

Submission to the Ministry of Municipal Affairs and Housing Providing
Feedback on Future Regulations to Create a Balanced Framework
Around Municipal Rental Replacement By-Laws

May 18, 2023

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Tower Renewal Partnership
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Ministry of Municipal Affairs and Housing
17th Floor, 777 Bay St.
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Proposal Number: 23-MMAH005

Feedback on Future Regulations to Create a Balanced Framework Around Municipal Rental Replacement By-Laws

Thank you for the opportunity to provide feedback on the government's proposed legislative amendment to municipal rental replacement by-laws under s.99.1 of the *Municipal Act, 2001 (MA)* and s.111 of *City of Toronto Act, 2006 (COTA)*.

This brief, submitted jointly by United Ways across Ontario¹, Tower Renewal Partnership and Neighbourhood Change Research Partnership provides feedback on proposal changes to enable the Minister of Municipal Affairs and Housing to set minimum requirements which municipalities must impose on landowners, if they have rental replacement by-laws. It follows an earlier [submission](#) in December 2022 with recommendations to the provincial government on preserving and renewing existing affordable rental stock so that low-income Ontarians can remain safely and securely housed.

The network of United Ways in Ontario spans both rural and urban communities and recognizes the nuanced challenges facing residents in both environments. Rental options are limited and lagging affordability is a reality across the Province. Rental replacement policies provide a stabilizing framework to the rental housing system. They are a critical policy lever to address deteriorating rental housing security, affordability and attainability, particularly during times of neighbourhood change.² Since 2007, the City of Toronto's Rental Housing Replacement bylaws have secured 3,571 rental replacement units alone.³ The absence of such policies would be detrimental to the housing system, eroding the housing security of low- and moderate-income Ontarians and adding more strain on an already overburdened rental market.

We acknowledge and applaud the government's commitment to maintain and expand rental replacement policies throughout the Province, to support both urban and rural affordability and community vibrancy. We look forward to continuing to work with all levels of government and the non-profit and private sectors to ensure that all Ontarians can attain safe, accessible and stable housing.

Summary

The proposed regulatory amendment would enable the Minister to set minimum requirements which municipalities must impose on landowners, if they have rental replacement by-laws. The government has provided four areas where it intends to consider future regulations:

1. Prescribe minimum requirements for landowners to give tenants the option to rent a 'replacement unit' at the same location as their demolished unit, and at a similar rent. This

¹ See full list of United Way signatories below.

² United Way Greater Toronto and BGM Strategy Group. (2023). [Building Inclusive Communities. Learning from Programs and Policies that Work.](#)

³ City of Toronto. (2020). [Proposed Official Plan Amendment to the City's Affordable and Mid-range Rent Definitions.](#)

requirement would apply in instances where a 'replacement unit' is required to be built at the same location as the demolished unit.

2. Set common rules about the types of compensation that would be required to be provided to displaced tenants.
3. Prescribe minimum requirements for landowners to build 'replacement units' with the same core features (e.g., same number of bedrooms) as demolished units.
4. Limit municipalities from imposing minimum square footage requirements for 'replacement units'.

While setting minimum requirements and common standards might meet the province's objective to increase consistency across and between municipalities that establish by-laws, a balanced framework approach may inadvertently deter cities from enforcing more stringent by-laws already in place, minimizing the potential impact of existing and effective rental replacement by-laws and leading to decreased affordability, and increase resident displacement across the region, especially of lower income residents. Further, the proposed approach is only relevant for the small number of Ontario municipalities that currently have rental replacement by-laws in place. Requiring all municipalities to establish strong and effective rental replacement by-laws would enhance protections to more Ontario tenants, in both urban and rural contexts.

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.⁴ Rental replacement by-laws can mitigate disruptive effects of renovations, demolitions and conversions for tenants, ensuring tenants remain safely and affordably housed during and after renovations. These by-laws are designed to preserve affordable 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.

To enhance the effectiveness of the Province's proposed legislative amendment to municipal rental replacement by-laws, we offer the following recommendations.

Recommendations

Recommendation 1: Apply rental replacement by-laws widely, to all Ontario municipalities and without exemptions to broaden impact of the policy and support more residents to maintain affordable rents in the communities they call home.

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. These protections should be applied widely and evenly across all municipalities to ensure consistency from municipality to municipality.

⁴ Leon, S. & Iveniuk, J. (2021). [*Widening inequities: Long-term housing affordability in the Toronto Census Metropolitan Area 1991-2016*](#). Wellesley Institute.

Recommendation 2: Include right to return policies in the minimum requirements established for rental replacement by-laws and ensure residents are engaged in development of right to return criteria connected to individual projects.

Right to return policies offer residents the opportunity to return to their neighbourhood or building after the redevelopment or renovation is complete. Rental unit replacement and right to return requirements are intertwined and work together to enable both preservation of existing affordable housing and production of new affordable housing. Resident engagement in development of right to return criteria allows for tailoring to the local context and has been shown to lead to a higher return rate to neighbourhoods and communities.⁵

Recommendation 3: Ensure replacement units are provided within the same neighbourhood or community of the original rental unit, to avoid disrupting residents' professional and social networks.

Moving is always disruptive and changing neighbourhoods more so. Displacement to a different neighbourhood or community, in the rural context, disrupts school, work and other routines as well as social networks and community connections, all of which are critical to individual and community health and well-being.⁶ Furthermore, as market conditions enable redevelopment of large rental buildings, substantial displacement could over burden an already tight rental market. Municipalities should evaluate the viability of rehousing plans to ensure residents are not unacceptably displaced, under-housed or inadvertently rendered homeless. In the rural context, displacement from one community to another is overly disruptive and burdensome for residents and can create significant barriers to participation in society.

Recommendation 4: Ensure common rules around compensation provided to displaced tenants are comprehensive and consider all potential out of pocket costs associated with relocation, including moving costs and additional travel expenses.

Moving comes with hidden costs for supplies, insurance and the move itself. In addition, if residents are temporarily displaced to a different neighbourhood or community, they may need to incur additional travel costs associated with longer commutes to school, work, volunteerism and social connections.

Recommendation 5: Ensure replacement units are rented at the same cost as prior to redevelopment, protected by rent control and ineligible for Above Guideline Increases (AGIs).

Ontario's rent control regime provides tenants in residential rental units occupied for the first time after November 15, 2018 with a degree of certainty over the cost of rent from year to year, strengthening housing stability and serving as an anti-displacement tool, particularly in strong rental housing markets.⁷ To protect residents from unforeseen rental costs and future displacement, rent control must be applied to replacement units, even though newly built after 2018.

⁵ United Way Greater Toronto and BGM Strategy Group. (2023). [Building Inclusive Communities. Learning from Programs and Policies that Work.](#)

⁶ United Way Greater Toronto, The Region of Peel, Wellesley Institute and The Community Foundation of Mississauga. (2021). [Peel Region Social Capital Study.](#); United Way Greater Toronto and Wellesley Institute. (2021). [York Region Social Capital Study.](#)

⁷ United Way Greater Toronto and BGM Strategy Group. (2023). [Building Inclusive Communities. Learning from Programs and Policies that Work.](#)

Recommendation 6: Ensure replacement units are accessible and of a similar type and size so they meet the needs of residents.

The regulations must require that replacement units be the same type (i.e., have the same number of bedrooms) and of similar size (i.e., similar square footage) as the unit being replaced. If units were accessible to people with disabilities prior to renovation or demolition, replacement units should be accessible as well. This will ensure replacement units are suitable and can safely accommodate residents, as they did prior to redevelopment.

Recommendation 7: Ensure minimum requirements established for rental replacement by-laws neither restrict nor discourage municipalities from applying more stringent thresholds and requirements.

While the Province is seeking to increase consistency across and between municipalities, requirements should set the minimum standard based on the by-laws that have proven to effectively protect low- and moderate-income renters. Municipalities that have more effective by-laws already in place and those currently considering implementation of higher standards should be encouraged to keep or set higher standards as dictated by their local context.

Recommendation 8: Ensure a clear role for the municipality, in accordance with distinct regulatory roles and capacities, including promoting and evaluating tenant and landlord education campaigns on rental replacement rights and responsibilities. Require building owners to notify the municipality if evictions due to renovations are taking place so municipalities can support implementation of the by-laws.

Municipalities should be consulted in the development of the proposed balanced framework for municipal rental replacement by-laws and play a central role in ensuring both building owners and tenants are aware of the policy, their responsibilities and their rights.

Submission Signatories

United Way’s network of agencies and initiatives in neighbourhoods and communities 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.

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| United Way Bruce Grey | United Way Halton & Hamilton |
| United Way Centraide North East Ontario | United Way of Kingston, Frontenac, Lennox & Addington |
| United Way Centraide Simcoe Muskoka | United Way Leeds & Grenville |
| United Way/Centraide Stormont, Dundas & Glengarry | United Way Niagara |
| United Way City of Kawartha Lakes | United Way Northumberland |
| United Way of Durham Region | United Way Oxford |
| United Way East Ontario | United Way Perth Huron |
| United Way Elgin Middlesex | United Way Peterborough & District |
| United Way Greater Toronto | United Way Waterloo Region Communities |
| United Way of Haldimand and Norfolk | |

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.