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Attention: Ministry of Municipal Affairs & Housing

ACORN Canada would like to make a formal submission to the Ministry of Municipal Affairs and Housing that is currently seeking feedback on regulations to protect tenants from bad faith renovations.

ACORN Canada, the Association of Community Organizations for Reform Now, is a community union of low- and moderate-income people. ACORN has 160,000+ members in 24 neighbourhood chapters across 10 cities. Our central purpose is to effectively represent and champion the interests of Canada's low-and-moderate income citizens on the critical issues of social and economic justice. For more details, please visit <https://acorncanada.org/>

ACORN members are low- and moderate-income tenants who are bearing the brunt of the housing crisis.

Introduction

Renovictions are a far too common tactic employed by landlords to evict tenants. ACORN filed a Freedom of Information request at the Landlord and Tenant Board for the eviction applications filed between 2017 and 2021 and saw a 132% increase in N-13 applications which includes applications of demolition and renovation.

Given the loopholes in the current provincial housing legislation, evictions for renovations (legal renovictions) are bad but the current regulations focus on bad faith renovictions.

Corporate landlords allow apartment buildings to fall into disrepair and then tenants are expected to move out voluntarily or if they don't, they are offered buyouts. Many accept the buyouts as they feel intimidated or are not aware of the right to return when the renovations are complete. Even if the tenants exercise the right to first refusal (right to return), in many cases, it's not enforced.

Overall recommendation

While Bill 97 proposes a slew of changes attempting to stop the tide of renovictions, it will still not make a dent into this widespread problem given that the existing rent control loopholes provide landlords a massive financial incentive to evict long term tenants and the onus of filing and proving and proving a bad faith eviction at the Landlord & Tenant Board (LTB) is on the tenant. Hence, neither more money to the provincial LTB nor increased penalties for landlords as the government claims is a real solution as the responsibility to prove bad faith evictions, an onerous process, lies on tenants.

Need for Full Rent Control, including Vacancy Control

ACORN strongly believes that the solution to tackling the massive rise in renovictions and demovictions is implementing full rent control.

- Include all units including those built and occupied post 2018 under rent control.
- Ban Above Guideline Rent increases.
- Implement vacancy control by tying the rent control to the unit so that the landlord is not allowed to increase the rent by whatever the market allows once the current tenancy ends.



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Specific recommendations to tackling bad faith renovations and renovations in general:

- The new changes require landlords to obtain and provide a report from a qualified person stating the renovations/repairs are so extensive they require the rental unit to be vacant. The landlord can just get a contractor to say they have to be out making the renovations legit!
- Moreover, there is no mention of buyouts. Big corporate landlords pursue this practice so that they can get the tenant out by securing “voluntary” termination of tenancy. This is hugely problematic since in most cases, in the absence of adequate knowledge of their rights or intimidation, tenants accept the buyout and move out without exercising their right to return.
- Currently, the compensation that the landlord provides is 3 months of rent which is highly inadequate. The landlord should be required to pay market rent or the current rent the tenant is paying + the difference in what they are paying now and market rent until the renovations are complete.
- There should be an order by the Landlord and Tenant Board (LTB) to make sure that the landlords don't re-rent the unit to a new tenant once the renovations are complete.
- If the landlord violates the tenant's right of first refusal, the landlord must face serious consequences.

Some of the regulations in other provinces that the Ontario government could consider in curbing renovations include the following:

Changes made to the Provincial Residential Tenancies Act (RTA) in BC to curb renovations:

The act specifies four basic requirements to end a tenancy for renovations or repairs:

- the landlord has all the necessary permits and approvals required by law and intends in good faith to renovate or repair the rental units.
- the renovations or repairs require the unit(s) to be vacant.
- the renovations or repairs are necessary to prolong or sustain the use of the rental unit(s) or the building where the rental unit(s) are located.
- the only reasonable way to achieve the necessary vacancy is to end the tenancy agreement.

Changes made to the BC RTA effective July 2021:

- If a landlord wants to end a tenancy for extensive renovations or repairs, they need to apply for an Order of Possession from the Residential Tenancy Branch.
- An arbitrator will decide if ending the tenancy is the only way to complete this work. The arbitrator will weigh that evidence and decide whether or not to allow the landlord to end a tenancy. If the tenancy ends the tenant will have 4 months to vacate the rental unit.
- The law also clearly states what might or might not require vacancy. Overall, it states that vacancy could be required if the renovations or repairs make it unsafe for the tenants to live there and result in the prolonged loss of an essential service or facility.

The Cities must have explicit power to license landlords

The New Westminster Business Regulations and Licensing (Rental Units) Bylaw enacted in 2004 was amended in 2019 to add new regulations pertaining to building renovations. The fact that the new regulations to curb renovations were tied to the city licensing bylaw resulted in **zero renovations after it made these changes.**



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“The bylaw, which was upheld in court after a legal challenge, saw renovictions go from 333 households from 2016-2018 to zero in 2019 when the law came into force¹”.

As per the changes, renovations requiring rental units to be vacated require the owner to:

- Obtain ALL permits required to perform the work prior to beginning the work; and, either
- a. enter into a new tenancy agreement with the affected tenant on the same terms as the renovated unit, or terms that are more favourable in a comparable unit in the same building, and provide a copy of that agreement to the Chief License Inspector OR
 - b. arrange for the tenant’s temporary accommodation for the duration of the renovation, and for their return to their original *dwelling unit* following completion of the renovation or repair, at the same rent subject to any increase permitted by the Residential Tenancy Act and provide documentation to the Chief License Inspector confirming the arrangements and the tenant’s consent.

Given the incredible success achieved by the city of New Westminister in BC, the province should give all cities explicit power to licence landlords.

Thank you for considering our submission.

Yours sincerely,

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For any questions/clarifications, please contact the ACORN Canada office.
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¹ Source: Nuttall, J. This metro Vancouver city cracked the renoviction code. Can it work elsewhere? The Toronto Star, May 12, 2021. <https://www.thestar.com/news/canada/2021/05/12/this-metro-vancouver-city-cracked-the-renoviction-code-can-it-work-elsewhere.html?rf>