

More Homes Built Faster Act (2022)

Submission to the Ministry of Municipal Affairs and Housing on
Municipal Rental Replacement By-Laws

December 8, 2022

United Ways across Ontario
Tower Renewal Partnership
Neighbourhood Change Research Partnership

Ministry of Municipal Affairs and Housing
17th Floor, 777 Bay St.
Toronto, ON
M7A 2J3

Proposal Number: 22-MMAH017

Submission on Municipal Rental Replacement By-Laws

Thank you for the opportunity to provide feedback on government’s proposed amendments to municipal rental replacement by-laws under the *Municipal Act, 2001 and City of Toronto Act, 2006*.

This brief, submitted jointly by United Ways across Ontario¹, Tower Renewal Partnership, and Neighbourhood Change Research Partnership, provides recommendations focused on preserving and renewing existing affordable rental stock so that low-income Ontarians can remain safely and securely housed. We would like to express our appreciation for government’s efforts to strengthen housing security in Ontario and we look forward to continuing to work with all levels of government and the non-profit and private sectors to ensure that all Ontarians have access to safe, accessible and stable housing.

Summary

The proposed legislative amendment to the above Acts envisioned under the *More Homes Built Faster Act, 2022* (the Act) gives the Minister the authority to make regulations imposing limits and conditions on the powers of a local municipality to prohibit and regulate the demolition and conversion of residential rental properties. Such a scenario may have the unintended consequence of leading to a net loss of rental units as existing units may be demolished and replaced. Older apartment buildings offering relatively affordable rents would be prime candidates for demolition and redevelopment, potentially deepening the affordability crisis by displacing thousands of low-income Ontarians struggling to make ends meet. With no other affordable housing options, this change could result in immediate housing instability for thousands of renter households throughout Ontario. And with affordable housing options ever more out of reach for low-income families, broader social and systemic inequities—including poverty and discrimination—are re-enforced and magnified.

[*Vertical Legacy: The case for revitalizing the GTA’s aging rental tower communities*](#), written in partnership by United Way Greater Toronto, Tower Renewal Partnership, and Neighbourhood Change Research Partnership, examines the state and affordability of legacy rental stock – mostly privately owned purpose-built rental apartment towers built before 1985. The report finds that in 2016, almost half of all high-rise apartment renter households in the Toronto Census Metropolitan Area (CMA) – approximately 149,000 households – were low-income households earning \$39,183 or less before-tax.² Older rental towers are a highly sought-after option for many low-to-moderate income renters as they provide lower than average market rent.

Homes for low-income Ontarians are key for a healthy housing ecosystem and a well-functioning economy. Supporting the current legacy rental stock is significantly more economically efficient than

¹ See full list of United Way signatories below.

² Scantlebury, T., Cascante, I., Newson, O., Clark E., Procyk, S., & Zuvela, B. (2021). [*Vertical Legacy: The case for revitalizing the GTA’s aging rental tower communities*](#). United Way Greater Toronto, Neighbourhood Change Research Partnership, Tower Renewal Partnership.

replacing these same units through new affordable housing development. Today, replacements cost \$500,000+ per unit and rising, compared to the average costs to maintain units in good condition, or the cost of comprehensive retrofit at \$150,000 – \$200,000 per unit, bringing older buildings to state-of-the-art standard.

Enabling the Minister to impose limits and conditions on the powers of a local municipality to prohibit and regulate the demolition and conversion of residential rental properties could cause immediate housing instability, including increased homelessness, for renter households throughout Ontario. Further, these proposed regulatory changes may also detract newcomers to Canada and interprovincial migrants from settling in Ontario, adding further strain to the province's current and anticipated labour market challenges. In short, the proposed changes in the Act may result in an erosion of attainable homes for low-to moderate-income families, which may in turn challenge labour participation and hamper our regional economy.

Housing as a structural determinant of health

Secure housing is recognized as a structural determinant of health and one of the main factors that can enhance resident health and well-being.³ Housing also prevents additional strain on other intersecting systems including health care and the economy. Throughout the pandemic we have seen public health officials and community agencies working tirelessly to keep people housed. Yet, the region continues to grapple with homelessness, with more people experiencing chronic homelessness across the GTA.^{4 5 6} There is economic value in keeping people housed – we know that for every \$10 invested in housing and related housing supports there is a cost savings of up to \$20 within healthcare, justice, shelter, and social assistance.⁷

A housing crisis was averted during the pandemic when government intervened to provide isolated shelter options for homeless individuals and support for low-income families, many of whom are precariously employed, from being evicted when job losses occurred. The repositioning of legacy rental sites from secure rental housing to unencumbered developable land would radically transform this asset class, providing immediate incentives for evictions, demolitions, and redevelopments that exclude current affordable housing provisions. This impact would be particularly concentrated near current and planned Major Transit Station Areas, where approximately 30% of legacy apartments are located. The government's demonstrated support for working class, low-income residents during the pandemic would be significantly undermined by legislation that removes those fundamental protections Ontarians will depend on in the current economic challenges. This aspect of the Act can indeed cause the harm that government endeavoured to protect Ontarians from over the past two years.

³ Leon, S. & Iveniuk, J. (2021). [*Widening inequities: Long-term housing affordability in the Toronto Census Metropolitan Area 1991-2016*](#). Wellesley Institute.

⁴ Cascante, I., McDonough L., Al-Saidawi H., Adams A., Brouard F. & Litalien M. (2022). [*Etoxicoke recovery site for people experiencing homelessness: Reimagining partnership between the healthcare and community services sector*](#). (Collaboration Cooperation Co-Creation: Case Studies of social service innovations during COVID-19). United Way Greater Toronto, Canadian Philanthropy Partnership Research Network.

⁵ Canadian Housing Policy Institute. (2021). [*Three Policies Needed for a Healthy Housing System*](#).

⁶ Hill C., Coplan I., Cascante I., Hota S., De Rose T. & Saadati Z. (2021). [*I Count: York Region's Homeless Count Report*](#). United Way Greater Toronto, York Region.

⁷ Gaetz S., Gulliver T. & Richter T. (2014). [*The State of Homelessness in Canada 2014*](#). Canadian Observatory on Homelessness.

Rental replacement policies provide a stabilizing framework to the rental housing system. Legacy towers provide a critical resource of attainable homes for hundreds of thousands of households across the province. Preservation of these units, alongside rapid development of more affordable and deeply affordable units, is a critical part of the solution to our affordable housing crisis.

We strongly support and urge the protection of existing municipal rental replacement by-laws to mitigate disruptive effects of demolitions and conversions for tenants and simultaneously spur a net gain of affordable rental units. These by-laws are designed to preserve rental stock by requiring that demolished rental units are replaced with the same number, size, and type of rental units; existing tenants have the right to return to the same size and type of unit, should they choose to do so; and replacement units are charged at similar rents and annual rent increases meet the provincial rent guidelines.

Since implementation of Toronto's rental unit replacement policy, 19 developments have taken place within sites that contain existing private rental units. The policy has secured replacement of 316 units (as of February 2022) on those sites.

Recommendations

Recommendation 1: Consult with municipalities in development of regulations to ensure municipalities can continue to require replacement rental housing and support impacted tenants.

Rental replacement by-laws are an important policy tool that allow municipalities to maintain the existing stock of affordable rental housing and protect renters from displacement. It is critical that municipalities inform development of any alternative measures to protect renters across Ontario at potential risk of losing their homes, including through demolitions and conversions, and being displaced from their communities.

Recommendation 2: Preserve Ontario's affordable rental housing stock by supporting mechanisms that enable community-based non-profit organizations to acquire and preserve existing affordable rental stock.

In Canada between 2011 and 2016 the number of affordable rental units declined by 322,000 – this figure indicates that we are losing affordable housing options faster than we can build new homes.^{8 9} Ontario would benefit from a two-pronged approach focused on protecting existing supply of affordable housing *and* building new affordable and deeply affordable rentals across Ontario. Without this approach we risk destabilizing our housing system, putting more strain on our health care system, and restricting our regional economy.

The non-profit sector is well-positioned to take over management of existing affordable rental units, ensuring the units are well-maintained and remain affordable in perpetuity. To make this possible, non-profits need supportive mechanisms to help them add existing affordable properties into their portfolios, such as better access to provincial financing for not-for-profit housing providers and more flexible access to lending.¹⁰

⁸ Pomeroy, R. (2020, May). [Why Canada needs a non-market rental acquisition strategy](#). Focus Consulting Inc.

⁹ Canadian Housing Policy Institute. (2021). [Three Policies Needed for a Healthy Housing System](#).

¹⁰ See [Access to Provincial Financing for Not for Profit Housing Providers](#)

Recommendation 3: Work with municipalities, community agencies, residents and building owners to explore opportunities to leverage development capacity of existing rental housing sites, particularly legacy tower in-the-park sites, which have capacity for new housing and mixed-use development by supporting mixed-use intensification, particularly near Major Transit Station Areas.

Many of these sites are currently not planned for growth by many municipalities, underutilizing sites that could otherwise support goals for complete and healthy neighbourhoods and a growing province.

There are over 200,000 households living in legacy apartment tower units in Peel, Toronto, and York Region alone, and more than 500,000 households across Ontario. Many of these legacy towers are surrounded by large expanses of underutilized open space that can provide opportunities for strategic growth, urban diversification and sustainable transformation. Existing tower-in-the-park sites have sufficient underused space – much of it surface parking lots – both to enable infill development and to enhance the quality and usability of existing green spaces to achieve goals of complete, healthy and resilient communities. With emerging investments in mass transit and growth pressures throughout our cities, infill development can be part of the solution, leveraging and enhancing existing rental building and their sites as dense and sustainable mixed-use and mixed-income communities.¹¹

Housing affordability solutions require collaboration between all levels of government, the not-for-profit and corporate sectors, as well as meaningful consultation with persons with lived experience. Thank you for reviewing our submission and we look forward to ongoing engagement and collaboration with the Province of Ontario to preserve and renew existing affordable rental stock so that all Ontarians are safely and securely housed.

Submission Signatories

United Way’s network of agencies and initiatives in neighbourhoods across Ontario works to ensure that everyone has access to the programs and services they need to thrive. Mobilizing community support, United Way’s work is rooted in ground-breaking research, strategic leadership, local advocacy and cross-sectoral partnerships committed to building a more equitable province and lasting solutions to the greatest challenges in our communities.

United Way Bruce Grey	United Way Leeds & Grenville
United Way Centraide North East Ontario	United Way Oxford
United Way Centraide Simcoe Muskoka	United Way Niagara
United Way/Centraide Windsor-Essex County	United Way Northumberland
United Way for the City of Kawartha Lakes	United Way Perth-Huron
United Way Durham Region	United Way Peterborough & District
United Way East Ontario	United Way Sault Ste. Marie and Algoma District
United Way Elgin Middlesex	United Way Thunder Bay
United Way Greater Toronto	United Way Waterloo Region Communities
United Way Halton & Hamilton	
United Way Kingston, Frontenac, Lennox and Addington	

¹¹ See [Growth and Resiliency in Tower in the Park Sites Across the GGH](#).

With funding from the Social Science and Humanities Research Council of Canada, the [Neighbourhood Change Research Partnership](#), based at the University of Toronto's Factor-Inwentash Faculty of Social Work, studies the policy implications of trends in inequality, diversity and socio-spatial change at the neighbourhood level in Canada's metropolitan areas.

The [Tower Renewal Partnership](#) (TRP) is a not-for-profit initiative working to advance the preservation and modernization of legacy tower housing and its neighbourhoods through research and demonstration. The TRP has worked with municipal, provincial and federal governments to establish the Tower Renewal approach as a key public policy priority, with preservation of this housing stock now central to the National Housing Strategy, Federation of Canadian Municipalities' (FCM) Sustainable Affordable Housing Fund and Toronto's Hi-RIS Program, among others. The TRP has been supported by CMHC, FCM, The Atmospheric Fund, the Government of Ontario and Maytree Foundation.