



ACORN Canada
2022

SAVE RENTAL REPLACEMENT BYLAWS

PROTECT AFFORDABLE HOUSING



INTRODUCTION

Ontario is in a housing crisis that's getting worse. One of the key contributing factors is demovictions. According to Hannah Brais from the Homeless Hub: "A demoviction is when a tenant is displaced as a result of their home being demolished." Housing is a human right. Yet demovictions are forcing tenants out of their affordable homes to give way to luxury rentals and condos. In Ontario, when tenants move out, landlords are free to increase rents by as much as they want, creating incentive for landlords to push out long-term tenants. Hence, once demovicted, tenants are thrown into a housing market where they are not able to afford the rent or are forced to cut back on spending for essential services just to be able to pay their high rent.

As per the Rentals.ca December 2022 report, rent inflation continues to escalate with average rents for purpose-built and condominium rents registering an annual increase of 15.3% in Ontario. One-bedroom rents averaged \$2,156 and two-bedroom rents \$2,638 in the province. In some cities such as Brampton and London, the annual increase in rent has been close to 28%. Moreover, the current regulations at the provincial level are extremely weak when it comes to tenant protections in case of demolition.

Therefore, it is critical for cities to use their powers to ensure that tenants' rights are protected. Rental replacement bylaws are a tool cities can use to require developers to replace the existing affordable units during the redevelopment of affordable housing and offer them back to existing tenants at the same rent. They are a key protection that help preserve the existing affordable/low-end of market housing in major Ontario cities.

The housing that is at greatest risk of demoviction is **purpose-built rentals, where vacancy rates have remained very low**. Purpose-built rentals play a vital role in providing housing, especially to low- and moderate-income tenants. However, most of the purpose-built rental housing stock was built during the 1960s-70s, more than 50 years ago. While there has been some progress in purpose-built rental apartment development in the Greater Toronto Area in 2021, the pace is nowhere close to the demand. A Brampton city staff report (2021) mentions that 0% of housing completions in the city between 2017 and 2019 were rental tenure.

According to the Federation of Rental Housing Providers in Ontario, the province needs 300,000 new purpose-built rental homes in the next ten years. Yet each year in Ontario, 20,000 existing affordable units are lost. In cities like Ottawa it has been estimated that for every 1 unit built 7 are lost.

Therefore, it is extremely important to save the existing affordable rental housing we have in the province.

MORE HOMES BUILT FASTER ACT, 2022



The Ontario Progressive Conservative (PC) Government recently rammed through the legislature to pass the More Homes, Built Faster Act 2022 or Bill 23. The Act sees lack of housing supply as the main reason for the housing crisis and thus aims to build 1.5 million homes in the next 10 years to solve it.

While some of the measures to supposedly enhance the housing supply have already been legislated, there are some that are in the works - one of which is **standardizing rental replacement bylaws**. The province views thousands of purpose built rentals built in 1960s-70s as inhibiting new housing supply. These are seen as aging rental stock which need to be replaced with energy efficient buildings. In order to do so, the province is working to standardize Municipal Rental Replacement Bylaws. It opened an online consultation to hear views from different stakeholders on this aspect, the deadline for which was December 9, 2022.

Currently, cities have the power to enact bylaws to regulate condo conversions and demolitions, however, Bill 23 will give the power to the province to eliminate rental replacement bylaws which will in turn erode the remaining affordable housing in Ontario's major cities. Scrapping or weakening rental replacement rules would be a devastating blow to renters already struggling to make ends meet.

THIS REPORT

Given the significance of rental replacement bylaws in protecting existing affordable homes and preventing the homelessness crisis getting worse, this report focuses on rental replacement bylaws in select cities where they have been in place or those that are working towards developing one. The cities covered include Brampton, Hamilton, London, , Mississauga, Ottawa and Toronto. Sources of information include CMHC and city staff reports. The Elections Ontario web portal was accessed to understand the contributions to the PC Party of Ontario from 2014-2016.

ABOUT ACORN

ACORN (Association of Community Organizations for Reform Now) Canada is a multi-issue, membership-based community union of low- and moderate-income people. We have over 160,000+ members organized into 24+ neighbourhood chapters in nine cities across Canada. We believe that social and economic justice can best be achieved by building community power for change.

ACORN Canada

*Protect affordable
housing*

Why is eliminating or diluting rental replacement bylaws concerning?

Rents in Canada and particularly in Ontario have been skyrocketing. Most primary rentals were built between 1960-1980. Purpose built rentals offer greater security of tenure for long-term tenants and are relatively more affordable than other apartment rentals or condos built more recently.

Rents for units built post 2005 are 40-50% higher for 1-2 bedrooms as compared to those that were built pre 1960s or between 1960-89.

Table 1: Rent for units constructed pre 1960 and 1960-89 vs. those built post 2005 for 1 Bedroom unit - Select cities

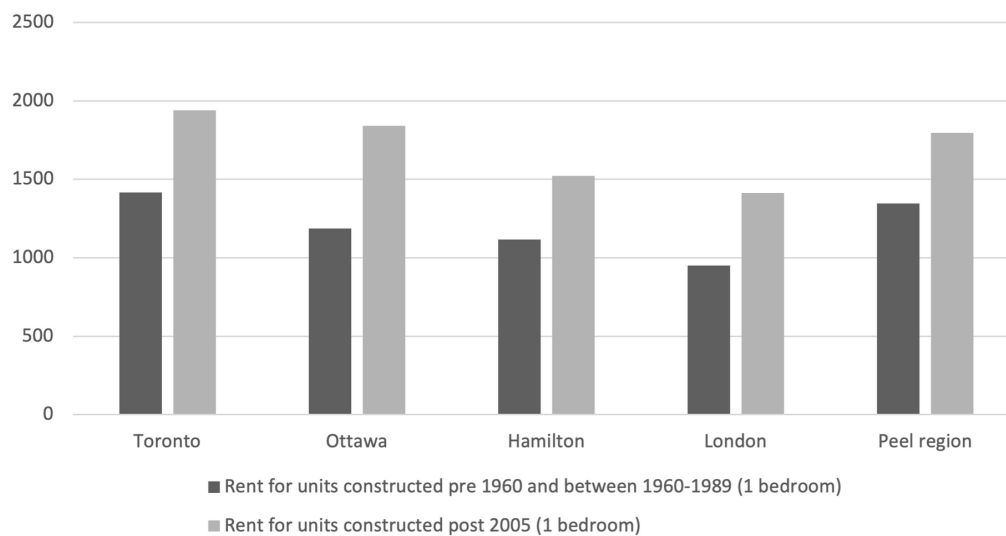
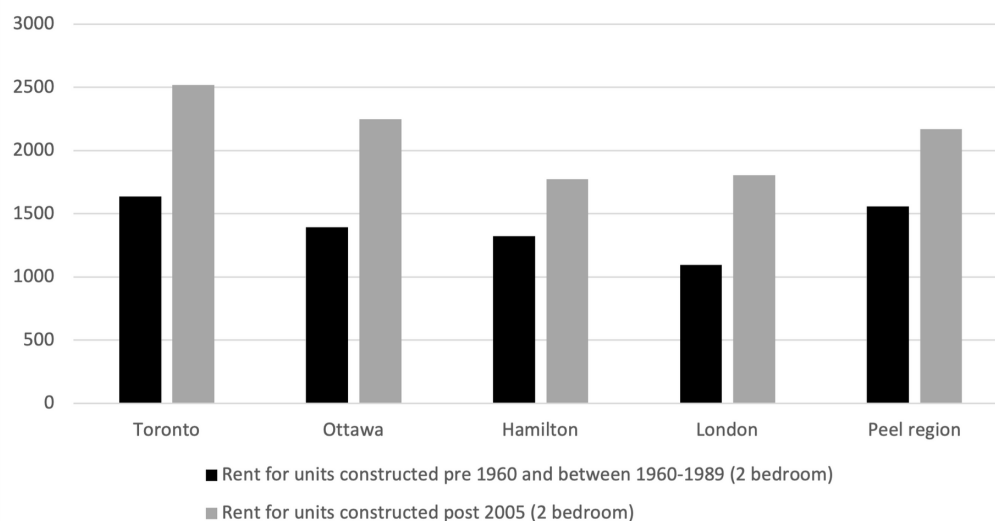


Table 2: Rent for units constructed pre 1960 and 1960-89 vs. those built post 2005 for 2 Bedroom unit - Select cities



If these rental units are demolished or converted to condos, where will the families go?

If these purpose-built rental units are demolished to give way to luxury condos, the question is where will those families demovicted go? Table 3 demonstrates the scale of the problem. CMHC defines housing as affordable if no more than 30% of household income goes towards rent. However, as per Statistics Canada, currently, a family with after tax household income less than \$30,000 is already paying 65% of their income for a 2-bedroom in Toronto. They will be paying more than 100% of their household income if they are forced out!

Table 3: % of household income for rent

	% of households with after tax income less than \$30,000	% of households with after tax income less than \$59,999	% for rent for household with income < 30,000 for a 2 bedroom built before 1989	% for rent for household with income < 30,000 for a 2 bedroom built post 2005
Toronto	15.4	23.9	65	101
Ottawa	10	19.8	56	90
Hamilton	11.6	23.2	53	71
London	13.6	27	44	72
Peel	7.9	17.6	62	87

It is alarming to see that this will go up to more than 100% if they were to move to a 2-bedroom that was constructed post 2005!

How many affordable units are at risk if these rental replacement bylaws are eliminated or cities are not allowed to institute them?

The total from just 5 cities in Ontario shows that we will lose close to **215,000 units** if **cities are not able to retain/ institute rental replacement bylaws!** These are rental units that have been built primarily pre 1960 or up until 1970s or so.

Toronto	71,000
Ottawa	60,707
Hamilton	23, 895
London	28,000
Mississauga	30,000

Table 4: Status of rental replacement bylaws - Select cities

Toronto	Rental Housing Demolition and Conversion Control by-law
Ottawa	<p>The City of Ottawa's 10-year Housing and Homelessness Plan 2020-2030 - Supporting the design and development of a rental replacement by-law for consideration by Council by 2022.</p> <p>June 16, 2022 - Motion passed by the city council: directing the Planning, Real Estate and Economic Development and Community and Social Services staff to explore the feasibility and identify potential resource implications to the adoption and implementation of a rental replacement by-law.</p>
Hamilton	Draft Municipal Act By-law to regulate the demolition and conversion of rental housing (May, 2022)
Mississauga	Rental Protection bylaw
Brampton	City-Initiated Official Plan Amendment to regulate rental conversion and demolition City-wide in order to protect Brampton's supply of rental housing - September 2021

Hamilton, Ottawa and Brampton are on their way to developing their rental replacement bylaws

Status of rental replacement bylaws

Table 4 shows that Toronto and Mississauga are the two cities that currently have rental replacement bylaws in place. The good news is that there are several other cities that are making considerable progress towards instituting such bylaws. For example, ACORN has been pushing the cities of Ottawa and Hamilton for a strong rental replacement bylaw. However, when the Ottawa Official Plan went to the Province for approval, the province erased the entire portion devoted to setting conditions on the destruction of rental housing, including space for the city to adopt a framework requiring replacement of such housing when it is taken down. This is taking us many steps back in the painstaking struggle ACORN members have fought to push cities to protect existing affordable housing.

Do rental replacement bylaws work?

There is clear evidence that current rental replacement bylaws are working! Evidence shows the following:

- Current bylaws are playing a vital role in protecting existing affordable units.
- At the same time, they are not a hindrance to new housing supply.
- They act as a strong disincentive for developers to demolish tenants. Further, there is huge potential to save more affordable housing from getting demolished in cities where we don't have those in place.
- As per Melissa Goldstein's submission on Bill 23, In 2022, the City of Toronto contributed \$78.5 million in capital funds and forgone revenues from waived fees, development charges, and property taxes to create 919 new affordable rental units – this is about the same number of affordable and mid-range rental units Toronto's rental replacement policies are replacing in 2022, at no cost to the taxpayer.
- It is going to be much more costly to build purpose-built rentals from scratch or provide shelter costs for any city if the homelessness crisis is further worsened.

TORONTO

In the first 7 months of 2022, Toronto approved 28 applications for redevelopment. Due to the city's demolition regulations, these 28 development projects will not only preserve **907 affordable housing units** that would have been lost due to demolition, but also contribute an additional **10,345 new market rate housing units**.

In Toronto alone, since the start of the City's rental replacement policy framework between **4,000 and 5,000 private market rental units** have been secured. This equals between **\$1 to \$2 billion** of low end of market rental housing saved.

MISSISSAUGA

Over the last 20 years, an average of 70 units/year have been converted from rental to condominium tenure. Since 2005, 3 projects with a total of 55 units have been demolished. Since the Rental Housing Protection By-law in 2019, the city has processed one application, in which 8 existing rental units were retained and 7 new bachelor units added in a single low-rise apartment building.

OTTAWA

The development application portal of the city of Ottawa shows 23-29 applications across the city currently underway that will lead to demovictions. A rough estimate shows that more than 5,500 tenants will be impacted if these applications were to proceed!

BRAMPTON

Since 2003, the City has received a total of nine development applications seeking to convert rental units to condominium tenure, and approximately 348 units were approved for conversion between 2003 and 2021. The properties submitted for application are concentrated along the Kennedy Road corridor, an area having a significant proportion of rental buildings, along with some sites close to the city's Downtown core.

Contribution records of Progressive Conservative Party of Ontario



We assessed the contribution records from Elections Ontario to better understand the benefits the PC Party of Ontario is receiving from the developer community, which is currently lobbying for the removal of rental replacement bylaws. This information looks at contributions to the PC Party of Ontario for 2014 and 2016.

Table 5: Contribute to PC Party of Ontario by BIG Developers - Totals to \$250,000!

Ontario Home Builders Association	\$54,597.56
Minto Group Inc.	\$41,613.53
Greenwin Inc	\$40,993
De Gasperis Family (Greenbelt developer)	\$ 35,077
TACC Developments (also owned by De GasperisFamily)	\$20,260
Building Industry & Land Development Association	\$18,990
OMERS Private Equity Inc.	\$16,500
RESCON (represent builders)	\$12,000.95
Flato Developments (Greenbelt developer)	\$6,000
CAPREIT	\$5,000

Tenant testimonials

Many ACORN members across the province have first hand experience with demovictions that are destroying their homes and communities.

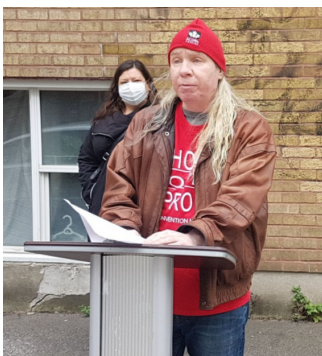
Grace Iyobosa - Demovicted in Herongate in 2016 AND 2018



In 2016 I was evicted in Herongate because they said the houses were beyond repair. But they purposely let them fall apart. I had mice, there were big holes in the wall, bedbugs, the toilet was broken and they wouldn't fix anything for years. I wasn't compensated - they instead moved me across the street to Baycrest where my family was evicted again in 2018.

I have a lot of pain because of what happened. I was depressed, my kids were depressed - they had to change schools, they're being bullied. Every day they now have to travel farther to go to a different school and I now live in Gloucester where I don't know anyone. My kids lost their friends. It was completely disruptive.

I came to Canada because I wanted a better life but things have been so tough. It was so stressful, I was scared. I couldn't find anything close to what I was paying in Herongate - when I was evicted I was paying \$1,300/month and now I'm paying \$1,700/month. Politicians must do something - My rent is \$1,700/month and I'm not working anymore because of COVID. I only have \$300/month to pay Embridge, groceries, bus pass and support my kids. I wish I could get back to Herongate - I liked my neighbours, there are other immigrants and people of colour like me, I feel like I'm home there.



Darin Loewy - Living in Slum-like Conditions Before Pushed out for Redevelopment at 641-649 Rideau St, Ottawa

For 18 years I had been living in slum-like conditions, roaches everywhere, extreme water damage to my living room wall, my front door was hanging off its hinges, holes in the bathroom ceiling, and a stove that since 2015 had only one functioning burner and an oven that didn't function at all. I had reported all of these issues but to no avail, I even got desperate and called Property Standards at the City.

Their motive for stopping repairs was very simple. It's so obvious that of course they wouldn't want to maintain their property when they had plans to tear the whole place down. Just two months later they filed an application with the City to rezone the property so they could replace the buildings with a luxury 25 storey high-rise. I was a good, clean tenant for nearly two decades and now even in non-profit housing, I'm paying an extra \$400/month in rent. My case isn't an isolated incident and I feel for my old neighbours still living there - where are we supposed to go when all the City's affordable housing keeps getting torn down?

Tenant testimonials

Gord Smyth, demoviction at 468 James Street N., Hamilton



In 2015, 468 James Street North was the most affordable rental I could find, but even 6 years ago it was difficult finding affordable housing on a fixed income. On the Ontario Disability Support Program (ODSP), my annual income is \$15,060 or \$1,255 a month. My 2021 rent is \$525 a month, which is 42% of my income. When I first moved in, in 2015, 468 James Street North had all 12 units occupied. Now, in May 2021, we are down to 4 tenants and counting the days until we lose our homes.

It started escalating in 2017 when Red Brick Rentals sold the building to John van Nostrand Developments (JvN/d). JvN/d had plans to demolish 476-468 James Street North to build a 92-unit condo building with the aim of providing affordable homeownership to households with incomes ranging from \$25,000 to \$125,000, but they backed out of the project in 2019.

In early 2021 all remaining tenants were notified that the building had been purchased by a new owner and on March 2 we received N13 eviction notices to vacate the property by June 30. This gave me 4 months to start searching for another affordable unit. I applied to subsidized housing with the City of Hamilton with homeless status. With waitlist of over 5,000 households, I realized the prospect of securing a spot in social housing by June was slim and only being entitled to 3 months rent as compensation, the reality of becoming homeless seemed inevitable and I needed to prepare.

I bought a wagon to pull behind my mobility scooter so I could carry what was needed and a generator to charge the scooter, my hearing aid equipment, cell phone and portable cooking appliances. I also got a tent big enough to store all of my gear and a canopy to cover it all and keep it out of the sun and heat. But I realized that I wouldn't be able to take all my belongings and would have to consider putting many things in storage. While there is no good time to be displaced, a global pandemic and housing crisis make it even more difficult for low income tenants.

What does ACORN want?

ACORN has been fighting for affordable and healthy homes for more than 18 years. Members have pushed cities across Ontario to ensure that they use their powers to build AND protect affordable housing.

The new Housing Act aims to destroy existing affordable housing, accelerating the homelessness crisis.

ACORN wants the Province of Ontario to give more, not less, powers to cities so that they can enact and implement rental replacement bylaws and protect existing affordable housing. Destroying affordable homes in a bid to build more energy efficient homes is not the solution. Rather the solution is to boost investments and enable repairs in these existing affordable homes!

Join ACORN to fight back!

Contact ACORN:

Email us at organize@acorncanada.org or call us at 416-461-5322

Website: www.acorncanada.org | [@ACORNCanada](https://twitter.com/ACORNCanada)

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