supports to increase graduation rates and enrollment into universities.⁸⁶

Today, the fourth phase of development is about to begin. The private developer, Tridel, has taken over the concluding phases. About 56% of residents who were relocated have returned. However, the remainder of developments continue to experience cost overruns and delays.⁸⁷

82 Shauna Brail & Nishi Kumar. "Community leadership and engagement after the mix: The transformation of Toronto's Regent Park," *Urban Studies*, pp 1 –17, 2017, <http://neighbourhoodchange.ca/documents/2017/01/transformation-toronto-regent-park.pdf>

83 Toronto Community Housing. *Capital Initiatives: Regent Park*. <https://www.torontohousing.ca/capital-initiatives/revitalization/Regent-Park/Pages/default.aspx>

84 Metcalf Foundation. *Regent Park: A Progress Report*, December 2021, <https://metcalfoundation.com/wp-content/uploads/2022/02/Regent-Park-2022-ONLINE-metcalf.pdf>

85 Ibid; Zoe McKnight. "Regent Park residents find relocation unfair," *Toronto Star* May 3, 2014, https://www.thestar.com/news/gta/2014/05/03/regent_park_residents_find_relocation_unfair.html

86 Toronto Community Housing. *Capital Initiatives: Regent Park*. <https://www.torontohousing.ca/capital-initiatives/revitalization/Regent-Park/Pages/default.aspx>

87 Metcalf Foundation. *Regent Park: A Progress Report*, December 2021, <https://metcalfoundation.com/wp-content/uploads/2022/02/Regent-Park-2022-ONLINE-metcalf.pdf>

Over the years, the project has received both praise for the quality of design and consultative development⁸⁸ process, and skepticism over the assumption that the introduction of mixed-income housing will alleviate some of the negative socio-economic effects associated with poverty and systemic discrimination.⁸⁹

Notably, TCHC is in the process of undertaking similar large-scale revitalization projects in other properties including Alexandra Park, Allenbury Garden and Lawrence Heights, and a similar initiative is planned in Don Summerville.⁹⁰

Permanent Funding for Capital Repairs and Operations

As a result of the decrease in provincial funding and the transfer of responsibilities to municipalities, TCHC has acquired a backlog of capital repairs amounting to about \$3.1 billion over the course of the past two decades.⁹¹ Until recently, the City's primary strategy to make up funding gaps was through time-limited initiatives such as refinancing from Infrastructure Ontario.⁹² Notably, around 100 stand-alone properties were sold off to continue funding some of the much-needed repairs in many TCHC buildings. The sales were determined based on whether the properties were financially unviable to maintain, or whether they were unoccupied. In fact, more of these properties are expected to be listed.⁹³ Proceeds from revitalization also contributed to addressing funding shortages. However, these approaches made a small dent in filling the funding gap. The backlog persisted as government funding remained inadequate, exacerbated by uncertainties over operating costs.

Responding to this challenge and the continued risks of more affordable houses being lost, City Council passed "Implementing Tenants First: A New Funding Model for Toronto Community Housing" in November 2019. Effectively, the City committed to using portions of its tax base to fund TCHC operations, and to debt finance capital repairs, all of which is based on calculations that TCHC will be provided with subsidies that amount to about 75% of average market rents.⁹⁴ The total budget for operations is about \$6.25 million this year and in line with past years, the amounts are going to come from the City tax

88 Alex Bozikovic. "Can social housing in Regent Park set the bar for an urban neighbourhood?" *The Globe and Mail* January 10, 2022, <https://www.theglobeandmail.com/arts/art-and-architecture/article-can-social-housing-in-regent-park-set-the-bar-for-an-urban/>

89 Martine August. *Speculating Social Housing: Mixed-Income Public Housing Redevelopment in Toronto's Regent Park and Don Mount Court* (Thesis - University of Toronto), 2014, <https://tspace.library.utoronto.ca/handle/1807/94533>

90 Toronto Community Housing. *Capital Initiatives: Revitalization*, <https://www.torontohousing.ca/capital-initiatives/revitalization>

91 City of Toronto. *HousingTO 2020-2030 Action Plan Implementation Plan*, September 2020, <https://www.toronto.ca/legdocs/mmis/2020/ph/bgrd/backgroundfile-156646.pdf>

92 Toronto Community Housing. *Capital Initiatives: State of Good Repair Loan Fund*, <https://www.torontohousing.ca/capital-initiatives/capital-repairs/Pages/State-of-good-repair-loan-fund.aspx>

93 Ibid.

94 City of Toronto. "Council approves historic new funding model for Toronto Community Housing" (News Release), November 26, 2019, <https://www.toronto.ca/news/council-approves-historic-new-funding-model-for-toronto-community-housing/>

base along with revenues generated from rents.⁹⁵ In addition, the City will allocate \$160 million annually over the course of the next decade through debt financing (borrowing) to make up for the backlog in capital repairs. Much of the remaining shortfalls have been made up by federal intervention through the National Co-Investment Fund.

In addition, to measure the degree to which its portfolio of properties is in an overall state of good repair, TCHC has started to use a Facility Condition Index.⁹⁶ If the portfolio is collectively in a satisfactory state of good repair, the proportion of buildings with components that are reaching the end of their useful life should be 10% or less. Based on this current funding model, TCHC expects the target to be reached by 2026. While these new arrangements have provided significant relief to help preserve this deeply affordable housing stock, funding is still needed for new developments, especially from 2026 onwards.⁹⁷

Transfer of TCHC Properties to Non-Profit Housing Providers

In 2018, the City of Toronto finalized a plan to transfer TCHC's portfolio of scattered, stand-alone homes to a mix of non-profit housing providers instead of selling them off in the private market as they had done earlier. Specifically, the "Tenant First Initiative" recommended that the board transfer ownership and operation of many of the Corporation's "Agency and Rooming Houses", which usually served people experiencing chronic homelessness, to qualified non-profit housing operators. In addition, TCHC was asked to look for other community land trusts, non-profit housing providers and co-operatives that could acquire the remaining balance and continue to serve tenants effectively, including through appropriate maintenance strategies.⁹⁸

The transfer process is ongoing. Circle Community Land Trust and Neighbourhood Land Trust were selected by Council in October 2020 to acquire the new properties, while subsequent administrative matters, such as due diligence, have recently concluded. Further engagements unfolded in May and June 2022 to acquaint tenants with the new arrangements, all of whom are expected to remain housed with the same subsidy arrangements in place. It remains an open question whether tenants will experience an improved quality of life on account of the transfers.⁹⁹

95 City of Toronto. *2022 Budget Notes: Toronto Community Housing Corporation, 2022*, <https://www.toronto.ca/legdocs/mmis/2022/bu/bgrd/backgroundfile-175025.pdf>

96 Ibid.

97 Ibid.

98 City of Toronto. *Implementing Tenant First: TCHC Scattered Portfolio Plan and an Interim Selection Process for Tenant Directors on the TCHC Board* (Submission to Executive Committee), January 12, 2018, <https://www.toronto.ca/legdocs/mmis/2018/ex/bgrd/backgroundfile-110702.pdf>

99 Toronto Community Housing. *Transferring the Scattered Housing Portfolio*, <https://www.torontohousing.ca/residents/Tenants-First/Pages/Scattered-housing.aspx>

Other Initiatives to Preserve Affordable and Deeply Affordable Housing Options

Community Housing Partnership Renewal Program

In 2019, the City of Toronto came up with an initiative to mitigate the risk of non-profit housing providers withdrawing from their commitments to provide affordable housing after operating agreements between federal governments and the City expire. The City recognized the possibility of these buildings being sold off, and while replacement policies would maintain the existing stock of rental units, after a certain period, the rents could be raised to levels that would not be affordable for its long-term residents.

After agreements covering 5,000 units expired, the Community Housing Partnership Renewal Program was conceived to slow down the rate of exit among providers bound by agreements that have not yet expired. The program hinges upon updates made to the Municipal Housing Facility Bylaw, where the City can offer property tax exemptions to incentivize the non-profit housing providers to enter into new agreements and continue to provide below market rents. Four housing providers covering 360 rental units have since entered into 20-year agreements.¹⁰⁰

Multi-Unit Residential Acquisition Program

Our [Rights Review on Increasing Rental Stock](#) explored how programs such as Open Doors and Housing Now are leveraging City resources to support non-profit housing providers in building new affordable housing. It also took a brief look at the Multi-Unit Residential Acquisition (MURA) program, a strategy that warrants repeated attention given its potential to preserve deeply affordable housing stock. The MURA program received Council approval in November 2021, empowering the City to acquire private market rental units that are at risk of being sold or redeveloped – both outcomes that would challenge their affordability for lower income residents. In the absence of a sound regulatory regime governing multi-tenant houses, this program is designed to provide the City with a mechanism to acquire such units, along with aging apartment buildings with 60 or less units.¹⁰¹

In the 2022 budget, \$20 million in grants was approved to help fund non-profit and Indigenous housing

100 City of Toronto. *Community Housing Partnership Renewal Program* (Submission to Planning & Housing Committee), November 26, 2019, <https://www.toronto.ca/legdocs/mmis/2019/ph/bgrd/backgroundfile-140657.pdf>

101 City of Toronto. *New Multi-Unit Residential Acquisition (MURA) Program to Protect Existing Affordable Rental Homes* (Submission to the Planning & Housing Committee), October 14, 2021, <https://www.toronto.ca/legdocs/mmis/2021/ph/bgrd/backgroundfile-172093.pdf>

organizations that are expected to be instrumental in managing the units or buildings acquired by the City through MURA.¹⁰² This direct form of intervening in protecting affordable housing stock is in line with similar approaches being explored in cities such as Berlin¹⁰³ and Barcelona.¹⁰⁴

Preserving Rentals for Moderate Income Earners

Regulating Short-term Rentals

With the advent of online platforms promoting short-term rentals such as Airbnb, many commercialized landlords have been incentivized to lease out units on a short-term basis for higher profits, in turn reducing long-term rental housing stock.

City Council recently took note of this trend and introduced bylaws, which came into full effect in January 2021, to prohibit commercialized landlords from renting out investment properties on short-term leasing platforms. The new bylaw requires both the platforms and operators renting units on a short-term basis, defined as up to 28 days, to register with the City's Municipal Licensing and Standards Department to keep operating.¹⁰⁵ Only those renting out their primary residence (i.e. homes that they are already living in) are permitted under the new licensing regime. This means that, under these regulations, landlords cannot use investment properties/units that are not their primary residence as short-term rentals. Annual registration fees stand at \$50 for operators. In addition, a 4% Municipal Accommodation Tax on these properties was introduced, intended as an additional disincentive.

Shortly after the bylaw was introduced, City Council also introduced regulations prohibiting the advertising of unregistered properties on online platforms, placing the onus for compliance on short-term rental platforms. The City's Open Data portal offers a useful resource for these companies to verify whether operators who are advertising are registered.¹⁰⁶

The City has since responded to 665 complaints and issued 50 charges for non-compliance. The City noted that while it noticed some short-term rentals slowly shifting into the long-term rental market,

102 City of Toronto. *Budget Note 2022: Shelter, Support and Housing Administration*, 2022, <https://www.toronto.ca/legdocs/mmis/2022/bu/bgrd/backgroundfile-175007.pdf>

103 Camille Squires. "Berliners just voted to seize housing from big corporate landlords," *Quartz* September 28, 2021, <https://qz.com/2065655/berliners-voted-to-seize-housing-from-big-corporate-landlords/>

104 Feargus O'Sullivan. "Barcelona's Latest Affordable Housing Tool: Seize Empty Apartments," *Bloomberg* July 16, 2020, <https://www.bloomberg.com/news/articles/2020-07-16/to-fill-vacant-units-barcelona-seizes-apartments>

105 *Toronto Municipal Code Chapter 547: Licensing and Registration of Short-Term Rentals* 2021, <https://www.toronto.ca/legdocs/municode/toronto-code-547.pdf>

106 *Toronto City Council Agenda Item PH 24.2: Short-term Rental Updates and Exploring their Conversion to Longer-term Housing* July 14, 2021, <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.PH24.2>

more work is needed to bring operators in compliance with the new regulations.¹⁰⁷

107 City of Toronto. *HousingTO 2020-2030 Action Plan: 2020-2021 Progress Update* November 2021, <https://www.toronto.ca/legdocs/mmis/2021/ph/bgrd/backgroundfile-173154.pdf>

4

Reports from the Ground

Intergovernmental Dynamics

Conversations with housing advocates and analysis of the City’s preservation efforts suggest that in many ways the City’s initiatives are directed at managing the fallout from gaps in provincial housing laws and regulations, along with making up for funding shortfalls by higher orders of government. The neglect by higher orders of government is felt most acutely at the city level.¹⁰⁸

Take provincial laws to start with. A combination of vacancy decontrol laws and exemptions to restrictions on above-guideline rent increases (AGIs) allow landlords to skirt rent regulations, leading to increased cases of bad faith evictions and renovictions.¹⁰⁹ The provincial Landlord and Tenant Board (LTB) offers a mechanism for dispute resolution between tenants and landlords. However, tenants are often uninformed about their legal rights and vulnerable to the tactics of financialized landlords who have ample resources to pursue their interests. Recent issues with reduced access to justice at the LTB have further pushed low-income renters into an increasingly vulnerable position. In the absence of effective provincial regulations, the City must explore what is possible within its limited jurisdiction to enact measures that more proactively support tenants and protect Toronto’s affordable housing stock.¹¹⁰

However, provincial provisions often constrain municipal authorities so that they cannot effectively respond to the impacts of provincial housing legislation and regulation. For example, as the City attempts to fully leverage its powers over the building permitting process to deter renovictions, provincial Building Codes may restrict the application of this lever and preclude it from being used to regulate tenure related issues affecting tenants, such as requiring that landlords provide relocation or compensation plans in the event of renovations.¹¹¹

Similarly, provincial legislation restricts the City’s authority to mandate replacement units in the event of demolition and conversion to buildings with six or more units. As mentioned, the definition also only covers self-contained units as opposed to dwelling rooms, the latter of which could be a useful way of protecting multi-tenant houses from demolition.¹¹²

Strikingly, as discussed in the [Rights Review on Increasing Rental Supply](#) developed by the Right to

108 Julie Mah. “Evictions in Toronto: Governance Challenges and the Need for Intergovernmental Cooperation,” *IMFG Perspectives*, 32, 2021, https://tspace.library.utoronto.ca/bitstream/1807/107632/1/imfgperspectives_no32_evictionsintoronto_juliemah_october_7_2021.pdf

109 Centre for Equality Rights in Accommodation. “Everything you need to know about the ‘Protecting Renters from Illegal Evictions’ Act,” (Blog) November 13, 2020, <https://www.equalityrights.org/cera-blog/everything-about-protecting-renters-from-illegal-evictions-act>

110 *Subcommittee on the Protection of Affordable Rental Housing Agenda Item RH5.3: Actions to Address Renovictions in Toronto* June 14, 2021, <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.RH5.3>

111 Julie Mah. “Evictions in Toronto: Governance Challenges and the Need for Intergovernmental Cooperation,” *IMFG Perspectives*, 32, 2021, https://tspace.library.utoronto.ca/bitstream/1807/107632/1/imfgperspectives_no32_evictionsintoronto_juliemah_october_7_2021.pdf

112 *City of Toronto Act 2006*, c. 11, Sched A, <https://www.ontario.ca/laws/statute/06c11#BK144>

Housing Toronto coalition, much of the financial burden of housing lies with the City. This pressure has lasted for almost 20 years, since the province transferred ownership of social housing to the City of Toronto, exacerbated by the subsequent, gradual decline in provincial and federal funding since 2007. For example, even as the federal government has stepped up funding commitments in areas such as capital repairs, the City still projects that federal commitments to support operating agreements with non-profit housing providers are not sufficient. Instead, a shortfall of almost \$80 million is expected over the coming years. To add to this, provincial laws restrict the revenue raising powers of municipalities to few sources such as the property tax.¹¹³

Despite these constraints, the City has committed to funding TCHC's operations and maintenance over the long term. It is seeing some results of newly introduced property tax exemptions in inducing non-profit housing providers to remain in the market.¹¹⁴ Notably, the City of Toronto has taken a decisive approach to intervening in a financialized market by regulating short term rentals, moving forward with a renoviction policy, and protecting at-risk private rentals through its new acquisition program.¹¹⁵

These innovative initiatives are also playing out at a time when Toronto is yet to recover from the impacts of the COVID-19 pandemic. For example, TCHC is short of approximately \$13 million on account of rent arrears accrued over the last year.¹¹⁶ Limited revenue from public transit has further strained municipal budgets. While higher orders of government have made up some of the gaps on an annual basis, driven by the need to respond to the pandemic emergency, the City continues to face underlying structural deficiencies in funding commitments. This explains, for example, the limitations on hiring more enforcement officers to make RentSafeTO work more effectively.

Continued neglect from higher orders of government has also resulted in rising cases of homelessness including deaths in shelters, the trends of which have gone up exponentially over the course of the pandemic.¹¹⁷ Here too, the City is left with providing emergency housing that costs significantly more than making collaborative investments in long-term, permanent housing solutions.

113 City of Toronto. *2018 Issue Briefing: Affordable Housing – Housing Affordability, Availability & Repair*, 2018, <https://www.toronto.ca/city-government/council/2018-council-issue-notes/housing-affordability-availability-repair/>

114 City of Toronto. *Implementation of the Community Housing Partnership Renewal Program – Authority to Enter into Municipal Housing Facility Agreements* (Submission to Planning & Housing Committee), October 5, 2020, <https://www.toronto.ca/legdocs/mmis/2020/ph/bgrd/backgroundfile-157266.pdf>

115 City of Toronto. *New Multi Unit Residential Acquisition (MURA) Program to Protect Existing Affordable Rental Homes* (Submission to Planning & Housing Committee), October 14, 2021, <https://www.toronto.ca/legdocs/mmis/2021/ph/bgrd/backgroundfile-172093.pdf>

116 City of Toronto. *2022 Budget Notes: Toronto Community Housing Corporation 2022*, <https://www.toronto.ca/legdocs/mmis/2022/bu/bgrd/backgroundfile-175025.pdf>

117 City of Toronto. *Death of Shelter Residents 2022*, <https://www.toronto.ca/city-government/data-research-maps/research-reports/housing-and-homelessness-research-and-reports/deaths-of-shelter-residents/>

Regulatory Gaps at the Municipal Level

Multi-tenant Houses

Notwithstanding constraints imposed at the provincial level, the City has also fallen short in some respects in making full use of its powers. Notably, a regulatory regime that would legalize all multi-tenant houses through licensing would be a significant contribution to protecting Toronto's deeply affordable housing stock. While City Council voted to defer the proposal, a decision largely influenced by misperceptions held by many well mobilized residents, it remains possible that the by-law will be passed this year.

It is important to note that the current patchwork of regulations around multi-tenant houses results from the fact that this form of housing was illegal in some previously independent municipalities, which became part of the City of Toronto with amalgamation.¹¹⁸ However, the existence of multi-tenant houses in these jurisdictions remains widespread. In this context, the current regulatory inconsistencies can be considered a form of exclusionary zoning, which the Ontario Human Rights Commission (OHRC) has deemed discriminatory. Indeed, a provincially constituted taskforce commissioned to explore strategies to create affordable housing recognized the value of multi-tenant houses in providing affordable housing options. The report recommended that the province permit multi-tenant houses to operate as-of-right, without the need for zoning amendments, and implicitly argued for legality in areas where they continue to be banned.¹¹⁹

Rental Replacement Policy

A recently released report by the City's Auditor General found that the Rental Replacement Policy consisted of significant design flaws that may compromise the intent of the policy. It also noted that the policy is not in line with the City's strategic orientation towards being more proactive about preserving affordable housing options, as laid out in its HousingTO 2020-2030 Action Plan.¹²⁰

In particular, the report found that there is a lack of clarity over how replacement units are marketed

118 Philippa Campsie. *What We Talk About When We Talk About Rooming Houses: Regulation in Canada, 2000-2018* (Research Paper 244, Neighbourhood Change Research Partnership, 2018), <http://neighbourhoodchange.ca/documents/2018/10/campsie-2018-talking-about-rooming-houses-canada.pdf>

119 *Report of the Ontario Housing Affordability Task Force 2022*, <https://files.ontario.ca/mmah-housing-affordability-task-force-report-en-2022-02-07-v2.pdf>

120 Toronto Auditor General. *Revisiting Legacy Rental Replacement Policies to Align them with the City's Affordable Rental Housing Expectations: An Audit of Affordable Rental Replacement Units* February 17, 2022, <https://www.toronto.ca/legdocs/mmis/2022/au/bgrd/backgroundfile-222089.pdf>

once they become available. The bylaw requires that a “fair and transparent process” must be in place, but the details of what this exactly means are not articulated. The implication is that many in need of affordable housing may not benefit from the replacement policy as it currently stands, although in April 2022, City staff initiated work on how affordable replacement units could be better targeted to reach households living on lower incomes.

In addition, there are risks associated with poor oversight of the program, rooted in the fact that City Planning is responsible for the general redevelopment process, whereas Social Services and Housing Administration has greater expertise over managing targeted affordable housing program. Indeed, evidence has emerged that the documentation process of sales has not been consistent, leaving gaps in a proper understanding of the beneficiaries of this policy. The report recommended that greater harmonization and clarity over process is required.¹²¹

Tenant Experiences in Social Housing

In light of recommendations from Toronto City Council on restructuring the TCHC, the Corporation has embarked on a decentralization process to become more responsive to community needs. It has done so by forming 88 service hubs that include 159 buildings or communities of buildings. In 2021, the first survey was conducted through these hubs to gauge tenant satisfaction with the quality of their homes.¹²²

When given the choice of rating specific quality indicators as either good, fair, or poor, 35% of tenants who responded to the survey rated the availability of community supports poorly, 25% had a negative review of building maintenance, 21% were dissatisfied with cleanliness, and 23% were not happy with the quality of management. While an average of about 35% rated these indicators positively, the level of dissatisfaction suggests that there is significant room for improvement in engagement, management and maintenance.¹²³ Further investigation is also needed to gauge why residents are dissatisfied.

Transfer of ownership and the disruptions inherent in revitalization processes also come with innumerable uncertainties. Relocation has precipitated a loss of community. For example, some children have struggled to integrate into new schools.¹²⁴ Similar attempts at deconcentrating poverty and promoting socio-economically diverse communities in cities like Chicago have been found to have fostered subtle tensions amongst long-term residents and newer, wealthier owners.¹²⁵ These dynamics are still un-

121 Ibid.

122 City of Toronto. *2022 Budget Notes: Toronto Community Housing Corporation 2022*, <https://www.toronto.ca/legdocs/mmis/2022/bu/bgrd/backgroundfile-175025.pdf>

123 Ibid.

124 Metcalf Foundation. *Regent Park: A Progress Report*, December 2021, <https://metcalfoundation.com/wp-content/uploads/2022/02/Regent-Park-2022-ONLINE-metcalf.pdf>

125 Robert Chaskin and Mark Joseph. “Positive Gentrification, Social Control and the ‘Right to the City’ in Mixed-Income

clear in Toronto as many residents have yet to return to their communities and be rehoused. However, some initial evidence suggests that new residents are not mixing with older tenants who have been rehoused; some have stated that they feel “looked down upon” by newer tenants.¹²⁶ Others who are rehoused have noted challenges with accessing new amenities in redeveloped areas because of linguistic barriers.¹²⁷ At the same time, there is evidence to show that investments in physical and social infrastructure do benefit communities in terms of longer-term health and social outcomes.¹²⁸ These trade-offs need to be investigated so that future investments are targeted in a way that improves tenant satisfaction in a sustainable and comprehensive way.

Communities: Uses and Expectations of Space and Place,” *International Journal of Urban and Regional Research* Vol 37 Issue 2, pp480-502, 2012, <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1468-2427.2012.01158.x>

126 Metcalf Foundation. *Regent Park: A Progress Report*, December 2021, <https://metcalffoundation.com/wp-content/uploads/2022/02/Regent-Park-2022-ONLINE-metcalf.pdf>

127 Urban Land Institute. *Regent Park Case Study*, <https://casestudies.uli.org/regent-park/>

128 Rothman L. *The Role of Community Infrastructure in Building Strong Neighbourhoods* (Strong Neighbourhoods Task Force), 2005, <http://3cities.neighbourhoodchange.ca/files/2011/05/2005-Strong-Nhoods-TF-Role-of-Community-Infrastructure-in-Strong-Nhoods.pdf>



Key Priorities for the City of Toronto

Key Priorities for the City of Toronto

- 1** Legalize multi-tenant houses and create a regulatory framework to protect the affordable housing stock.
- 2** Ensure existing replacement policies and initiatives to prevent renovations are designed to effectively protect and benefit those most in need.
- 3** Explore new revenue raising tools to help the City effectively fund its housing preservation programs.
- 4** Proactively engage with higher orders of government to secure support and alignment with the City's approach to preserving affordable housing.
- 5** Expand outreach and engagement with communities impacted by the housing crisis to better inform policies related to preservation of affordable housing.
- 6** Engage with and leverage the collective strengths of the non-profit housing sector to more effectively preserve affordable housing options in the City.



Recommendations for the City of Toronto

1 Maximize the use of available policy tools to expand protection of all affordable housing options.

PRINCIPLE: The City should consider new policies and review existing policies to ensure they protect affordable housing stock and benefit residents in most need of affordable housing options.

Recommendations for the City of Toronto:

- Establish a unified regulatory regime where multi-tenant houses are permitted in every residential zone, with clear standards to ensure adequacy and safety for all residents.
- End discriminatory restrictions on multi-tenant houses so the safety and well-being of renters is protected, regardless of income or housing type.
- Strengthen the Replacement Policy based on the recommendations of the City of Toronto Auditor General’s report, including strengthening processes and oversight to ensure that lower income tenants’ needs are not neglected in the process.
- Ensure the City’s proposed renoviction by-law is based on a broad interpretation of municipal powers to effectively achieve its intended objective of deterring renovictions.
- Implement a right of first refusal for the City on any sale of existing or potential rental housing and advocate for sufficient funding from higher orders of government to fully realize this right.

2 Direct the City’s maximum available resources to preserve affordable housing.

PRINCIPLE: The City must use all available revenue tools and resources to act with urgency to protect affordable housing for low- to moderate-income renter households.

Recommendations for the City of Toronto:

- Explore other dedicated funds, such as committing an annual portion of reserve funds to support continuation of operating agreements with non-profit housing providers.

- Introduce new revenue tools, such as those explored in the [Rights Review on Increasing Supply](#), to draw on more funding to build capacity for enforcing property standards and continue funding housing programs.
- Continue to invest in social infrastructure such as educational and employment opportunities to ensure an integrated approach to preservation is in place.
- Increase funding of available incentives for landlords to keep investing in affordable stock, as opposed to demolishing and/or selling off this housing stock.
- Invest in resources to better monitor and enforce the new short-term rental regulation.

3 Improve collaboration between all service and housing providers.

PRINCIPLE: The City should leverage all available avenues to facilitate collaboration between the various service and housing providers involved in the provision of affordable rental housing and access to justice for renters.

Recommendations for the City of Toronto:

- Create platforms to convene the City's 230 non-profit and cooperative housing providers on a regular basis to share best practices, pool resources more effectively, aggregate data, and better align on outcomes.
- Promote cooperation and interaction between private and public housing providers.
- Build the capacity of community legal aid clinics and other service providers to engage with tenants on eviction prevention.

4 Engage with tenants proactively to strengthen existing programs and create new approaches to comprehensively preserving affordable housing.

PRINCIPLE: The City must engage with impacted communities and the full range of stakeholders (i.e. developers, landlords, neighborhood groups, nonprofit organizations) to build shared understanding of the right to housing and create cohesive, inclusive and diverse communities.

Recommendations for the City of Toronto:

- Encourage communities impacted by the housing affordability crisis to engage in civic action to have their voices heard.
- Provide meaningful consultative opportunities for lower-income households, in particular communities directly impacted by housing policies/programs, to be involved in the policy decision-making processes.
- Proactively engage with tenants to include their lived experiences to inform program design and strengthen implementation of complex initiatives such as revitalization projects.
- As explored in our [Rights Review on Safety and Maintenance](#), build the capacity of tenant organizations and facilitate their access to funding and resources, including the Tenant Defense Fund, so that they can advocate for the protection of affordable rental housing.
- Increase awareness of tenants, landlords and other stakeholders on their legal rights and responsibilities.

5 Advocate for evidence-based policies and investments by higher orders of government to strengthen efforts to preserve affordable housing.

PRINCIPLE: The City should leverage all available avenues to reconcile policy objectives and encourage cooperation between different orders of government to preserve affordable rental housing stock.

Recommendations for the City of Toronto:

- Advocate for the creation of a platform that convenes all levels of government to discuss housing challenges/priorities and articulate collective actions, including regulatory and legislative harmonization, data collection, and funding stabilization.
- Advocate for more funding from higher orders of government to help the City's new initiatives such as acquisition of at-risk private rentals.
- Advocate for the immediate development and implementation of an adequately resourced federal and/or provincial acquisition program to protect at-risk affordable rentals.

Protecting the Affordable Rental Housing Stock

RIGHTS REVIEW

Right to
Housing
in Toronto

