

Fixing the Leaky Bucket:

A Comprehensive Policy &
Program Framework to
Preserve Toronto's Supply
of Deeply Affordable Housing



Executive Summary

To prevent the city’s homelessness crisis from becoming far worse, it is critically important that the City of Toronto take immediate action to:

- 1) preserve the existence and affordability of dwelling rooms and other deeply affordable housing, and
- 2) protect tenants from predatory landlord behaviour and displacement.

For low-income people in Toronto (especially social assistance recipients) a room in shared accommodation is one of the only forms of housing that remains affordable in the private market — even after all available housing subsidies have been taken into account. A 2017 study for the City of Toronto found that shared accommodations were the only rental option that consistently fell below the City’s affordable rent threshold; rooms in shared dwellings accounted for more than 70 percent of the affordable units available for rent (City of Toronto 2018: Feb 9, 6).

Dwelling rooms, defined as rooms used as living accommodation that are rented individually and are not self-contained, and can contain private sanitary facilities or cooking facilities, but not both (City of Toronto 2019a), represent a critically important form of affordable housing in Toronto and other major cities. With rents across the city rising faster than social assistance and minimum wage rates, the demand for dwelling rooms in Toronto continues to grow as other forms of housing are pushed further and further out of reach of people who used to have more options (PRISM Economics and Analysis 2017). Although often depicted as temporary housing, many dwelling room tenants rely on rooming houses as long-term accommodations.

The supply of dwelling rooms, however, is dwindling. In recent decades, a combination of real estate speculation and

inadequate public policy to protect and preserve dwelling rooms and maintain affordable rental rates has accelerated the loss of affordable housing in most major North American cities. Overwhelmingly, the loss of housing affordability is achieved through eviction. Fueled by property owners aiming to increase their profits by raising rents or selling their properties, tenants are being forced out of their homes and their communities — often into homelessness. Low-income tenants are most vulnerable to this pressure from property owners and the impacts they experience are more dire, however in Toronto, renters across the city are experiencing similar issues with predatory landlords who persistently push rents higher and higher.

Toronto is losing affordable dwelling rooms and other forms of affordable rental housing far faster than it is being created and the impact on Torontonians is significant: the city is experiencing record rates of homelessness — the last official census of the homeless population in 2018 counted 8,715 people (City of Toronto 2018b), while homeless-serving agency, Fred Victor, estimates the homeless population at 9,200 (Fred Victor n.d.); all of its homeless shelters and 24-hour respite spaces are at or over capacity; and at the beginning of 2019, 102,049 households were on the centralized wait list for subsidized housing (City of Toronto 2020a). The COVID-19 pandemic has exacerbated the crisis. As the Canadian Civil Liberties Association has stated, “The overcrowded conditions in Toronto’s homeless facilities have created a humanitarian crisis that threatens the many vulnerable people who use these spaces, along with the shelters’ staff and volunteers, and the city’s broader neighbourhoods and communities” (Canadian Civil Liberties Association 2020). As a result, thousands of homeless people have set up encampments across the city, choosing to live outdoors rather than risk staying in crowded shelter spaces, spaces, and the City has had to scramble to make existing shelter spaces compliant with public health social distancing guidelines, requiring additional sites for temporary shelter to be secured. At the same time, residential development is surging (Canada Mortgage and Housing Corporation 2020, August), tens of thousands of homes and millions of rooms are left vacant (City of Toronto 2018: Apr 9, 7; Dingman 2018), and all three levels of government continue to invest heavily in affordable housing and homelessness programs,

but the situation continues to worsen. It is clear that Toronto does not have the necessary policies and measures in place to ensure the adequate provision of affordable housing and the adequate provision of a full range of housing, which is a stated priority of the City of Toronto and Ontario's Planning Act.¹

This report was developed by the Dwelling Room Preservation Policy Working Group, a multi-stakeholder working group of 26 stakeholders including dwelling room tenants, non-profit housing providers and operators, tenant advocates, and housing policy researchers and experts, led by The Neighbourhood Land Trust's Dwelling Room Preservation Policy Researcher and Organizer. The Working Group was formed in 2019 to identify gaps in Toronto's existing policies and programs that contribute to the loss of affordable dwelling rooms across the city and produce community-developed policy solutions to address the problem.

The Working Group examined Toronto's private market affordable housing policy and program situation and identified a number of policy and program gaps that prevent us from effectively preserving Toronto's supply of deeply affordable housing and protecting tenants:

1. Dwelling rooms aren't permitted in much of the city
2. Toronto does not have dwelling room replacement policies that are effective in preventing dwelling rooms from being lost due to redevelopment, conversion and upscaling.
3. Current provincial residential tenancy policies contribute to the real estate speculation that is driving predatory eviction and the loss of affordable housing.
4. The City of Toronto does not have a program to stabilize existing affordable housing at risk of being lost, does not monitor or track the city's affordable housing supply, and has no affordable housing preservation goals or targets.
5. There is no coordination among Toronto's existing tenant support services and the design and delivery of their services is not appropriate or adequate for preventing predatory eviction.
6. The City of Toronto has no formal mandate, protocol or capacity for intervention to prevent eviction, and lacks coordination among City divisions, agencies, and tenant support services.
7. There is no strategic collection, monitoring, use, and

sharing of housing and landlord-tenant data by and among City divisions, agencies, tenant support services, and the Landlord and Tenant Board.

8. Complaint-based enforcement of by-laws and permit requirements is inadequate, given tenants' vulnerability and lack of information about their rights and remedies and where to get support.
9. Public funds for new affordable housing produce relatively little affordable housing; what is being created is often affordable only for a short period of time and is less affordable than what is being lost.

As other cities in the U.S. and Canada have been grappling with similar problems for years, there are plenty of policy and program innovations to learn from that can point Toronto to a better way forward. The Working Group reviewed the policies and programs undertaken to address the loss of private market affordable housing in other North American jurisdictions including New York City, San Francisco, Chicago, San Diego, Washington D.C., Vancouver, Montreal, Calgary, and Ottawa. We found many inspiring policies and initiatives (read the full report for details), which fell into the following four main categories: transferring affordable housing to public or non-profit ownership; regulatory restrictions on the demolition and conversion of dwelling rooms and other affordable housing; tenant protections and support; and developing new affordable housing. What became clear through reviewing these policies and initiatives is that addressing the situation we are in effectively will require a comprehensive framework of policies and programs that work together to stem the loss of existing affordable housing in Toronto and allow the city to expand its supply.

The Working Group took dwelling rooms and dwelling room tenants as its starting point in its investigation of solutions to our affordable housing and homelessness crisis, however, what we ultimately developed is a comprehensive framework of policies and programs, inspired by what's worked in other jurisdictions, that offers solutions to Toronto's wider affordable housing crisis for the benefit of all Toronto tenants—especially those living in poverty. This framework is broken down into six proposals for action by the City of Toronto, which we hope can serve as a roadmap for the City of Toronto to guide it in preserving the city's deeply affordable housing stock and protecting vulnerable tenants.

1. Ontario's Planning Act directs municipalities to include in their Official Plans, "such policies and measures as are practicable to ensure the adequate provision of affordable housing" (Government of Ontario 1990: 16.1.a.1); and provincial and

municipal legislation establishes "the adequate provision of a full range of housing, including affordable housing" as a priority (City of Toronto 2019: April 5, 4–5).

A Comprehensive Policy & Program Framework to Preserve Toronto's Supply of Deeply Affordable Housing: Six Proposals for Action

1. Legalize multi-tenant housing across the city through as-of-right zoning and improve its quality without causing tenants to lose their housing.

2. Require and better enforce the replacement of affordable housing that would otherwise be lost to demolition or conversion.

This should be accomplished through the following actions:

- Prioritizing effective enforcement of rental replacement policies through adequately resourcing enforcement, improving data collection and tracking, and having the City hold the responsibility for enforcing developers' tenant relocation and assistance plan contracts.
- Implementing a choice-based system for filling all vacant affordable housing units that are generated through City funding or City policies.
- Regularly reviewing, evaluating and reporting on the impacts of rental replacement policies to ensure they are not inadvertently motivating landlords to engage in predatory behaviour in an attempt to raise rents and be exempted from the policies.
- Expanding regulatory protections by amending Chapter 667 of the Toronto Municipal Code (the Rental Property Demolition and Conversion Control by-law), so that it applies to dwelling room rental properties, and not just self-contained rental units.

3. Prevent predatory eviction through the creation of a proactive, intersectoral, coordinated, integrated and data-driven tenant support system.

This should be accomplished through the following actions:

- Create a dedicated unit within Shelter, Support and Housing Administration with a mandate to coordinate an inter-sectoral approach to preserving the affordability of private market housing and preventing eviction and

homelessness by providing tenant protection and support.

- Develop and implement a) a database of affordable housing and tenant data from relevant City divisions (and other available sources); b) data protocols that facilitate the inter-divisional collection and sharing of relevant data; and c) data collection tools to facilitate the collection of data from City staff, front-line workers, and the public. Anonymize data collected and share it via Open Data.
 - Establish a city-wide proactive eviction prevention program, which funds community legal clinics or other local agencies to operate coordinated, local, proactive site-specific eviction prevention and tenant support services at the building level.
 - Integrate into the proactive eviction prevention program an initiative where community partners work with the City to facilitate the enforcement and compliance of by-laws and permit requirements and provide low-income tenants and their landlords with access to services related to proper residential building maintenance and occupancy issues.
 - Support the development of a Toronto Community Rental Housing and Tenant Support database that compiles data from a variety of government, agency, and community sources, to be used to create useful community data tools that will support proactive eviction prevention efforts, better support tenants, and build capacity among tenants and communities to prevent eviction.
 - Create a Tenant Support Community of Practice to share knowledge, develop strategies to prevent eviction, and to inform tenant support and eviction prevention training that is delivered to eviction prevention staff and community volunteers.
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4. Establish a small sites rental housing acquisition program that provides capital grants or forgivable loans to non-profit housing organizations or community land trusts to facilitate the purchase and conversion of at-risk private market affordable rental housing into permanently affordable housing.

The program would be comprised of:

- Capital funding and/or forgivable loans to allow non-profits to purchase properties quickly in a hot real estate market;
- Funding for up-front-costs of development consultants and due diligence studies;
- Renovation and rehabilitation funding; and
- A method to distribute funds to non-profits that allows organizations to compete in the open market to purchase properties;

The program would be enabled by:

- Data collection and monitoring of at-risk sites to identify priority sites for acquisition;
- A notice rights or right-of-first-refusal policy to enable non-profit organizations to secure properties before they are purchased by speculators;
- Capacity-building support for non-profits.

5. Facilitate the development of more permanently affordable housing.

This can be accomplished through the following actions:

- Modifying the Open Door program so that it creates and preserves permanently affordable housing exclusively and is more accommodating to non-profit applicants;
- Maximizing the affordable housing potential of public land through the use of land trusts, a portfolio approach, and non-profit development of permanently affordable housing; and
- Tracking, reporting on, and sharing data about the state of the city's affordable housing supply.

6. Advocate for the reform of provincial policies and practices that contribute to the real estate speculation driving dwelling room loss and increasing housing unaffordability. Specifically:

- Implement a vacancy control policy, which would prevent landlords from raising rents as high as they want once a tenant vacates the unit.
- Update and increase penalties for Residential Tenancies Act violations to ensure that they reflect both the financial benefits of violating the law and the cost to the government of mitigating the impact of the violation.
- Amend Above Guideline Increase (AGI) rules and make expenditures for balcony repairs or replacement; parking garage repair or replacement; and expenditures necessary for compliance with municipal work orders concerning non-compliance with health, safety, housing or maintenance standards ineligible for Above Guideline Increases. Require landlords to provide tenants with clear, detailed information about the work to be performed well before it is carried out to be eligible for an AGI.
- Require landlords to provide tenants with a Buyout Agreement Notice and file it with the Landlord and Tenant Board (LTB) before beginning buyout negotiations; have the LTB share the Notice with tenants' rights organizations to allow them to follow-up with tenants and offer support; allow tenants to rescind the agreement within 45 days and decline other buyout offers for 180 days; make information about the buyout publicly available on a searchable database/map.
- Establish a public online registry of N12 "Notice to End your Tenancy Because the Landlord, a Purchaser or a Family Member Requires the Rental Unit" filings that makes N12 data publicly accessible.
- Make eviction notices filed with the LTB available to local tenant support organizations and regularly share eviction data with municipalities and organizations that provide eviction prevention support.

While all three levels of government invest heavily in affordable housing and homelessness programs, Toronto is seeing its affordable housing and homelessness crisis continue to worsen; a clear indication that the system into which money is being poured is so full of holes that it is impossible to make any progress. Realizing Torontonians' right to housing requires taking action to ensure that the pursuit of profit does not take precedence over the human need for shelter. It is important to note that the content of this report was developed prior to the emergence of the COVID-19 pandemic and does not capture the recent responses from governments or the massive swell in collective action by tenants and communities in cities across Canada and the United States. This report is still deeply relevant, however, and provides concrete direction that should be considered during the ongoing emergency response and as we move forward with economic recovery. While it has been encouraging to see the City's response to the COVID pandemic include a plan to purchase hotels and other properties to provide better accommodations for

people experiencing homelessness, this emergency response approach lacks a sustainable plan and coordinated framework of policies and programs to stem the loss of existing affordable housing so that the City is able to grow its affordable housing supply.

To prevent the city's homelessness crisis from becoming far worse, it is critically important that the City of Toronto take immediate action and prioritize preserving the existence and affordability of existing affordable dwelling rooms and other deeply affordable housing, protect tenants from predatory landlord behaviour and displacement, and invest public resources for new housing development exclusively in the development and preservation of permanently affordable housing. As John Emmeus Davis wisely wrote: "We will never find enough money. We will never build enough housing. We will never see the waters rise. Until we care as much about trickle out as we do about trickle down" (Davis 2015).

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