NO DEMOVICTIONS

Toronto Rental Replacement Policy

Review and Recommendations

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SUMMARY

This document was created by *No Demovictions*, and makes recommendations to improve the City of Toronto's Rental Replacement by-laws to reduce the harms caused to tenants through demoviction (i.e., tenant eviction for the purposes of rental demolition).

The recommendations in this document draw on the lived experiences of tenants who have been through the demoviction process, from organizers who have worked with tenants going through the demoviction process, and from hundreds of hours of consultation with City Councillors, City Planning staff, and other organizing groups.

The recommendations in this document were developed following a consultation process initiated by the City Planning department, led by Dillon Consulting, which will be reported on to the Planning and Housing Committee in the first quarter of 2025. Meetings took place in-person and virtually on November 12th, November 19th, December 3rd, and December 12th 2024.

This document outlines how the City of Toronto's Rental Replacement by-laws currently fail to adequately support displaced tenants, and in many cases, actively harm them. The 'Recommendations' section is broken into seven sections, each with their own subsections, that outline the issue, a short summary, and proposed solutions.

Every 'Recommendation' made in this document requires the collection of quantitative and qualitative data to ensure that any new measures being implemented are doing what they are intended to do. Policies should not remain static. If the implementation of new measures is not benefitting tenants in the way the policy intended, it should be re-evaluated.

No Demovictions **is a tenant coalition that advocates to reduce the harms caused by demovictions by supporting tenants through education and action, and by advocating for policy and legislative reform.**

THINGS THAT SHOULD WORK

There are many aspects of the current rental replacement policy that ***should work*** in theory, but have not been proven to work through the collection of quantitative or qualitative data. It is fundamental that every item listed below is tracked, enforced, and shared on the City of Toronto website to ensure transparency and guide the further revision of rental replacement policies. The items listed below are an oversimplification of what 'should work', and require the additional nuance that is provided in our 'Recommendations' section.

Tenant Relocation Assistance Plan

- Using CMHC 2015+ data to calculate the rent gap payment should improve the compensation package for tenants (which was implemented following approval at the April 2024 Planning and Housing Committee).
- Toronto has the best rental replacement and tenant assistance plan in the province of Ontario.
- Giving tenants a 6-months N13 notice instead of 4 months (per the *Residential Tenancies Act*) gives tenants more time to find housing during the displacement period in a very difficult rental market.

Replacement of Existing Rental Housing

- The rental units are required to be replaced in the new developments.
- The square footage of the new units is required to be similar to the square footage of the demolished units.
- Tenants should have access to the same amenities in the new building as the condo unit residents.
- Replacement units should remain rent-controlled for returning tenants and future tenants who sign a lease within the first 10 years of the new unit's life.

Rental Replacement Process

- Tenants are informed that their building is going through development.
- Developers are required to allow eligible tenants to return to the new building.
- Section 111 agreements are tied to the land title to protect tenants even when a land is sold to another developer.

THINGS THAT DON'T WORK

The policy is no longer functioning effectively to disincentivize the demolition of the stock of purpose-built affordable rental housing, as evidenced by the dramatic growth in applications over the last few years. The items listed below are based on the lived experiences of tenants who have gone through the demoviction process..

Tenant Relocation Assistance Plan

- Detailed information/City policy regarding the T.R.A.P. is not publicly available to tenants.
- Tenants are forced to bear a large financial burden so that developers are able to make huge profits from demolishing their homes. The current T.R.A.P. only reduces harm, but it could go much further to minimize it.
- The T.R.A.P. does not apply to post-application tenants. This leaves many tenants with no right of return and only 3-months of their current rent as a small financial compensation as per the *Residential Tenancies Act, 2006*, of the province (and 4 months of additional compensation if they are eligible).
- Tenants are not provided ready access to a copy of the S.111 agreement, therefore they do not know what protections they have and are unable to advocate for themselves during the process.
- Vulnerable tenants face more obstacles in securing temporary housing during the displacement period and require more support.
- Leasing agents have not been helpful for tenants in finding affordable temporary housing.

Replacement of Existing Rental Housing

- The tenure of 10 years for rent-control and 20 years as a rental unit needs to be reviewed. If the City is serious about maintaining existing affordable rent-controlled housing, they should remain as such for much longer.
- Once the first tenant moves out of the replacement unit, there is no oversight or enforcement to ensure the affordability requirements are respected. The owner is in a position to rent these replacement units at market rates to subsequent tenants, resulting in a premature and permanent loss of affordable rental housing.
- Amenities such as parking, balconies, and storage units are only replaced if the developer chooses to. The City's current policy does not enforce their replacement in the new building.

- The floor plans from the developers are sometimes unlivable spaces that prioritise a higher number of rental replacement units per floor, instead of prioritising designs that are livable to residents.

Rental Replacement Process

- The consultation process does not constitute meaningful engagement, wherein the outcome is shaped through discussion and negotiation with tenants (i.e., the development application will most certainly be approved as submitted by the developer). Instead, tenants are invited to information-sharing sessions which outline *what will be done to them*.
- Current policy enables land flipping and land speculation as a means for developers to profit without ever building housing.
- There is no transparency for tenants regarding the process.
- Despite negotiations between the City and developers, there are no additional affordable rent-controlled housing units being built (beyond replacement units).
- There is a lack of resources at the City level to better support and consult with tenants.
- Once tenants vacate their homes, the City of Toronto no longer engages with them. Tenants are left in the hands of the developer. This lack of oversight/engagement with tenants to confirm whether or not developers are complying with S.111 requirements puts tenants at risk of further harm and unfair treatment.
- Lack of support for vulnerable tenants, tenants without English language fluency, etc. to understand what's happening and to ensure that they are able to successfully realize their rights and secure their entitlements.
- Tenants are not supported during the moving-back-in process.
- Developers are making demands of tenants prior to lease signing and move in that create significant barriers for tenants to actually secure a replacement unit and move in.

RECOMMENDATIONS

1) DATA COLLECTION AND ACCESS TO INFORMATION

1.1) Tenant Relocation Assistance Plan (T.R.A.P) Information - Transparency and Accessibility

Issue: There is no written or published document by the City of Toronto regarding the Tenant Relocation and Assistance Plan (T.R.A.P.). This lack of information causes confusion and anxiety amongst tenants who do not fully understand their rights and what the process entails.

Presentations given by City Planners often omit important pieces of information and are presented using policy language that isn't easy for everyone to understand (and provided only in English, despite the cultural and linguistic diversity of Toronto's tenant population). Volunteers from *No Demovictions* have taken on the work of writing out the policy, publishing it, and answering tenant questions. This labour should fall under the responsibilities of City Staff, not unpaid volunteers.

A published document would ensure that the limited capacity and time of City Planners is being effectively utilized, rather than answering the same questions again and again. This is a better outcome for all parties.

- **Short Summary:** There is no current resource from the City of Toronto available to tenants that explains the intricacies of T.R.A.P.

- **Proposed Solution:** The City of Toronto, in consultation with *No Demovictions*, will create a detailed and comprehensive document explaining the Tenant Relocation and Assistance Plan in layman's terms. We also recommend writing a 'Frequently Asked Questions' document. All resources should be available in a tenants' preferred language or accessibility requirement (electronic or printed)—see recommendation in 2.3.

1.2) Development Timeline Transparency

Issue: Tenants are not given adequate notice for when N13 eviction notices will be issued. The last time that the City or the developer are obligated to communicate with the tenants is during a tenant information presentation regarding T.R.A.P. After

that, tenants are left in the dark with no idea of what will happen to them and when. This causes immense anxiety, overwhelm, and an inability to adequately plan for one's life (e.g., employment, family, retirement, etc).

- **Short Summary:** Tenants are given no information about when they will be served their N13 eviction notice, or where the developer is in the process.

- **Proposed Solution:**
  - There should be a requirement that the developer and/or the City inform tenants on the status of the project after each milestone (rezoning approvals, site planning approvals, open sales for pre-construction condos, resale of a building, changes in the development project, approximate timelines leading up to the evictions, signature of S.111 agreement, etc.)
  - Developers should be required to give at least biannual, and ideally quarterly, updates on the status of the approved development project and include an "earliest possible notice of eviction" to give tenants the opportunity to plan their lives accordingly.

1.3) Data Tracking for Demovictions

Issue: City staff do not currently report on or provide data on the housing stock being demolished or replaced, or the tenants and demographics being displaced. The only data made available to the public is an Open Data set on units approved by Council to be demolished and replaced. This does not accurately represent outcomes, as many units on the list have not been demolished or replaced. Essentially, those units are listed for development, but the project has yet to begin. There is no dataset that depicts the accurate numbers regarding units that:

a) Are ret to be demolished;
b) Have been demolished;
c) Have been replaced; or
d) Have been re-occupied by the previous tenants.

City Staff have told housing advocates that there is a 100% return rate, something advocates know, through lived-experience, is not true (such as in Regent Park). There is unfortunately no transparency or data to objectively understand what the true outcomes are.

- **Short Summary:** There is no transparency or accountability to the public or to affected tenants on demoviction policy outcomes, such as long and short-term impacts on supply and affordability of housing stock, and the

impact on tenants. This dataset needs to be collected and made public.

- **Proposed Solution:**
    1. We recommend requiring a City-funded housing worker to record and report to the City on:
        a. The number of tenants being displaced;
        b. A demographic breakdown of displaced tenants (e.g., age, gender, ethnicity);
        c. The number of tenants who have been supported in accessing temporary housing during displacement;
        d. The number of tenants who have chosen to return and their demographics;
        e. The number of tenants who have chosen not to return and their demographics;
        f. The location and type of temporary housing during displacement; and
        g. The location and type of permanent housing (for non-returning tenants).

    2. We recommend that the City monitor the effectiveness of the Tenant Relocation and Assistance Plan by circulating surveys to all democticted tenants at the following intervals, which includes:
        a. <u>When the N13 eviction notice is given</u>, which should include opportunities for feedback on: the application process, the community and tenant consultations, and the information that was provided to tenants throughout the early stages of the process.
        b. <u>One year following the N13 eviction notice</u>, which should include opportunities for feedback on: receiving the N13 eviction notice, support from the City Planner and housing worker (4.1), finding a replacement unit or not, moving out of the building (including the moving allowance), receiving the compensation package.
        c. <u>48 months following the N13 eviction notice</u>, which should include opportunities for feedback on: the displacement period, communications from the developer regarding the progress of the project, any top ups to the RGP.
        d. <u>6 months after the move-in date of the replacement unit</u>, which should include opportunities for feedback on: communications from the developer regarding the replacement unit, unit viewing and selection process, return to unit (including the moving allowance), why some have not returned.

2) NOTICE, CONSULTATIONS, ADDITIONAL SERVICES

2.1) Notice of Development Project

Issue: There is no consistency in the way that tenants are notified of the demolition and redevelopment of their buildings. Tenants are notified in different ways, including: seeing the City of Toronto notice sign outside of their building, hand-delivered letters from an unknown company, or in an email from an unknown sender that looks like spam or phishing. All of these methods lead to poor outcomes for tenants, City staff, and developers, as a lack of credibility and information leads to misinformation and panic.

- **Short Summary:** The current methods used to notify tenants of the demolition and redevelopment of their building is not helpful to tenants, City staff, or developers, and can lead to anger, confusion, and fear early on in the process.

- **Proposed Solution:** Tenants should be notified about the demolition and redevelopment of their buildings directly from a City communication; this should take place before the development sign is installed in front of their building. An official notice from the City will help tenants trust the credibility of the notice and trust the information being shared. The letter should include:

    - The name of the development company: if it is a numbered company, include the name of the company itself for easy research;
    - A brief outline of the development project, including the proposed number of units;
    - A brief outline of the services provided to tenants, including a ‘Frequently Asked Questions’ (FAQ) section;
    - A set date and time in the following 3 weeks for an initial meeting between the tenants, City Planner, and developer. This meeting will provide in-depth information regarding the project and how tenants will be affected;
    - Links regarding the upcoming process, the Tenant Relocation Assistance Plan, and other useful information;
    - Contact information of the City planner; and
    - A form requesting tenants to indicate their specific needs, including:
        - The best way to receive information (distributed printed sheets or email)

- If they have any accessibility needs around consultations (like childcare needs) to participate
- What their preferred language of communication is
- (This form should also be given to all post-application tenants when they move in.)

2.2) Meaningful Consultation

Issue: Current tenant consultation practices are not robust or meaningful. They are information-sharing sessions facilitated by City staff and developers with no opportunity for tenant feedback to impact the outcome of the development. Development projects are not driven by communities, and developers often have little context for the unique needs of the community they are developing in. Furthermore, City staff rarely take notes at these meetings, making tenants unsure how their feedback is being captured or considered.

These consultations also often take place after many of the considerations of the development have been decided on, leaving little room for the integration of tenant feedback. As a result, tenants and community members do not feel like their interests are being considered, which can lead to a lack of trust between parties.

Additionally, tenants are encouraged to depute at their Community Council meeting, but at this stage of the application, these 3-5 minute deputations have no impact on the outcome of the Council vote, and rarely do tenant deputations impact the conditions of the Section 111 agreements.

- **Short Summary:** Current community and tenant consultation are not meaningful consultations. They are considered to be information-sharing sessions with very little time given to tenants for feedback.

- **Proposed Solution:** To ensure that tenant consultations are not just presentations by City staff and developers, we recommend:
    - Engaging early on, and often throughout the process (have the first meeting with the 3 weeks of notification as outlined in 2.1);
    - Providing written materials and resources, including a comprehensive document outlining T.R.A.P. (as outlined in 1.1), in advance of any consultation to ensure that meetings are as productive as possible. These written materials and resources (in addition to notices) need to be provided in tenants' language of choice (see recommendation in 2.3);

- That City staff provide a summary of tenant feedback to tenants after the consultation to ensure that their recommendations and concerns are being recorded/noted—this will also help build trust among tenants and City staff and developers;
- Ensuring that more than two-thirds of any tenant consultation is dedicated to giving tenants time to provide feedback;
- That consultations are followed by at least three working group meetings to meaningfully address the recommendations and concerns of tenants in advance of the application being approved (see recommendation in 2.4); and
- That development fees are increased to ensure that City staff have the capacity to support meaningful engagement.

2.3) Language Consultation and Accessibility

Issue: Many of the buildings slated for demolition house culturally and linguistically diverse populations, economically marginalized/vulnerable groups, and newcomers, who are not being adequately informed about their rights due to language barriers. There are currently 76 languages (not including English) spoken in Toronto.

It is the duty of the City to ensure that every tenant understands that they are being displaced, what their rights are, and the opportunities they have to contribute to the process. In some of the developments we have worked on (particularly at 48 Grenoble Drive), there are tenants who have *no idea* that they are going to be evicted due to language barriers. This disproportionately impacts already vulnerable communities, including newcomers and refugees. There is currently no formal consultation process with individual tenants to ensure that every language is being captured.

- **Short Summary:** The City is not doing its due diligence to ensure that every tenant is properly notified and informed of the demolition and redevelopment process in their language of choice.

- **Proposed Solution:** The City of Toronto should go door-to-door in every demolition and redevelopment application to ensure that the language preference of *every* tenant is being considered during the notification process. Every notice, resource, or communication from City staff or developers needs to be provided in a tenants' language of choice if it impacts their tenancy.

2.4) Working Groups

Issue: Currently, working groups are inconsistent and only take place on a case-by-case basis. Working groups are an in-depth consultation opportunity between the tenants, City Planner, and developer (beyond the community or tenant consultation mentioned in 2.2).

Based on our lived experiences, demolition and redevelopment projects that involved a working group have had more positive outcomes for tenants (Ex: 145 St. George). In projects where there are no working groups, the City Planner negotiates on behalf of tenants, but there is no transparency on the negotiation process. This leaves tenants to either hope the City Planner is negotiating in good faith or make assumptions based on a lack of information.

- **Short Summary:** Working groups only happen on a case-by-case basis with no consistent standard for structure or timeline..

- **Proposed Solution:** We suggest requiring at least 3 working group meetings, which should include the building's Tenant Association (or at least 3 tenant representatives elected by the tenants), the City Planner assigned to the file, the Councillor of the Ward, and the applicant/developer. This would allow tenants to have meaningful input into the proposal, the process, and have any concerns addressed. This approach will help strengthen the working relationship between tenants and City staff to build trust and improve outcomes.

  Due to the restrictive timeline to reject or approve applications, working groups can start before the official application submission. It is recommended that the third meeting is after the community consultation meeting, or no less than 30 days before the Community Council Meeting, whichever is earlier.

2.5) Legal Services Provided At No Cost To Tenants

Issue: Many tenants do not have the financial resources to hire legal aid to support them in navigating the demolition and redevelopment process. This includes understanding what is legally binding, what legislation affects them, and what power they have to advocate for themselves when necessary.

There are many instances when the Section 111 agreements are not being honoured by the developer. Some examples include tenants who have returned to their

replacement unit and have lost square footage, amenities, or have been forced to sign leases with terms outside of the Section 111 agreement.

With no enforcement by City staff (see recommendation in 6.5 around lack of enforcement), tenants require legal support to bring their case to the Landlord and Tenant Board in situations where the City is unable to protect tenants. Support from a legal professional would help tenants navigate the entire process.

- **Short Summary:** Tenants would benefit from access to legal representation when their Section 111 agreements are not being honoured by the developer. However, many are unable to afford this support on their own.

- **Proposed Solution:** The City of Toronto should assign a legal representative to each building to help tenants navigate the demolition and redevelopment process. The cost associated with hiring this legal representative should be paid for by the developer to the City of Toronto. In addition, to avoid the need for legal aid, City staff need to consider our recommendation in 6.5.

3) FINANCIAL COMPENSATION

3.1) Moving Allowance Increase

Issue: Current moving cost allowances do not cover the full cost of packing, materials, and moving for tenants. As detailed in a research document prepared by volunteers from *No Demovictions*, the current allowances ($1,500 for a bachelor/1-bedroom and $2,500 for a 2-bedroom+) are based on outdated quotes that represent the lowest end of possible costs. Each type and size of unit should have a moving allowance that reflects actual market costs.

Developers should cover the full cost of tenants being relocated. Moving allowances are also only being paid to tenants once they have handed in their keys, which can cause unnecessary financial strain on more vulnerable tenants.

- **Short Summary:** Moving cost allowances provided by the developer are often inadequate and do not reflect current market rates, putting additional financial strain on tenants to make up the difference.

- **Proposed Solution:** We would like the City of Toronto to re-evaluate the moving allowance to:
    - Include the cost of packing materials;
    - Provide an allowance in the middle to upper range of costs rather than the lowest;
    - Create a multi-tier system for calculating moving cost allowances that is based on the size and type of unit (beyond the current two-tier system), including whether the tenant has an in-building storage unit;
    - Provide additional compensation (outside of the 4-month additional compensation) for anyone requiring a packing company for accessibility reasons;
    - Distribute the moving allowance at the moment of the N13 eviction notice or when the tenant has communicated their move-out date; and
    - Require developers who are doing a staged move (Example: 55 Brownlow Avenue) to coordinate moving services to avoid availability issues and scheduling overlaps.

3.2) Rent Gap Payment: Include Annual Guideline Rent Increases

Issue: As of April 2024, Rent Gap Payments are based on the Canadian Mortgage and Housing Corporation (CMHC) data (2015 and beyond) of purpose-built rentals of the year that the eviction is served. It is calculated as such:

> (CMHC 2015+ data - Current rent) x Length of displacement = RGP
> Example: ($2,500-$1,500) x 36 months = $36,000

Unfortunately, this does not include the annual rent increases that will be incurred by tenants every year during the displacement period. *No Demovictions'* calculations show that this is a difference of nearly $1,000 over a 36-month period, and will increase if the displacement period is extended. Tenants should not be forced to incur this additional expense. *No Demovictions* has presented the City with a formula to make the proper calculation to include the annual guideline rent increases. Please see below:

Here is an example with a 1-bedroom unit of what that looks like:

Rent of the demolished unit:

Year	Rent	Difference per month (based on year 1)	Difference per year (based on year 1)
Year 1	$1,500	$0	$0
Year 2	$1,500 x 2,5% = $1,537.50	$37.50	$450
Year 3	$1,537.50 x 2,5% = $1,575.93	$75.93	$911.16

Provincial guideline year 2 + year 3 = total provincial guideline increase
$450 + $911.16 = $1,361.16

Rent of the temporary unit

Year	Rent	Difference per month (based on year 1)	Difference per year (based on year 1)
Year 1	$2,500	$0	$0
Year 2	$2,500 x 2,5% = $2,562.50	$62.50	$750
Year 3	$2,562.50 x 2,5% = $2,626.56	$126.56	$1518.72

Provincial guideline year 2 + year 3 = total provincial guideline increase
$750 + $1,518.72 = $2,268.72

Temporary unit - Demolished unit = Difference tenant pays out of pocket
$2,268.72 - $1,361.16 = $907.56

- **Short Summary:** Annual rent increase costs will fall on tenants during the displacement period, which adds further financial strain that is not covered by Rent Gap Payments.

- **Proposed Solution:** The City of Toronto should introduce a formula to ensure that rent gap payments cover the *entire* difference of the unit during the displacement period, including the annual guideline rent increases of 2.5%.

3.3) Change the Definition of Rent to Exclude Hydro

Issue: On the City of Toronto website, there is a list of how much hydro costs are, which is estimated based on the type of unit (1-bedroom, 2-bedroom, etc.). This amount is considered to be a "part of the rent", but does not reflect current market conditions. *No Demovictions* found that only 12% of units had hydro included in their rent. Unfortunately, the City's definition of rent to include hydro does not reflect the reality for many tenants and creates what is called a 'hydro clawback' when calculating the Rent Gap Payments (RGP).

> **Here is an example of an assumed RGP calculation:**
> *Formula:* (CMHC 2015+ data - Current rent) x displacement period = RGP
> *Example*: ($2,500 - $1,500) x 36 months = $36,000
>
> **Here is an example of the actual calculation with hydro clawback:**
> *Formula:* CMHC 2015+ data - (Current rent +hydro clawback) x displacement period = RGP
> *Example:* ($2,500 - ($1,500 + $44) = $34,416

The hydro clawback is not explained to tenants during the presentation of the T.R.A.P. from the City Planner, and often comes as a surprise. For tenants who are currently paying for hydro on top of their rent, they are required to pay twice because they are penalized by the hydro clawback, and must also pay for hydro in the temporary unit.

- **Short Summary:** The hydro clawback penalizes tenants by stating that hydro is included in the base rent, when market conditions prove that it is most often not.

- **Proposed Solution:** Change the definition of rent to reflect market conditions by not including hydro, thus eliminating the hydro clawback in rent gap payment calculations.

3.4) First and Last Month's Rent on Temporary Unit

Issue: The *Residential Tenancies Act* (RTA) requires 3-months' rent compensation, which is paid when N13 eviction notices are served. It is intended to be used by tenants to pay first and last months' rent for a temporary unit during the displacement period. Unfortunately, the discrepancy between tenants' current rent rates and market rent rates makes 3-months of rent insufficient.

As an example, if a tenant is paying $1,500 for a 1-bedroom unit, their RTA compensation will be $4,500. If the current market price for a 1-bedroom unit is $2,500, the deposit will be $5,000. The tenant is responsible for finding $500 to secure a new lease. Many tenants on ODSP, OW, fixed income, low income, without access to credit, or facing other financial obstacles, are not in a position to find extra money to secure a lease in a temporary unit.

- **Short Summary:** The 3-month RTA financial compensation isn't enough for tenants to secure first and last months' rent for a temporary unit during the displacement period.

- **Proposed Solution:** The City should require the developer to top up the missing amount required to secure a first and last months' rent in a temporary unit, either on a case-by-case basis or as a lump sum based on rents furthest from current market value.

3.5) Remove 4% New-Build Rent Increase

Issue: The City of Toronto currently allows a 4% "new build" rent increase which is applied to returning tenants' base rent upon returning to their new unit. This includes the compounded annual guideline rent increases (see 3.2 for more details) during the displacement period. While many City Planners explain that this 4% increase is waived for many demolition and redevelopment applications, it needs to

be removed entirely from these types of projects. Development costs should not be downloaded onto tenants when they have not chosen to be displaced.

- **Short Summary:** The 4% new build rent increase is a cost downloaded onto tenants for the demolition and redevelopment applications.

- **Proposed Solution:** The City needs to remove the 4% new build rent increase from all development projects.

3.6) Addendum for Post-Application Tenants

Issue: The time that elapses between an application for demolition and redevelopment being filed and N13 eviction notices being served to tenants is highly variable depending on the developer. While some developers serve N13 eviction notices within 1-year of being filed, some have no intention of serving N13 eviction notices for up to 8 years (Example: 135 Isabella Street).

Tenants who move in after the application has been filed are not entitled to rent gap payments, moving costs, or a right to return—they are considered 'post-application tenants'. Many post-application tenants are forced to sign an 'addendum', which waives their right to return and right to compensation. While tenants are willingly signing these addendums, many vulnerable tenants seeking housing in a housing crisis are left with no choice.

The number of tenants eligible for rental replacement units dwindles as more time elapses between the application filing and N13 eviction notices. However, this further incentivizes developers to delay the process, which can be extremely problematic, as an eviction without adequate compensation disproportionately impacts vulnerable tenants, including newcomers or refugees, tenants on ODSP, and lower incomes tenants.

- **Short Summary:** The timeline between an application being filed and N13 notices being served is highly variable, and the longer the timeline, the more post-application tenants, who are not entitled to rent gap payments, moving costs, or a right to return. Eviction without adequate compensation disproportionately impacts vulnerable tenants.

- **Proposed Solution:**
  Eliminate the addendum that post-application tenants are made to sign with their lease. All tenants should have the same rights regarding the demoviction

process. If the elimination of the addendum is not possible, it should only be applicable only up to two years following its signature. If the tenant has not been served a N13 notice within the first two years of signing the addendum, they become eligible tenants and the addendum no longer applies to them.

4) TEMPORARY HOUSING AND OTHER SUPPORTS

4.1) Leasing Agents

Issue: Leasing agents are hired by developers with the intention of helping tenants find a temporary unit during the displacement period. Unfortunately, many tenants (Example: 88 Isabella Street) explain that leasing agents are 'unhelpful', and often just send links to common rental websites. Leasing agents focus primarily on units in the secondary rental market (condominiums) instead of the primary rental market (purpose-built rent-controlled units—which the rent gap payments are calculated for).

Tenants are being shown listings for units that are financially out of reach, even with the rent gap payment, and subject to unpredictable rental price increases in newer buildings built after 2018 (which are not rent-controlled). In some cases, leasing agents have also sent tenants listings for other buildings that are currently slated for redevelopment, which potentially puts tenants in a second demoviction cycle.

- **Short Summary:** Leasing agents are not a helpful resource for all tenants; some examples include sending listings that are outside of a tenants' budget, units that are built after 2018 without rent-control, and buildings currently slated for demolition and redevelopment.

- **Proposed Solution:** Developers should pay an additional fee to the City during the time of application to pay for housing workers who will replace leasing agents. These housing workings would be contracted through a third party community agency that has experience and expertise supporting tenants, including vulnerable and marginalized populations.

  The City of Toronto used to contract a community agency, Greenwood, to do this work, but the agency was not provided sufficient compensation to do this work. Housing workers would help tenants find housing during the displacement period, support with paperwork, and refer them to key social and housing supports that may be required (e.g., Toronto Community Housing, mental health supports).

4.2) Social Worker Support

Issue: Demovictions can have a serious impact on the mental and emotional well-being of tenants, especially on vulnerable tenants who do not know how to navigate the process. Being evicted from your neighbourhood for 3-5 years is stressful for any tenant, but tenants on ODSP, facing mental health or financial challenges, and seniors face challenges that they cannot manage on their own.

These demographics would benefit immensely from additional support, including help with paperwork, navigating the eviction process, and accessing mental health services. Currently, this responsibility falls on neighbours, who often have limited capacity to support, as they are dealing with the same anxieties associated with being evicted as the people they are supporting.

Hiring social workers to help mitigate the harmful toll that demovictions take on a tenants' mental health will ensure that tenants are being properly supported through this stressful process.

- **Short Summary:** Some vulnerable tenants require additional support that is outside of the scope of City Planners. This support involves help with paperwork, navigating the eviction process, and accessing mental health services. The City should hire social workers to support these tenants.

- **Proposed Solution:** Third-party housing workers (See recommendation in 4.1) should assign a social worker to tenants who require additional support based on their needs. Developers should pay the City of Toronto additional fees to cover the cost of these social services.

4.3) Developers Should Disclose Available Temporary Units in Their Portfolio

Issue: There is currently no incentive for developers to offer temporary units in their portfolio to tenants during the displacement period. These temporary units would be offered at the same rent rate that the tenant is currently paying.

City staff have told *No Demovictions* that most developers would rather pay Rent Gap Payments (RGP) than offer temporary available units. In an unhealthy rental market with a vacancy rate below 1.5%, this puts the responsibility on the tenant to find adequate housing rather than involve the developer as a potential solution. This

is especially problematic for vulnerable tenants (outlined in 4.2), who have difficulty navigating the rental market.

- **Short Summary:** There is currently no incentive for developers to offer available temporary units in their portfolio to tenants being displaced; many would rather pay RGP.

- **Proposed Solution:** Developers should be required to:
    - Notify City Planning and hired housing workers (see 4.1) of the buildings in their portfolio that have vacant units. They may also include available units in buildings from other developers who wish to participate in offering temporary housing. This information should be shared within 24 hours of the distribution of the N13 eviction notices;
    - Prioritize offering temporary units to tenants before offering RGP's as an option. Tenants may choose if they want the temporary unit or the RGP (See 4.4 for more). Priority for temporary units should be given to tenants identified as vulnerable, including seniors, tenants on ODSP, and anyone with financial, mental, or physical challenges (see 4.5 for further clarification); and
    - Housing workers (see the recommendation in 4.1) should continue to support tenants where temporary housing is offered and accepted to ensure that S.111 Agreements are being honoured (see the recommendation in 6.5 around enforcement).

4.4) Tenants May Choose Between RGP or Temporary Unit

Issue: If developers offer a temporary unit to a tenant during the displacement period, tenants should have the opportunity to choose between the unit being offered and Rent Gap Payments.

This is in the event that the temporary unit being offered does not fulfil the tenant's needs. The temporary unit may be smaller, in an inconvenient location, have inadequate amenities, not meet accessibility requirements, be in close proximity to an active construction site, or any other number of reasons. Tenants should have the option to decline the temporary unit offered by developers (at their current rent) and instead choose the RGP to find housing that meets their needs.

- **Short Summary:** Tenants who are offered a temporary unit during the displacement period should be given the flexibility to choose between that unit and receiving Rent Gap Payments. This is in the event that a temporary

unit is unsuitable for tenants.

- **Proposed Solution:** Tenants should have the right to choose between a temporary unit or RGPs. This gives the tenant the option to choose what will work best for them during the displacement period.

4.5) Priority List for Offered Temporary Units

Issue: In the event that developers are offering temporary units to tenants during the displacement period, but there aren't enough units available for all displaced tenants, priority should be given on a basis of equity instead of lease seniority.

- **Short Summary:** If the developer is offering units to tenants during the displacement period, vulnerable groups should be prioritized.

- **Proposed Solution:** If the developer is unable to offer temporary units to all tenants, tenants who are on a fixed income, low income, on financial support (ODSP, OW, etc.), living with a disability, or in a group that is at a high risk of further obstacles to obtain housing should be given priority for the offered temporary units. These tenants are at the greatest risk of falling through the cracks and won't be able to secure adequate housing during the displacement period. Once all of the vulnerable tenants have either accepted or refused the temporary units, if there are still units left, the rest will be offered based on seniority of lease to the remaining tenants.

5) REPLACEMENT UNIT

5.1) Accessibility of Unit

Issue: Tenants who require accessibility accommodations for their units must submit their requests early in the development application process. Unfortunately, anyone can become disabled at any time, and accessibility needs may change for tenants with disabilities. Developers are only required to accommodate rental units based on what was submitted by tenants during a narrow window of time, which is not representative of real life events or needs.

We understand that accessibility needs changing during the time of displacement (once the unit layout has been finalized or construction has begun) can not be accommodated. However, providing a larger window of time, which begins when the application is submitted up until the site plan is submitted to the City for review, would ensure that the needs of vulnerable tenants are not being dismissed.

- **Short Summary:** Tenants requiring accommodations in their units for accessibility needs have a very narrow window of time to submit their requests for the new unit. Accessibility needs may change at any time for anyone and should not be subject to such stringent timelines.

- **Proposed Solution:** Developers must accept accommodation requests for disability needs from the time the application is submitted until the site plan is submitted to the City for review. Anything that falls outside of this window, the developer will make all reasonable attempts to accommodate a tenants accessibility needs.

5.2) Layout of the Unit

Issue: Many tenants have chosen their current units due to the layout, which includes the size of the rooms, livable space, the number of windows, and storage (see 5.4 for more about storage lockers). While square footage may have a variance of only 3%, new floor plans can significantly alter how that square footage is used, as well as the livability of the unit.

There are currently no requirements for developers to ensure that replacement units are functionally similar to the demolished units. Practically, unlivable floor plans have meant more hallways, longer and thinner rooms, angular living spaces, less windows,

and less storage space. While square footage is being considered, the actual living space of tenants, including primary bathrooms, living rooms, dining rooms, and bedrooms, are being altered drastically. This is a major loss for a tenant, as it does not consider how space is being practically used—especially for seniors and people with physical disabilities.

While it is understood that some changes will need to be made to fit in the new building, there needs to be a standard for how replacement units create livable space. We suggest making adherence to the Affordable Rental Housing Design Guideline mandatory, not voluntary (see recommendation below).

- **Short Summary:** Floor plans and replacement units in some new developments do not replace usable space. creating long, narrow rooms and hallways and lack of windows.

- **Proposed Solution:**
    - Replacement units should be like-for like, meaning the same square footage and type as the original unit. A minor 3% variance is acceptable for mechanical and structural needs.
    - Floor plans should prioritize living space versus number of units per floor, include windows for natural daylight in all bedrooms and the living room, and comparable in-suite storage.
    - If layouts reduce storage and/or usable space, developers should offer a storage locker in the building at no additional cost to the tenant.
    - The City of Toronto has an Affordable Rental Housing Design Guideline. It is recommended that these guidelines not be voluntary, but mandatory when designing replacement units. The guidelines for the bedroom design should also be updated to include:
        - Guaranteed privacy, sound-proofing, and access to both daylight and darkness during the day;
        - Walls that are not exterior building walls, which must be opaque and designed with materials that ensure privacy and minimise sound transfer;
        - Doors that are opaque and designed to ensure privacy and minimise sound transfer; and
        - Include at least one window or a balcony glass door.

5.3) Replacement Units in House-Form Buildings

Issue: Some units are considered too big (Example: house form units) to replace with the same square footage. In past applications, City Council has accepted the replacement of these units with smaller units and secured additional net-new replacement rental units at affordable rents with the remaining residential rental square footage. While larger units are reduced in size, the City ensures they still meet the size objectives of the Growing Up Guidelines. Unfortunately, tenants in these units are forced to pay a similar rent in their replacement units, despite the reduction in unit size.

- **Short Summary:** Tenants in large units lose square footage in replacement units, while paying the same rent with no guaranteed provision for onsite storage to help mitigate the impacts associated with downsizing, e.g., requirement to purchase new, smaller furniture, etc..

- **Proposed Solution:** If the unit is downsized, tenants should be given advanced notice, have a commensurate rent reduction, be provided additional compensation to support the transition into a smaller space, and have a right to onsite storage.

5.4) Amenities from Previous Unit (parking, storage, balconies)

Issue: The current policy states that the City of Toronto can not require the replacement of parking, storage, or balconies. Only the unit and its interior space is required to be replaced in the new building. Balconies, storage, and parking are replaced if the developer chooses to replace them in the new building.

Balconies: As many have seen during the pandemic, having an outdoor space like a balcony is additional living space for tenants and can support an individual's mental health. With density increasing in the city, public outdoor spaces are becoming more crowded, and not easily accessible to everyone—especially those with mobility issues. Many tenants consider balconies to be a key consideration in their selection of their current unit.

Parking: Some tenants require a vehicle for their employment or accessibility reasons, and not replacing parking for tenants can have a serious impact on their quality of life and incur unwanted additional costs. Removing parking means that tenants must find alternative parking in the area (if it is available) and pay substantially more to park their vehicle off-site. Since visitor parking is also not

required to be replaced, those who require visits from PSWs or other supportive services may have to pay additional fees for alternative parking.

Storage lockers: With floor plans that prioritize the number of units per floor over livable space (and the cost of external storage units climbing) tenants are forced to part with some of their possessions or live in further cramped quarters due to the loss of their storage locker in the new building.

- **Short Summary:** Currently, balconies, parking, and storage units do not need to be replaced in the new building, even if they are amenities that tenants had in their previous unit.

- **Proposed Solution:** Find solutions to replace the currently used parking and storage spaces at no additional cost to the tenants in the new building.
    - Accessible and visitor parking must be included in the development to ensure that those requiring visits from PSWs or other care providers have a place to park at no additional expense.
    - Replace balconies at a similar size in the new building. For houses with backyards where tenants are affected, the replacement units will include a balcony as an outdoor space.
    - Tenants living in units that did not have a storage locker but an onsite storage space (such as a basement) will receive a storage locker in the new unit.

5.5) Responsibility on the Developer to Ensure All Paperwork Is Updated and Submitted

Issue: Tenants are being asked by developers to produce paperwork (like original copies of their leases) to secure amenities like parking and storage. For some tenants, who have lived in the building for more than 30 years, they no longer have a copy of this paperwork. As a part of the development application, the developer and property management company should secure and submit this information to the City. It shouldn't be incumbent on tenants to try and find these documents.

- **Short Summary:** Tenants are responsible for finding documents that they may no longer possess related to their lease and/or additional amenities.

- **Proposed Solution:** The developer should be responsible to verify all information related to each tenants' lease, including additional amenities the tenant is paying for that may not be included in the original lease (parking,

storage lockers, etc). This information should be submitted to the City and a copy given to the tenant for their records.

5.6) RentSafeTO Should Apply to All Replacement Units

Issue: Units in buildings that are/were subject to the RentSafeTO program are being targeted for development—especially purpose-built rental buildings. The program applies to apartment buildings with three or more storeys and 10 or more units. Condo buildings, townhomes, or units in a private home (basement or main floor apartment) are not part of the RentSafeTO program. RentSafeTO is a bylaw enforcement program that ensures apartment building owners and operators comply with building maintenance standards.

The replacement buildings are most often not purpose-built rental buildings and are therefore not subject to protections from RentSafeTO. Tenants in these replacement units become vulnerable to the issues that RentSafeTO was designed to address.

- **Short Summary:** Not all replacement units are subject to RentSafeTO, putting many tenants at risk of unsafe living standards.

- **Proposed Solution:** We propose that the City:
    - Expand RentSafeTO to include all properties with 10 or more rental units owned by the same property owner, even if the building is not a purpose-built rental building;
    - Include in S.111 Agreements that units will be subject to RentSafeTO standards; and
    - Units should not be rented to tenants until the landlord has registered the building and has met RentSafeTO requirements.

6) RETURN TO REPLACEMENT UNIT

6.1) Seniority List by Type, Size, and Accessibility of Unit

Issue: Currently, a seniority list by unit type (Example: Bachelor, 1-bedroom, 2-bedroom) based on who has lived in the building longest is used to determine who has for the first right to a replacement unit in the new building. While this practice works in theory, there are some issues that arise surrounding square footage and accessibility requirements.

For example, a tenant who has been a resident for 10 years in a small 1-bedroom unit would have seniority over a resident in the building for 5 years in a large 1-bedroom unit. These units are treated the same (as 1-bedroom units), and their square footage is not taken into account. This puts newer tenants at a disadvantage to regain the size of the unit they previously maintained.

Additionally, a unit with accommodations for accessibility purposes is not taken into consideration in the seniority list model. As a result, a tenant who has no accessibility requirements could select an accessible unit, putting those living with a disability at a significant disadvantage if they were not higher on the seniority list.

When a person's accessibility needs are taken into account, through a needs assessment (see 2.3) and the submission of accessibility requirements (see 5.1), they should have access to a unit that is livable for them.

- **Short Summary:** Newer tenants are put at a significant disadvantage when selecting their return unit, resulting in the potential to lose accessibility or square footage compared to their initial unit.

- **Proposed Solution:**
  Standardise all S.111 agreements to have separate seniority lists based on type, size, and accessibility of unit. Accessible units should be reserved for tenants requiring modifications to meet their accessibility needs. Additionally, a tenant's seniority should be communicated to them in a written form (perhaps the Tenant Intention Form) along with the date of their initial lease. If the date of the original lease signature is incorrect, tenants may contact City Planning to have it corrected and the seniority list revisited.

6.2) Viewing Replacement Unit Before Returning

Issue: There is no current standard requiring developers to allow tenants to view the replacement unit before agreeing to return and signing a lease. While architectural floor plans are expected to be made available to tenants, these often fall short of providing a detailed understanding of what the space and finishes look like.

In some instances, *No Demovictions* has worked with tenants whose replacement units had a wall between a bathroom and bedroom that was made of glass—something tenants would not have agreed to if they had seen the space in advance of signing their lease. Tenants should be able to decide whether they want to return to the spaces based on if they accommodate their current needs. This can also be avoided if the replacement unit guidelines suggested in 5.2 are followed.

- **Short Summary:** There is no standard requirement for developers to arrange unit viewings before tenants sign a lease to return to the building.

- **Proposed Solution:** Developers should arrange for a viewing of the replacement unit once it is move-in ready before tenants sign their new lease. Viewings should also take into account the tenants' preferences regarding time, travel, and accessibility requirements. Viewings should be offered:
    - In-person and onsite at a time that is convenient for the tenant, including availability on evenings and weekends; Remote opportunities, including:
        - Remote-viewings
        - VR-tours
        - Site photos and videos
        - Layouts with measurements

6.3) Last Month's Rent Deposit, and First Month's Rent Payment

Issue: Developers have requested that tenants give their first and last months' rent 6-months before their move-in date and return to the new building. This can be a significant barrier for vulnerable tenants.

The T.R.A.P. states that 6-months before the replacement unit is ready for occupancy, the developer must send an Occupation Information Notice to tenants. This notice includes floor plans for the tenants to review and rank their preferred units. They also request first and last months' rent.

However, many tenants use the money they have available from pre-paying their last month's rent in their current housing to pay the last month's rent deposit in the unit they will be moving into, and pay their first month's rent for the new unit on the first day of their new tenancy.

It is not feasible for many tenants to provide first and last month's rent upon notification that the rental replacement unit is ready. Some tenants, especially those on OW, ODSP, low income, or other vulnerable people need more time to accumulate the necessary funds. These units are specifically being held for returning tenants, who should not have additional financial barriers added to secure their unit.

- **Short Summary:** Upon notification of the rental replacement unit being ready (6-months prior to occupancy), tenants are required to pay their first and last month's rent, a requirement which creates a significant barrier to tenants accessing replacement units.

- **Proposed Solution:** Developers should not be permitted to collect a last month's rent deposit any earlier than 30 days before the start of the tenancy and should not be permitted to collect first month's rent any earlier than the first day of the tenancy.

6.4) State of the Unit and Building For Move-In

Issue: Tenants are sometimes notified to return to their replacement units in buildings that are still under construction with incomplete amenities. Living next to an active construction site can have a serious impact on a tenants' quality of life, without a reduction in rent or further compensation. This is especially true for tenants with health issues.

- **Short Summary:** Tenants are told to move into the replacement unit while the building is still under construction and amenities are not available.

- **Proposed Solution:** Tenants should only be required to move into the replacement unit once construction of the entire building is complete. If certain amenities are not available at the move-in date, a rent reduction proportionate to the loss should be enforced until such amenities are fully functional and safe for use.

6.5) Lack of Enforcement

Issue: There is currently no enforcement by the City of Toronto to ensure that the Developer is abiding by the Section 111 (S.111) agreements. When issues arise during the eviction, displacement, or return, there is no one outside of the City Planner or City Councillor to contact to support tenants on these issues.

There are multiple examples of tenants who have needed support during the eviction, displacement, or return process due to a violation of their S.111 agreements, and no one at the City had the capacity to meaningfully help them. Tenants have little power in being able to advocate for themselves throughout the demoviction process, and need a system in place that acknowledges and addresses the asymmetry between tenants and developers, ensuring that developers are held accountable.

When policies for developers to abide by are put in place to protect tenants, but are not being enforced, it renders them ineffective.

City staff currently do not do any follow-ups with developers regarding the replacement unit, the building, or respecting S.111 agreements prior to tenants being asked to move back in. This lack of oversight does not allow for the correction of non-compliant practices from developers before tenants return.

- **Short Summary:** There is currently no real enforcement or support in place for tenants who have issues during the eviction process, displacement period, or upon their return.

- **Proposed Solution:** The City of Toronto needs to come up with a plan for the enforcement of S.111 agreements that includes hiring staff to deal with tenant concerns, and has a process for filing a formal complaint that is dealt with in less than 5 business days. Additional staff members should be available to tenants at any point during the demoviction process, but especially during displacement and the return to the unit. These two periods are when the tenant is most vulnerable.

  We recommend that the developer pay an additional fee during the time of application to pay for City staff to do this work. It will be used to build capacity and ensure that tenant concerns, issues, and challenges are properly anticipated, acknowledged, and meaningfully addressed. We would also

suggest implementing a disincentivization penalty for developers that do not comply with rental replacement by-laws.

6.6) Document for Tenants With Details of the Section 111 (S.111) Agreements

Issue: The Section 111 (S.111) agreement is the legal agreement between the City of Toronto and developers regarding the development project, including details surrounding the replacement units and rights of the tenants.

Unfortunately, tenants do not easily have access to the S.111 agreement, as they are not one of two parties in the agreement. Tenants may get a copy of the S.111 agreement, but the process is complicated and comes at a financial cost to the tenant. This has led to instances where developers have tried to get tenants to sign new leases upon returning to rental replacement units, which go against the S.111 agreement. Tenants do not know what their rights are, and are therefore unable to properly advocate for themselves or hold developers accountable.

- **Short Summary:** Tenants are not given any information on what their rights are according to the S.111 agreement and are unable to advocate for themselves in instances where developers are not respecting the agreement.

- **Proposed Solution:** The City of Toronto should provide to each tenant (in their preferred language) a detailed written hand-out explaining the rights of the tenants for the right of return process, including what their new lease should say (if it is rent-controlled, what amenities should be included, what payments are required, what paperwork needs to be filled out and when, what is the return to unit process, etc). The document should be written in plain language to ensure that tenants can understand their rights and advocate for themselves. For tenants who would like to see the section 111 agreement, the process should be easier to navigate and be at no cost to the tenants.

6.7) Delayed Return to Unit For Tenants

Issue: If the developer and tenant have agreed on a move-in date, the tenant will give their notice at the current temporary housing that they secured during the displacement period. Unfortunately, if the move-in date is delayed through no fault of the tenant, there is currently no safety net to help the tenant in the interim.

- **Short Summary:** When tenants are notified of their move-in date, they will often provide notice at their current temporary housing. However if the move-in date is delayed, there is no safety net to support them in the interim.

- **Proposed Solution:** Require developers to include a contingency plan to address possible occupancy delays that meet prescribed conditions. Currently, compensation is required to be paid until the tenant occupies the replacement unit, but outside of the RGP, there is no further assistance. Developers should be responsible for all costs and inconvenience experienced by the tenant as a result of non-voluntary changes to the tenancy start date. This contingency should be written clearly in the S.111 agreement, including the provision of temporary housing at no cost to the tenant, compensation for additional moving costs, required storage, etc. This would be communicated to tenants prior to signing the lease of their replacement unit.

7) PRESERVING EXISTING AFFORDABLE RENT-CONTROLLED HOUSING

7.1) Guarantee That Rental Replacement Units Cannot be Turned into Market Units for More Than 20 Years

Issue: Currently, developers cannot apply to turn rental replacement units into market units for at least 20 years. This means that once those 20 years have lapsed, and the tenants have moved out or been evicted, these units can be removed from the rental market. This is a massive issue, as 'demovictions' are the latest tactic by for-profit developers looking to maximize the profit of their land, which has targeted affordable, purpose-built rental buildings, some exceeding 200 units. If this persists, we will continue to erode the stock at a rate faster than we are building it.

These purpose-built affordable rental buildings would have remained affordable and rent-controlled in perpetuity. In a building with replacement units that are made up of primarily market units, there is a higher incentive for developers and landlords to turn these rental units (as they become vacant), into market units to maximize profits. This could incentivize the private development industry to target purpose-built rental buildings, knowing that there is an opportunity for a higher return on investment once rental replacement units have become more valuable.

This also incentivizes landlords to participate in predatory practices, making the lives of tenants as uncomfortable or as unlivable as possible to force them out and turn the rental unit to a market unit for sale.

- **Short Summary:** Currently, developers can apply to turn rental replacement units into market units after 20 years. To preserve existing affordable rental stock, we must extend this timeline.

- **Proposed Solution:** Replacement units should remain as rental units in perpetuity to not erode the stock of rental housing in Toronto.

7.2) Guarantee That Rental Replacement Units Remain Rent-Controlled for More Than 10 Years

Issue: Currently, replaced units are only rent-controlled to tenants who have signed a lease and moved-in within the first 10 years of the units left. Those tenants will be

protected by rent-control for the duration of their lease. However, once the 10 year period is done the unit will no longer be rent-controlled for any new tenants.

Developers have been targeting rent-controlled purpose-built rental buildings for development. As the policy currently stands, Toronto will see the disappearance of most of its rent-controlled units within the next two decades. This is not a long-term solution to protecting the rent-controlled housing stock Toronto has today.

These purpose-built affordable rental buildings would have remained rent-controlled in perpetuity. In a building with replacement units, which are made up of primarily market units, there is a higher incentive for developers and landlords to push out tenants who signed a lease within the first 10 years, allowing them to rent the unit to a new tenant at market rate (which is much higher).

This incentivizes the private development industry to target purpose-built rental buildings, knowing that there is an opportunity for a higher return on investment once the initial 10 year period has elapsed. Tenants are at a higher risk of predatory practices by landlords to make their lives as uncomfortable or as unlivable as possible to force them out.

- **Short Summary:** Replacement units have a rent-control tenure period of 10 years. This erodes the supply of rent-controlled units in Toronto in a couple of decades.

- **Proposed Solution:**
  Units in existing purpose-built rental buildings are currently rent-controlled in perpetuity. This status should be applied to the replacement units. If making the replacement units rent controlled in perpetuity isn't possible, the 10-year period should be extended to a minimum of 50-years, to avoid further eroding the stock of affordable purpose-built rental units.

7.2) 3% or Higher Vacancy Rate to Evict Tenants for Demolition

Issue: With dangerously low vacancy rates in Toronto (less than 1.5%), the number of affordable, purpose-built rental units being removed for 3-5 years from the market makes it incredibly difficult for tenants to find replacement housing in the same price range, neighbourhood, or with the same specifications as their current home. Tenants are currently being evicted into a housing market that does not have adequate housing to accommodate them during the time of their displacement.

Changing this policy would ensure that tenants are able to find adequate housing in their neighbourhood without having to pay from their own pocket due to rising rents and rent gap payments that do not keep pace. Currently, tenants are having to find accommodations that are not 'like-for-like', downgrading their type of unit (ex: from a 2-bedroom to a 1-bedroom), moving outside of their neighbourhood and City, and having to live with family members to be able to stay financially afloat. These are not choices being made by tenants, but an effort to survive the negative externalities being forced upon them.

- **Short Summary:** Tenants should not be mass evicted in demolition and redevelopment projects when the vacancy rate is below 3%, as there is no adequate housing for them to move into.

- **Proposed Solution:** The City should ensure that when the vacancy rate is below 3%, that tenants cannot be evicted due to demolition and redevelopment. This should be used in conjunction with 7.3.

7.3) Replace Rental Units During A Healthy Market

Issue: According to Toronto's Official Plan, developers do not have to replace rental housing when the rental market is strong (at 3% vacancy rate for the preceding four consecutive annual CMHC surveys).

City of Toronto staff have communicated that a 3% vacancy rate is the benchmark used by the City. This means that if the market is 'healthy', rental units do not have to be replaced if the project was submitted and approved during a 'healthy' period. This will create a loss of rent-controlled units in the City of Toronto.

This sets a dangerous precedent, as roughly 90% of the purpose-built, affordable rental buildings in Toronto were built in the 1960s and 1970s. City Staff have acknowledged that large, purpose-built rental buildings are currently being targeted by developers for demolition and redevelopment, which means that even in a 'healthy' rental market, this loss of deeply affordable housing can be detrimental for the long-term affordability of our City.

- **Short Summary:** Developers are not currently required to replace rental units in buildings being demolished and re-developed while the rental market is deemed as 'healthy' (at a 3% or higher vacancy rate for four of the preceding four consecutive annual CMHC surveys). This could potentially lead to the

long-term loss of rent-controlled, affordable rental units.

- **Proposed Solution:** Developers should replace all rental units despite the vacancy rate, compensating tenants fairly and allowing them the right to return. This will help preserve rent-controlled, affordable rental units to maintain the long-term affordability of our City.

7.4) Extend T.R.A.P. to Projects with 3 Units or More

Issue: The Tenant Relocation and Assistance Plan (T.R.A.P.) currently only extends to tenants in buildings with a minimum of 6 rental units. This minimum may be tied to the Residential Tenancies Act of 2006 (provincial policy). The City should be encouraging developers to add density to neighbourhoods with single family homes that are near 'transit hubs', rather than focusing solely on rezoning and densifying already dense areas. However, in order to ensure that tenants in these units do not lose their homes without proper financial compensation or right to return to a unit, it is important for us to remove this minimum. It is important to look at rezoning and adding densification in areas that can accommodate it (outside of already dense areas) while also ensuring that those tenants continue to be housed.

- **Short Summary:** Current rental replacement by-laws only apply to projects with 6 or more units. However, tenants living in buildings and low-rise units with less than 6 units are currently covered under rent control, and evicting them without compensation or a right to return doesn't only cause them harm in a housing crisis, but leads to the loss of affordable, rent-controlled housing.

- **Proposed Solution:** To ensure that tenants affected by projects with less than 6 units are not left without protections, the Tenant Relocation and Assistance Plan should be extended to include development projects with a minimum of 3 units instead of 6. (Ideally, all tenants, regardless of the number of affected units, would be protected under T.R.A.P.).

7.5) Right of First Refusal Policy

Issue: When a property is put on the market, the City cannot afford to purchase affordable, purpose-built rental buildings or empty lots for social housing as they are forced to compete in a bidding war against the private sector. The City is constantly outbid as a result. Additionally, private companies sometimes buy properties behind

closed-doors, disallowing the City, other developers, or residents to fairly compete for these properties.

This inhibits the City's ability to acquire sites that are deemed as strategically important according to City Planning, greatly diminishing the ability to maintain the stock of purpose-built, affordable rental buildings, and to own land to *build* deeply affordable housing. In addition, tenants are unable to compete with private industry to be able to form or build co-ops or land trusts.

It is in the interest of the City of Toronto to advocate for these changes if they want to ensure that a range of housing options are available for tenants, and that it remains deeply affordable.

- **Short Summary:** The City of Toronto cannot financially compete with private, for-profit developers when trying to buy a lot of land or building in an effort to maintain the stock of affordable, purpose-built rental buildings.

- **Proposed Solution:** Advocate for a Provincial Right of First Refusal policy, giving municipalities and the residents the opportunity to buy the land before it goes to the open market or a backdoor deal. Quebec has implemented a 'First Right of Refusal' policy that has allowed Montreal to acquire buildings for social and community housing.

7.6) Use It or Lose It (UIOLI) Clause

Issue: Once an application has been approved by City Council, developers are not required to start the project within a set time frame. This makes it difficult for tenants to plan for their lives, forcing them to live with uncertainty and stress—in some cases for more than 5 years. This allows developers to:

- Wait for eligible tenants to move out of the building and replace them with post-application tenants who will not be financially compensated through rent gap payments or moving costs, and are not given a right to return (see more in 3.6 about post-application tenants);
- Wait for the value of the property to increase and then flip the land for profit (Example: 135 Isabella Street), resulting in increased land speculation which drive up costs for homebuyers and renters; and

- Stall on their plans and not build the housing submitted in their application for years, sometimes beyond a decade, while building maintenance declines.

- **Short Summary:** Once a demoviction project has been approved, developers do not have a set deadline by the City to start building. This leaves tenants experiencing prolonged uncertainty, while developers may "sit on" the land or actively seek out other buyers for the project to maximize profits. Meanwhile, new housing is not being built.

- **Proposed Solution:** City Planning should engage with *No Demovictions* and other tenant advocacy groups to develop a UIOLI policy that disincentivizes the practice of land speculation by developers, and puts pressures on timelines to ensure tenants are not left living in uncertainty.

7.7) Extend the Rental Replacement Policy to All Units

Issue: The current Rental Replacement policy only covers affordable purpose-built rentals and mid-range units. Other rentals are excluded from the policy. This does not protect the overall supply of rental housing during a serious rental housing shortage.

- **Short Summary:** Rental Replacement policies do not protect all current rental housing, only affordable, purpose-built rentals and mid-range units.

- **Proposed Solution:** Extend the Rental Replacement policy to include all rental units in the City of Toronto.