

DEFENDING OUR HOMES



WIN MUNICIPALLY TO END THE HOUSING CRISIS



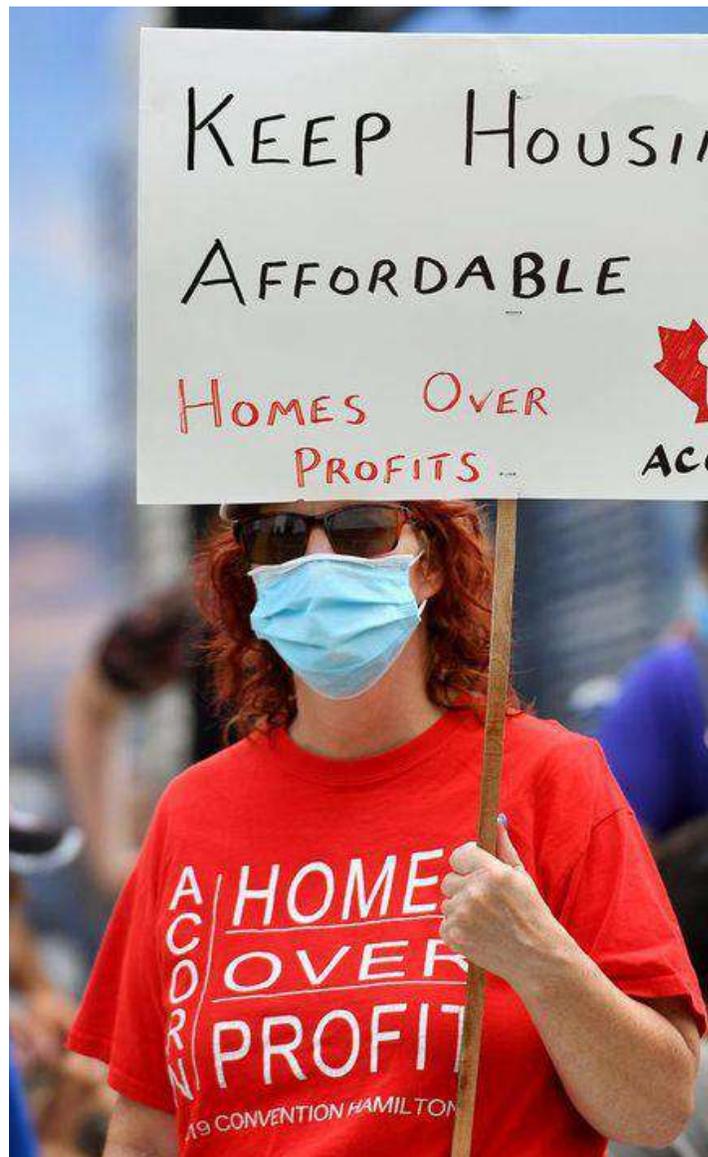
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WHAT IS ACORN?

ACORN Canada is a multi-issue, mass-based union of low- to moderate-income people with chapters across the city, province, and country. The purpose of our union is to give working class people power so that they can have their voices heard at the highest levels of the country. ACORN is both a deeply rooted community union working on local campaigns, as well as a large organization that connects working class people across the country to effectively fight the corporate practices and government policies that are at the root of most of our problems.



INTRODUCTION: HAMILTON NEEDS TO STAND FOR THEIR TENANTS

The housing crisis in Hamilton has gone from bad to worse. Low- and moderate-income tenants are facing the brunt of the crisis and Hamilton ACORN is demanding the City of Hamilton develop policy that puts the health and housing security of tenants ahead of the profit of developers.

This report outlines threats to the city's affordable housing, includes case studies of renovictions, testimonials from ACORN members and highlights the policy other Canadian municipalities have implemented to act on the crisis.

The City of Hamilton has taken important first steps in the past 12 months with the motion to modify the guidelines and criteria of 5 financial incentive programs for developers, and passing the motion to review and update the city's apartment property standards. These efforts from the city demonstrate the importance of consulting with tenant and community groups that know first hand how the housing crisis is impacting low-income and vulnerable communities.

But more must be done and bold action must be taken. It is ACORN's position that replicating the New Westminister Renoviction By-Law is legally possible in the City of Hamilton. While no city in Ontario has yet taken this step, the power is there for municipalities to license and put strong measures in place to disincentivize renoviction.

ACORN looks forward to working together with Council and community partners to protect tenants!



HAMILTON STAND UP
FOR YOUR TENANTS
ACORN

HAMILTON HOUSING CRISIS: RENOVICTION & SUBSTANDARD HOUSING

The housing crisis is not unique to Hamilton, but the pace of rising rents has exceeded all other municipalities in Canada. A number of recent reports and statistics show that the city, which was once known for affordable housing, has experienced a surge of interest from developers, resulting in rapidly rising rents and tenant displacement. The latest report by rentals.ca and Bullpen Research and Consulting, revealed Hamilton experienced the largest spike in rent between 2018 and 2019, where average rent jumped 24.4%. And a study by Canadian Centre for Policy Alternatives in 2019 demonstrated that a minimum wage earner would have to work 54 hours a week to afford a one-bedroom apartment in Hamilton, demonstrating the increasing unaffordability for renters.

In fact, reports have shown 45% of renters are living in unaffordable housing - meaning that they are spending more than 30% of their income on rent. 20% of renters live in deeply unaffordable homes by spending more than 50% of their income on rent.

At the same time, 15,400 people across Hamilton are waiting for a spot in subsidized housing. It's clear rents in Hamilton are rising, and low income and working class tenants are being priced out of the city they call home.

How is this happening?

A significant driver of turnover in previously affordable housing stock is renoviction. The goal of renovictions is for landlords to force out existing tenants under the guise of renovating or repairing a rental unit or building, so that the landlord can increase rents and maximize profit. The absence of vacancy rent control laws at the provincial level gives landlords a financial incentive to renovict tenants: when the unit is vacant, they can raise the rent to whatever the market allows.

There are several tactics landlords use to accomplish this:

1) Cash Incentive Program - More commonly referred to as a buyout. Landlords will approach tenants by phone and door-to-door offering a "financial incentive" for tenants to give up their apartments by a certain date. Initially, the offer comes off as friendly and landlords present themselves as looking out for the tenants' best interests, but tactics quickly escalate if the tenant refuses. Landlords will often threaten eviction or use high pressure sales tactics to wear tenants down to accept the offer - typically increasing their initial low ball offer to be more tempting. This tactic is extremely stressful on tenants. ACORN members in Hamilton have been offered packages as low as \$1,500 which barely covers moving costs, and does nothing to pay the increased rent tenants will be forced to pay on the open market.

2) N13 Eviction Notice - A longer and often more expensive process for the landlord, developers will issue tenants an N13 eviction notice. In Ontario, landlords are legally allowed to evict tenants for “substantial” renovations. All tenants in the building will receive notice to move out by a certain date because the landlord needs to do extensive renovations. With many tenants not knowing their rights, tenants will often just move out and accept the 3 month compensation. In Ontario tenants have “right to return”, and are entitled to return to the apartment after renovations at the same rent. But landlords are under no obligation to support tenants to relocate, and rarely provide a timeline for renovations. To ask a tenant to temporarily relocate for an unknown amount of time is not feasible for low-income tenants.

These are the predatory tactics used by landlords to maximize profit. They uproot families, destroy communities by driving up rents, and lay waste to Hamilton’s existing affordable housing stock. Currently the City of Hamilton does not track buyouts or renovictions, and the Landlord Tenant Board only has a record of N13 applications that have been challenged by tenants. If not for the ACORN Tenant Union calling out cases in our city, landlords would be able to quietly displace tenants and face no recourse.

Livability

In addition to facing renoviction, many tenants live in substandard rental suites. Whether part of a larger strategy to remove tenants from the building in order to circumvent rent control laws, or just out of sheer neglect, Hamilton tenants in affordable market rental apartments are forced to live with a wide range of health-and-safety issues. The inadequacy of Hamilton’s Property Standards By-Law and absence of enforcement protocol leaves tenants with no recourse if the building or their unit falls into disrepair. Tenants can bring a case to the Landlord Tenant Board (LTB) for rent abatements due to problems with their unit (essentially a discount on rent) but the LTB cannot order a landlord to do the actual repairs, only municipalities have the power to do so.

In 2018, Hamilton ACORN conducted a tenant survey to assess the living conditions in Hamilton’s market rental apartments. The survey results revealed that the majority of Hamilton tenants have major deficiencies in their homes.

- 59% of tenants have problems getting repairs done by their landlord. 26% of tenants see cockroaches in their unit every day.
- A staggering 47.7% of tenants reported having bedbugs in the last two years.
- 47.7% of tenants reported having flooring that requires replacing. This rarely, if ever, happens unless a tenant moves out.
- Tenants reported significant trouble getting basic repairs done in their units.

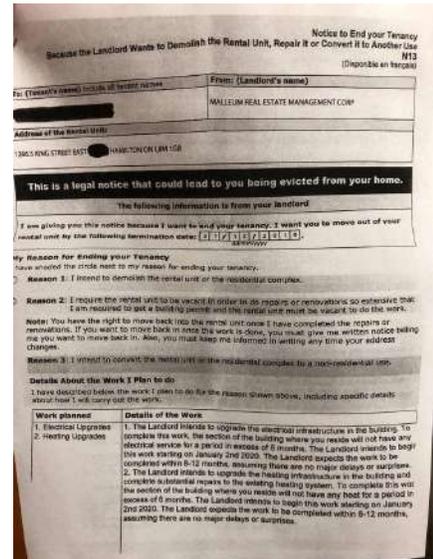
The survey showed that the vast majority of tenants had never called Hamilton By-law to report a Property Standards violation in their unit.

In January 2020 ACORN worked with City Councillors, and succeeded in getting the ‘Property Standards By-law – Rental Properties and Apartments’ motion passed, to review and update the city’s apartment standards. With the review set to conclude in the coming months, ACORN has identified the enforcement of these stronger property standards as a natural next step the city must take to address substandard housing and protect tenants from renoviction. The current complaint-based system is ineffective at getting landlords to keep their rentals in good condition. Hamilton needs a proactive system to ensure rentals never get to the level of disrepair ACORN has witnessed across the city.

RENOVICTION CASE STUDIES

Renoviction Case Study #1: 1085 Main St E

Malleum purchased 1085 Main St E. in December of 2018. The building is located across from Gage Park and was known in the neighborhood as an affordable market rental building. Malleum is a private equity firm based in Hamilton that specializes in growing “capital through active, value-add real estate investing”. In other words, purchasing affordable rental properties, renovating and turning over the tenants to attract a higher income renter, and returning capital to their investors. By December 2019, they had given tenants on the North side of the building until New Years Eve to vacate for renovations. Leading up to going door-to-door handing out eviction notices and offering tenants a cash incentive to move out, Malleum neglected pest treatment, cleaning common areas, and maintaining the property grounds. In August 2019, an ACORN member living in the building felt no choice but to sign an N11 and accept the low ball buyout Malleum was offering. He had this to say about the conditions in the building: “Once I was alone in my section the cockroaches increased. One crawled on my son. The dumpster broke down on a regular basis. The door to my tower didn’t lock.” ACORN members in the other half of the building have been approached with money to move out and describe similar substandard conditions that have persisted since Malleum took over the building. Malleum has used the same predatory tactics at multiple buildings along Barton and King St.



RENOVICTION CASE STUDIES

Renoviction Case Study #2: 26 & 38 West Ave S

Black Bird Property Group, representing an unknown owner, purchased 38 West Ave South in 2017. It is common for a group of investors to form a new corporation when purchasing a new building and hide the identity of the parties involved - 26 & 38 West Inc. Within weeks of taking over, tenants began to experience issues with heat and water. Tenants noticed that when people moved out, no new tenants were being brought in. In October 2017, they gave all the tenants N13 eviction notices. Eighteen affordable units were lost in order for the developer to turn the building into "luxury rentals". In 2019, Black Bird Property Group began the same process at 26 West Ave S. The company deliberately neglected the building and gave tenants N13 eviction notices. Tenants have been dealing with cockroaches, mice, bedbugs, floods, filthy common areas and no repairs. A tenant in the building called city by-law, the city issued two work orders but the landlord took no action. 26 & 38 West Ave S is a sad example of what landlords are able to get away with in the City of Hamilton. The landlord has deliberately neglected their property since 2017 and displaced low- and moderate-income families in the process.



CASE STUDY: CITIES HAVE THE POWER

New Westminister's Renoviction Bylaw

Hamilton ACORN is asking the city to investigate replicating New Westminister's renoviction by-law in Hamilton. BC ACORN played a role in the groundbreaking policy victory. The by-law disincentivises renovictions, and incentivises the maintenance of purpose-built rental buildings.

The by-law also licenses landlords in New Westminister, something ACORN has championed nationally since 2005. The licensing system works as an effective ban on renovictions because it takes out any financial incentive landlords have to renovict tenants. This is done by providing clear requirements that the landlord must adhere to before any evictions can take place:

- Developers need to obtain all permits from the city needed to do the renovation. This includes plumbing permits, development permits, heritage alteration permits, and building permits. This takes time, and informs the city that renovations and potential evictions are taking place at a local apartment building.
- Once all permits are obtained, and it is proven that tenants must vacate in order for the renovations to take place, the landlord must do either of the following steps to ensure that tenants are not displaced:
 - Enter into a new lease with the tenant that is identical or more favourable to the tenant, with provision of a comparable rental unit in the same building OR
 - Agree that tenants can move back under the terms of the existing lease AND find temporary accommodation for the tenant during the renovation period.

If a landlord violates these rules, they will be fined by the city. The city has also done outreach to tenants to inform them of their new rights, making it difficult for landlords to circumvent the rules by misleading tenants.

The City of New Westminister understood the importance of its affordable market rental stock, and developed a way to protect both affordable houses and the tenants who live in them.

The victories in New Westminister, which have now been copied in both Burnaby and Port Coquitlam BC, show that something can be done by cities to deal with this crisis. It is ACORN's position that the City of Hamilton must act now to deal with its own growing housing crisis. ACORN is proud to act as a voice for tenants and working class people, and is eager to work with Hamilton City Council moving forward.

HAMILTON DEFEND OUR HOMES PLATFORM

1. Renovation By-law and Landlord Licensing

The City of Hamilton should follow the lead of New Westminster and pass a Renovation By-law and landlord licensing system.

- Doing so takes away the financial incentive landlords have to renovate tenants by requiring landlords to follow certain requirements failing which they can be fined by the city or even lose their license.
- Landlord Licensing also provides enforcement of the Standards of Maintenance by-law, ensuring that buildings remain in good condition.

2. Tenant Support & Tracking New Building Ownership

The City of Hamilton should take a proactive approach when it comes to informing tenants of their rights and provide resources for tenant groups to respond to AGIs and threats of displacement.

- The city should track when a rental building is sold (license transfers to a new landlord) and immediately initiate outreach to inform tenants of their rights and how the Renovation By-law protects them.
- The city should expand and make permanent the Tenant Defence Fund by adding tenant outreach and education to its mandate as well as expanding the criteria for eligibility to include tenants at risk of displacement



ACORN MEMBER TESTIMONIALS



Susan Toomer and James Mcardle

We have lived at 260 Montmorency for 35 years. In December 2019 our landlord "Equity Builders" hired a real estate agent to go door to door in our complex and offer tenants \$5,000 to move out. We knew we wouldn't be able to find a new place we could afford so we said no. The landlord would send around misleading notices saying "UPDATE: 90% Complete - Don't Miss Your Chance" to make the offer seem limited. Many families took the offer because they thought they had to. Over the years, we have had to do our own pest treatment and repairs. The company is only interested in making as much money as possible.

Diane and Kim Guthro

My mother and I moved into a one bedroom apartment at 115 Leinster Ave S in September 2019. It was the cheapest apartment we could find - \$980 plus hydro. In March 2020, Executive Properties bought the building. First came a notice warning us of upcoming renovations and a program available for tenants who wish to terminate their tenancy. Next came a phone call mid April with an offer of \$2000-3000 to move out. At the end of May, two of the landlords knocked on my door asking me for a number I would accept to move out. This is all happening in the middle of the pandemic. I repeatedly said no. Since they took over the building we have had issues with cockroaches and they refuse to clean the common areas. I called by-law multiple times but nothing has been done. I feel intimidated and harassed by the owners. Tenants shouldn't have to deal with this pressure during a pandemic.



Dianne Smith

I'm 76 years old and I've been living at 977 Mohawk Road east for 4 years. This building is mostly seniors, and it used to be a place where everyone enjoyed living. When Drake property management, Two Sevens Capital, and Pulis Reality bought the building, they removed the laundry room and replaced it with a gym. This building is mostly seniors, it's very difficult for many of us to visit a laundromat. Last winter we barely had sufficient heat, many residents' hydro bills skyrocketed from constantly running space heaters. This whole time they have been offering buyouts from \$2000- \$5000 and pressuring people to move. They are now building luxury units with their own washer and dryer sets built in and their own heating and cooling systems. Common areas are barely being cleaned and tenants have had to fight for repairs. By-law has been here but lots of issues remain unresolved.



Marie Alcaide

I have lived at 41 Albert for 12 years. Malleum took over in 2016 and right away started coming to my door, texting and calling me to get me to move. They offered to cover the difference in rent up to \$1000 for two years if I was to move. My income is \$1169 on CPP disability. I said no. They tried to play games saying that the offer was limited to only a couple tenants so I better accept. Talking to the other tenants it was clear the buyout offers varied from tenant to tenant. One thing was clear though: all tenants said that no to Malleum continued to be harassed with offers. At the end of 2019 Malleum sold to Collard Properties. They didn't waste any time trying to force me and my neighbors out again with low ball buyout offers. And then came the N13 notice. Neither Malleum or Collard Properties properly maintained the building and it all just seemed like another tactic to frustrate tenants to move.



GET INVOLVED: TAKE ACTION

Municipalities have a vital role to play in ending the housing crisis in Ontario, and ACORN is set and ready to take action to get them to do just that!

ACORN holds monthly chapter meetings in Downtown, East Hamilton & Mountain neighborhoods. Reach out to learn more and get involved with ACORN's campaign!

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