

Staff Report



Development Services Department

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REPORT TO: Planning and Strategic Initiatives Committee

DATE OF MEETING: June 17, 2024

SUBMITTED BY: Rosa Bustamante, Director Planning and Housing Policy, 519-519-741-2200 ext. 7319

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WARD(S) INVOLVED: ALL

DATE OF REPORT: June 6, 2024

REPORT NO.: DSD-2024-282

SUBJECT: Proposed Rental Replacement By-Law

RECOMMENDATION:

That the proposed Rental Replacement By-law, be approved in the form shown in Attachment 'A' to report DSD-2024-282; and,

That City initiated Official Plan Amendment OPA24/007/K/NG, for the purposes of administering a Rental Replacement By-law, be adopted in the form shown in the Official Plan Amendment attached to Report DSD-2024-282 as Attachment 'C', and accordingly forwarded to the Region of Waterloo for approval; and,

That By-law 2013-093, being Chapter 620 – Demolition Control of the Municipal Code, be amended by the “Proposed By-law” attached to Report DSD-2024-282 as Appendix 'D', to enable the administration of a Rental Replacement By-law; and further,

That staff be directed to continue to work towards a tenant assistance policy as outlined in Kitchener's Housing for All Strategy.

REPORT HIGHLIGHTS:

- The purpose of this report is to seek Council's approval of a proposed Rental Replacement By-Law and related amendments to Kitchener's Official Plan and Demolition Control By-law.
- The proposed Rental Replacement By-law is a tool designed to provide stability and compensation to tenants displaced by redevelopment and to create a transparent and predictable Rental Replacement permitting regime.

- The proposed Rental Replacement By-law balances interrelated policy goals of creating new housing supply and preserving the health and diversity of the city's most affordable rental housing.
- The By-law will require landowners seeking to demolish or convert six or more rental units to provide alternative housing or compensation to tenants and require the provision of replacement rental housing in new developments.
- Staff will undertake further analysis to determine if a new fee should be added to Kitchener's Fee Schedule as part of Budget 2025 to cover administrative costs in the processing of the Rental Replacement Permit.
- This report supports **Building a Connected City Together: Focuses on neighbourhoods; housing and ensuring secure, affordable homes; getting around easily, sustainably and safely to the places and spaces that matter.**

EXECUTIVE SUMMARY:

The proposed Rental Replacement By-law is a tool designed to provide stability and compensation to tenants displaced by redevelopment, and to create a transparent and predictable rental replacement permitting regime that ensures that new development does not occur at the expense of existing rental housing. It balances the interrelated policy goals of creating new housing supply and preserving the health and diversity of the city's most affordable rental housing, its existing purpose-built rental housing stock. The proposed Rental Replacement By-law builds on policy direction in the Regional Official Plan, Official Plan, and Kitchener's Housing for All Strategy, and direction provided by Council in December 2023.

The Rental Replacement By-law will not stand in the way of the large-scale redevelopment of existing rental housing properties, so long as compensation to tenants and the replacement of rental units occurs. Under the proposed Rental Replacement By-law, tenants would be offered the choice of a replacement unit, a rent waiver or compensation, and replacement units would be required to be provided at affordable rents for 10 years. The proposed Rental Replacement By-law disincentivizes proposals to redevelop existing rental properties without contributing substantially to housing supply.

This report details staff's efforts, in keeping with Council direction, to provide rental protection to as many tenants as possible, within the limitations of the legal authority within the *Municipal Act* for rental replacement by-laws. As such, the proposed Rental Replacement By-law will apply only to evictions through demolitions and cannot apply to evictions through renovations. Additionally, no legal powers exist for the City to intervene in informal evictions or those proceeding under the *Residential Tenancies Act*. The City, moreover, has no authority to make the issuance of a Rental Replacement Permit a condition for issuing building permits.

The development of the proposed Rental Replacement By-law involved consultation with tenant advocates, individuals affected by rental displacement, and development industry partners. It is recommended that Council approve the proposed Rental Replacement By-law and companion Official Plan amendment and Demolition Control By-law amendment and continue work on a tenant assistance policy as outlined in Kitchener's Housing for All Strategy.

BACKGROUND:

This Report is one of many housing-related reports considered by Council since Council's endorsement of Kitchener's Housing Pledge in March 2023 as shown on **Figure 1**.

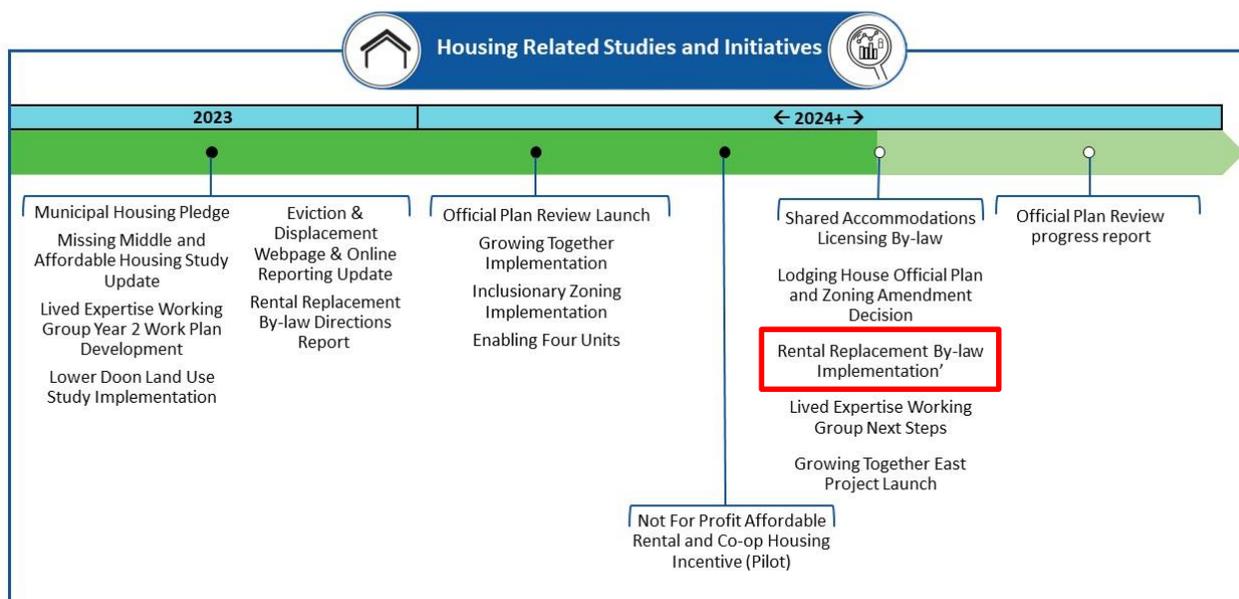


Figure 1: Housing Related Studies and Initiatives

On January 30, 2023, Council directed staff to prepare a rental housing, eviction and displacement study that explored tools that the city can use to support the transitioning of displaced residents. This direction emerged from the findings of the City's Housing for All Strategy, which recommended finding innovative tools to preserve and increase housing supply. The study that was prepared in response to Council direction included a financial feasibility assessment of a rental replacement by-law by Parcel Economics. In December 2023, Council directed staff to prepare a rental replacement by-law.

Since December 2023, a core group of staff from across the corporation, including staff from Building, By-law Enforcement, Legal, Planning & Housing Policy, as well as Housing & Development Approvals have worked collaboratively on the proposed Rental Replacement By-law. Staff have engaged with development industry partners, housing advocates and non-profits, and community members who have or are experiencing displacement.

REPORT:

Evictions and Displacement

The *Residential Tenancies Act, 2006* (RTA), is the Provincial legislation which governs rental housing in Ontario, including matters related to evictions. The RTA outlines rules for tenancy agreements and other matters such as requiring that landlords maintain their properties in a good state of repair and comply with health, safety, housing, and maintenance standards. Generally, when a tenant is evicted from their home, they must be

provided with an N12 or N13 notice from the landlord which provides the landlord's reason for the eviction. These notices are filed with the Landlord and Tenant Board (LTB). The LTB enforces the RTA. Conflicts between tenants and landlords are handled by the Landlord and Tenant Board (LTB). A landlord may apply to the LTB to end a tenancy for reasons ranging from non-payment of rent, use of the unit for illegal activities, or occupancy of the owner, among others. Tenants may, likewise, file grievances with the LTB regarding issues such as above guideline rent increases, property maintenance or bad faith evictions.

While the LTB clearly outlines rights and responsibilities, obtaining a hearing can take upwards of 10 months. It is acknowledged that evictions may also occur informally and without proper notice.

Legislative and Policy Context

Staff report [DSD-2023-486](#), outlined the tools available at the municipal level to directly regulate evictions – a Rental Replacement By-law under section 99.1 of the *Municipal Act*. The *Municipal Act* allows municipalities to pass by-laws to prohibit or regulate the demolition and conversion of residential rental properties containing six or more units. The mechanism used to regulate the demolition or conversion is a permit, often called a s.99.1 permit, issued with conditions and secured by an agreement that is registered on the title of the property.

The triggering mechanism for the implementation of the Rental Replacement By-law is a Demolition Control Permit. The Demolition Control Permit process, authorized by section 33 of the *Planning Act*, allows municipalities to prevent demolition of residential properties in the City pending a plan being put in place for building replacement.

The Region of Waterloo's Official Plan includes policies that support the retention of rental housing stock and encourage the development a rental replacement by-law. Policy 3.A.15 requires that area municipalities develop Official Plan policies and zoning regulations regarding the demolition of existing residential rental units for buildings with six or more units. This policy includes criteria on comparable bedroom mix and affordability for replacement units and tenant compensation in accordance with the RTA.

Kitchener's Official Plan includes many policies encouraging the provision of new and retention of existing rental housing. The following policies were considered in the preparation of the proposed Rental Replacement By-law and companion amendments to the Official Plan and Demolition Control By-law:

4.C.1.22 The City will encourage the provision of a range of innovative housing types and tenures such as rental housing, freehold ownership and condominium ownership including common element condominium, phased condominium and vacant land condominium, as a means of increasing housing choice and diversity.

4.C.1.10 Where appropriate, and without limiting opportunities for intensification, the City will encourage and support the ongoing maintenance and stability of existing housing stock in the city by:

a) supporting the reuse and adaptation of the housing stock through renovation, conversion and rehabilitation;

b) supporting community access to funding programs for the rehabilitation and repair of housing

4.C.1.11 A demolition control application will be required for any requests to remove residential dwelling units from the housing supply in accordance with the Demolition Control Policies in Section 17.E.25.

Further, Kitchener's Housing for All Strategy identifies strategies for supporting the equitable provision of housing across the city, including inclusionary zoning, lodging house licensing, tenant support programs, affordable housing incentives, and measures for increasing housing and supply opportunities.

Concern about the loss of rental housing has become a focus of city initiatives across Southwestern Ontario. Communities such as Toronto, Mississauga, and Oakville have enacted rental housing protection by-laws under the express authority under section 99.1 of the *Municipal Act* to regulate the demolition and conversion of residential rental properties. These by-laws established a permit system requiring an applicant to apply for a permit to carry out the demolition or conversion of a rental property, subject to the by-law's conditions.

Proposed Rental Replacement By-law Rationale and Objectives

The proposed Rental Replacement By-law was developed to strike an appropriate balance between three interrelated policy goals: increasing housing supply, preserving existing rental homes, and protecting tenants. The proposed Rental Replacement By-law focuses specifically on purpose built multi-unit rental properties, that are of critical value to the health and diversity of the city's housing stock. It will ensure that when development does occur on existing rental properties, the results contribute to both to the supply and affordability of housing city-wide.

Through Kitchener's housing pledge, Kitchener committed to accelerating housing supply and taking necessary steps to facilitate 35,000 additional homes by 2031. Kitchener has already approved updates to its land use framework within its Protected Major Transit Station Areas (Growing Together) enabling up to 100,000 new homes. Additionally, Kitchener has approved updates to its zoning by-law to allow 4 units as of right on approximately 68 percent of residential lots within Kitchener. Balancing the supply of new housing while maintaining existing rental housing stock is a key consideration of Kitchener's growth. Existing rental housing is the most affordable form of market housing available and makes up 55 percent of the city's rental housing stock. The proposed Rental Replacement By-law would encourage the retention of existing rental housing where the parameters of the by-law would make the financial viability of redevelopment unsuccessful. The proposed Rental Replacement By-law is, moreover, supported by a full complement of City incentives and policies that promote development across a variety of sites across the city. These objectives formed the basis for the key aspects of the proposed Rental Replacement By-law.

Proposed Rental Replacement By-law

Staff is recommending a Rental Replacement By-law that is like those in effect in the cities of Toronto, Mississauga, and Oakville and includes matters that are permitted to be regulated by section 99.1 of the *Municipal Act* (Attachment A). The proposed Rental

Replacement By-law includes rules for tenant compensation and rental replacement units. It also includes key definitions such as “dwelling unit”, “lodging unit”, “comparable rental unit”, and “residential rental property” to capture a broad, but within the limits of the *Municipal Act*, application of the by-law.

Applicability

The proposed Rental Replacement By-Law establishes a Rental Replacement permit process whereby applications requiring *Planning Act* approval that will result in the demolition or conversion of six or more rental units are required to replace those units onsite and provide compensation to displaced tenants. The proposed Rental Replacement By-law would also apply to planning applications that relate to a property or multiple properties that contain six or more residential units, whether they are contained on one parcel or several. This includes apartment buildings as well as townhomes, semi-detached and single-detached homes, whether those homes have been subdivided into apartments or not. The six unit minimum is set by the *Municipal Act*.

Units in the secondary rental market, such as rented condominiums, are not included as stipulated by section 99.1 of the *Municipal Act*. Rental units that would also be exempt include equity co-operatives, co-ownership properties, and designated and non-profit housing projects owned, operated, or managed by the Region of Waterloo.

Tenant Compensation

When a *Planning Act* application proposes to demolish or convert an eligible residential rental building, the proposed Rental Replacement By-law includes three options for compensation:

- **Temporary Offsite Replacement Unit:** A comparable rental unit rented at the same price as their existing unit until construction of the new unit is complete at which point the tenant is given first right of replacement to occupy a new unit.
- **Rent Waiver:** The option of remaining in their unit for 12 months rent-free with the obligation to vacate thereafter. Additionally, the developer will be required to provide a unit in the new building at affordable rents for a period of 10 years.
- **Cash Payout:** The option of receiving the cash equivalent of 10 months of rent and an agreement to vacate the property in two months. Additionally, the developer will be required to provide a unit in the new building at affordable rents for a period of 10 years.

Rental Replacement Units

In any development subject to the proposed Rental Replacement By-law, applicants are required to build affordable rental units equal in number and size to those demolished or converted. These units are then occupied by either tenants that selected the Temporary Offsite Replacement Unit at the outset of the process, or by other tenants through a tenant selection process that is envisioned at this time to be similar to the process being developed as part of Kitchener’s Inclusionary Zoning program. These units are required to remain

rented at an affordable rent for a period of ten years, with these obligations secured through an agreement registered on the title of the property.

The proposed Rental Replacement By-Law in the Context of Local Development and Investment Opportunities

The proposed Rental Replacement By-law has been structured in a way to ensure that the city can balance two interlocked policy objectives: the creation of new housing supply and the preservation of existing rental supply.

The proposed Rental Replacement By-law was informed by the Rental Replacement By-law Financial Feasibility Study prepared by Parcel in November 2023 as well as an update to that work also prepared by Parcel in June 2024 (Attachment B). The June 2024 report focused on potential challenges a rental replacement by-law could have on enabling missing middle housing supply. Through this report Parcel confirmed that the introduction of the proposed Rental Replacement By-law is not expected to – in and of itself – render missing middle projects infeasible. Further it reiterated that market conditions continue to be challenging, but that the City continues to have several policy levers to improve the feasibility of missing middle housing including adopting flexibility in density calculations and reducing parking requirements. The City has already made great strides in these areas through the approval of the Growing Together land use and zoning framework which saw the elimination of maximum densities and minimum parking requirements. Additionally, further flexibility in land use permissions city-wide is being explored through the City's in progress Official Plan review.

Kitchener has approximately 21,400 primary rental units. Units eligible for rental replacement have been estimated at approximately 20,500 units (i.e., 96% of the total primary rental units in Kitchener in buildings with a minimum of 6 units). However, in light of other practical limitations to implementation – including conditions for financial feasibility – less than one fifth of the total supply of primary rental units in the city are actually likely to be redeveloped (i.e., approximately 3,600 units representing 17% of the existing primary rental supply). Properties with redevelopment potential are ones with lower existing unit totals, with land use permissions that permit more than what exists, and on lots that have the space to accommodate far more units.

The purpose of this by-law is to ensure that, if development occurs on these properties, it does not come at the expense of existing rental units that form the pillar of the City's affordable housing. As land use permissions continue to become more flexible, there will be opportunities to better absorb the conditions of the proposed Rental Replacement By-law into proformas.

While the proposed Rental Replacement By-law places new requirements on the redevelopment of certain existing rental properties, it will not affect the ability of landowners to profitably operate existing rental properties, or increase yields on existing properties through renovations, rent increases, or site intensification. Neither does the proposed Rental Replacement By-law affect opportunities for investment outside existing rental properties, which continue to be abundant.

Staff will monitor the implementation of the proposed Rental Replacement By-law to ensure that it is striking the right balance between the creation of new housing supply and providing for tenant protection and compensation.

Other Matters Considered

Staff examined numerous avenues for using a Rental Replacement By-law under the authority of the *Municipal Act* to provide rules around evictions resulting from renovations. Staff concluded that no such blanket protections were possible, and that a proposed Rental Replacement By-law that focused on displacement resulting from *Planning Act* applications was the only method of implementation given current legislative powers.

Evictions due to renovations are one of the most common forms of eviction in Kitchener. So-called 'renovictions' are typically pursued using one of two methods: informally, outside of any government processes such as permits, tribunals, or *Planning Act* applications, or through formal *Residential Tenancies Act* process, which remain the only formal means of evicting tenants. Informal evictions are not illegal, but in practice are those in which tenants most commonly encounter disinformation, and coercion to get them to move. Approximately 29% of respondents to the City's online eviction stated that they were evicted because their home was going to be renovated. They shared that they are struggling to find alternative affordable rental units.

In the proposed Rental Replacement By-law staff have utilized the powers provided by Section 99.1 of the *Municipal Act* to their greatest extent. Staff extensively tested and explored how Section 99.1 could be implemented to protect tenants from displacement, focusing specifically on how potential cases of informal evictions, or displacement involving only building permits could be brought under the control of the powers the City has under the *Planning Act* and *Municipal Act*. Nevertheless, due to the limits in existing municipal powers, the proposed Rental Replacement By-law is not a tool that can be used to protect tenants from evictions from renovations. Currently, municipalities have no explicit tools at their disposal to protect tenants from evictions due to renovations.

Staff explored whether it was possible to withhold building permits. Through the powers afforded by Section 99.1 *Municipal Act*, section 33 of the *Planning Act*, which covers demolition control, and the *Building Code Act*, staff looked at withholding building permits until a Rental Replacement Permit was issued. Staff found that the *Municipal Act* is not applicable law under the *Building Code*, and any requirements thereunder cannot be used as conditions for the issuance of a building permit.

Staff also explored the possibility of redefining 'demolition' to have it apply to any material changes to a dwelling unit and use existing powers to then transfer the responsibility to approve a demolition permit to the administrator of the *Demolition Control By-Law* in cases where the application would affect six or more rental dwelling units. In consultation with the Building Division, it was ultimately concluded that the redefinition of 'demolition' to a meaning that deviated so greatly from standard building code practices could not be supported. A change in the definition of 'demolition' would moreover, result in the Building Division being responsible for issuing demolition permits for the thousands of applications that met the expanded definition of 'demolition', but not the six rental dwelling unit threshold.

Staff also explored nesting the Rental Replacement Permit process in the Site Plan Approval process, making a Rental Replacement Permit a condition for the issuance of Site Plan Approval. Section 41(7) of the Planning Act outlines matters which may be conditioned by a site plan approval process. The Planning Act does not permit a rental replacement permit as a condition of site plan approval.

Proposed Official Plan Amendment

To enable the administration of the proposed Rental Replacement By-law, staff are proposing an amendment to the Official Plan. The proposed Official Plan amendment (Attachment C) includes modifications to section 17, specifically demolition control policies to enable demolition control to be used as a tool to protect existing rental housing stock.

The Planning Act, R.S.O. 1990, c. P.13.25

Section 2 of the *Planning Act* establishes matters of provincial interest and states that the Minister, the council of a municipality, a local board, a planning board, and the Tribunal, in carrying out their responsibilities under this Act, shall have regard to, among other matters, matters of provincial interest such as the following relevant matters related to housing:

- The orderly development of safe and healthy communities;
- The adequate provision of a full range of housing, including affordable housing, and;
- The appropriate location of growth and development.

These matters of provincial interest are addressed and are implemented through the Provincial Policy Statement, 2020, as it directs how and where development is to occur. The City's Official Plan is the most important vehicle for the implementation of the Provincial Policy Statement, 2020 and to ensure Provincial policy is adhered to.

Planning staff are of the opinion that the proposed Official Plan amendment has regard for the matters of Provincial interest outlined in section 2 of the Planning Act as the proposed amendment clarifies that a demolition control by-law can be used to assist with the implementation of the proposed Rental Replacement By-law which is a tool under the *Municipal Act* that will assist with the provision of a full range of housing including affordable housing. It does this by ensuring that tenants continue to have affordable housing options.

The Provincial Policy Statement, 2020

The Provincial Policy Statement (PPS) provides direction on matters of provincial interest related to land use planning and development. Policy 1.1.1 speaks to the ways in which healthy, liveable and safe communities are sustained, including accommodating an appropriate affordable and market-based range and mix of residential types. Policy 1.1.3.3 promotes transit-supportive development, accommodating a significant supply and range of housing options through intensification and redevelopment where this can be accommodated, considering existing building stock or areas, including brownfield sites, and the availability of suitable existing or planned infrastructure and public service facilities required to accommodate projected needs. And finally, policy 1.4.3b) permits and facilitates all housing options required to meet the social, health, economic and well-being requirements of current and future residents, including special needs requirements and needs arising from demographic changes and employment opportunities.

Planning staff are of the opinion that the proposed Official Plan amendment is consistent with the PPS as it enables the use of demolition control to assist with the implementation of a Rental Replacement By-law. The proposed Rental Replacement by-law will assist with providing housing options for current and future residents.

A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2020 (Growth Plan)

The Growth Plan supports the development of complete and compact communities that are designed to support healthy and active living, make efficient use of land and infrastructure, and provide for a range, and mix of housing types, jobs, and services. Policy 2.2.6.1 a)i) supports housing choice by identifying a diverse range and mix of housing options and densities including affordable housing to meet projected needs of current and future residents. Further, policy 2.2.6.3 acknowledges that to support the achievement of complete communities municipalities will consider the use of available tools to require that multi-unit residential developments incorporate a mix of unit sizes to accommodate a diverse range of household sizes and incomes.

Planning staff are of the opinion that the proposed Official Plan amendment is consistent with the Growth Plan as it enables the use of demolition control to assist with the implementation of a Rental Replacement By-law. The proposed Rental Replacement By-law includes provisions that enable replacement rental units to be at comparable sizes to existing rental units contributing to a diverse range of household sizes and a mix of unit sizes in multi-unit residential developments.

Region of Waterloo Official Plan

The Region of Waterloo Official Plan (ROP) sets a high-level direction for growth and change across the Region. Regional Official Plan Amendment Number 6 (ROPA 6) was adopted by the Region of Waterloo Council on August 25, 2022, and approved in full with modifications by the Province in May 2024. ROPA 6 introduced policies that support the retention of rental housing stock and encourage the development a rental replacement by-law. Policy 3.A.15 requires that area municipalities develop Official Plan policies and zoning regulations regarding the demolition of existing residential rental units for buildings with six or more units. This policy includes criteria on comparable bedroom mix and affordability for replacement units and tenant compensation in accordance with the RTA.

Planning staff are of the opinion that the proposed Official Plan amendment conforms to the ROP as it directly enables the implementation of a Rental Replacement By-law through demolition control.

City of Kitchener Official Plan, 2014

The City of Kitchener Official Plan (2014) provides the long-term land use vision for Kitchener. The vision is further articulated and implemented through the guiding principles, goals, objectives, and policies which are set out in the Plan. The vision and goals of the Plan strive to build an innovative, vibrant, attractive, safe, complete, and healthy community.

Kitchener's Official Plan includes many policies encouraging the provision of new and retention of existing rental housing. Policy 4.C.1.22 encourages the provision of a range of housing types and tenures including rental housing. Policy 4.C.1.10 acknowledges that the City will encourage and support the ongoing maintenance and stability of existing housing

stock by, among other things, supporting the reuse and adaptation of the housing stock through renovation, conversion, and rehabilitation. Further, policy 4.C.1.11 states that a demolition control application will be used for any requests to remove residential dwelling units from the housing supply.

Planning staff are of the opinion that the proposed Official Plan amendment conforms to the general intent and purpose of the Official Plan. Specifically, it clarifies that a demolition control by-law can be used to protect existing rental stock in accordance with the *Municipal Act*.

Based on the above-noted policies and planning analysis, planning staff are of the opinion that the proposed Official Plan amendment has regard for matters of Provincial interest under the Planning Act, is consistent with the Provincial Policy Statement, conforms with, and does not conflict with A Place to Grow: Growth Plan for the Greater Golden Horseshoe and the Region of Waterloo Official Plan and Kitchener Official Plan, and represent good planning.

Proposed Demolition Control By-law Amendment

To facilitate the implementation of the proposed Rental Replacement By-law, staff are recommending amending the Demolition Control By-law to provide greater clarity that it will be used in conjunction with a section 99.1 Rental Replacement Permit (Attachment D). The amendment does not change how demolition control works, rather it allows for its use as a companion to the Rental Replacement Permit.

Through the pre-submission process, staff will advise applicants of the Rental Replacement By-law requirements and will recommend early discussions with affected tenants prior to filing their first development application (Official Plan Amendment, Zoning By-law Amendment, Site Plan). Staff will provide details of any known Rental Replacement By-law arrangements when reporting a recommendation on a development application to Council.

Rental Replacement Permit Application Fee

Staff are recommending that further review be undertaken prior to Budget 2025 to determine the appropriate fee to cover administrative costs in the processing of the Rental Replacement Permit.

Implementation and Next Steps

Staff are recommending that the proposed Rental Replacement By-law come into effect on the day that it is passed. This will enable applications for demolition control, where an approval has not already been granted within the timeframe provided for under the *Planning Act*, to be included within the proposed Rental Replacement By-law. Given the recommended effective date, staff have already begun preparing an implementation guide to ensure that quick and successful implementation of the proposed Rental Replacement By-law can occur in collaboration with industry partners.

The proposed Rental Replacement By-law capitalizes on the powers provided by the *Municipal Act* but, due to legislative limitations, leaves many forms of tenant displacement unaffected. Discussions with housing advocates and the results of our ongoing online eviction survey, have indicated that displacement resulting from scenarios such as

landowner pressure or bad faith eviction applications, represent the most harmful forms of tenant displacement. It is for this reason that staff seeks to continue to develop a tenant assistance policy as outlined in Kitchener's Housing for All Strategy, being mindful of current legislative limitations, which will identify new strategies and opportunities for protecting tenants that complement the proposed Rental Replacement By-law.

Additionally, staff will continue to work with community stakeholders and other orders of government on shared solutions to rental housing, eviction and displacement. To this end, should Council wish to advocate to other orders of government on matters related to eviction and displacement, there may be opportunities to do so in the areas of "renovictions" as there are currently no legislative tools for municipalities to pass by-laws in this area.

Staff went to considerable lengths to create a By-law that is a strong and legally defensible tool for protecting renters and existing rental housing, but the relatively untested nature of this legislation will require staff to monitor, document and refine the by-law as it is applied.

STRATEGIC PLAN ALIGNMENT:

This report supports **Building a Connected City Together: Focuses on neighbourhoods; housing and ensuring secure, affordable homes; getting around easily, sustainably and safely to the places and spaces that matter.**

FINANCIAL IMPLICATIONS:

At this time, it is expected that the implementation of the proposed Rental Replacement By-law can be accomplished with existing resources. Any expansion of this by-law beyond the scope recommended, such as its application to evictions due to renovations, if that is determined to be possible through future legislative changes should they occur, will include consideration of staff resourcing to implement.

Operating Budget - Staff are recommending that further review be undertaken prior to Budget 2025 to determine the appropriate fee to cover the administrative costs in the processing of the Rental Replacement Permit.

Capital Budget – The recommendation has no impact on the Capital Budget.

COMMUNITY ENGAGEMENT:

CONSULT - Consultations with affected tenants, the precariously housed, and tenant advocates highlighted the emotional and financial cost of rental displacement. The lack of alternate housing, the pressure and coercion they have experienced, and the destabilization that occurs when one loses a home provided vivid illustration of the hardships from which rental protection measures seek to protect tenants. Discussions with development industry partners stressed the burden of the additional costs that a proposed Rental Replacement By-law would apply. Representatives from the development industry expressed a desire for clarity, simplicity and predictability if a by-law were passed, and expressed outstanding frustration with the obstacles they already face in vacating buildings for new development or renovation.

Staff also met with the Lived Expertise Working Group (LEWG), which expressed support for the concept of a rental replacement by-law, but doubt that the by-law would provide sufficient protections to the most vulnerable of tenants and the most tenuously housed.

Staff also met with the following representatives from the tenant advocacy and protection field, who expressed strong support for a rental replacement by-law and urged staff to consider the strongest measures possible to protect tenants:

- The Social Development Centre's Eviction Prevention Peer Support Program
- ACORN Waterloo Region
- Waterloo Region Yes In My Backyard

These advocates stressed that rental replacement alone would not stop the displacement they witness occurring across Kitchener, and that additional measures were necessary.

Staff also presented to the Kitchener Development Liaison Committee (KDLC) on the proposed Rental Replacement By-law. KDLC representatives expressed concern about the cost of the by-law, and the potential exploitation of the by-law to further delay development projects. Staff followed up with a KDLC representative for a more in-depth discussion of their outstanding questions and provided a follow up presentation to the KDLC on May 24.

A statutory public meeting on the companion Official Plan amendment is being held at the Planning and Strategic Initiatives Committee meeting on June 17, 2024. The statutory public meeting was advertised in the Waterloo Region Record on May 24, 2024 (Attachment E).

Online Eviction Survey Results

To further engage with residents across Kitchener and to help staff better understand the number and nature of evictions and displacements in Kitchener, an online eviction survey was launched in February 2024. There have been approximately 130 survey responses received as of the date of this report. The majority of responses have been from people living in developments with under 5 rental units or 11 or more rental units in 2 or 3+ bedrooms. The cost of rent listed by most survey respondents was \$1400 or more and represented 26-50% of their total income. Approximately 29% of respondents shared that the reason they were evicted was because their home was being renovated and another approximately 35% said that they were being evicted because the landlord/owner's family member wanted to move in. Other reasons included the desire to increase rents and/or sell the property. Many survey respondents had a formal lease and were notified through an N12 Notice or by phone/in-person from the landlord. Many survey respondents had lived in their rental unit for 5+ years and many were only offered the equivalent of 1 month's rent in compensation, if anything.

The survey included an opportunity for respondents to share about their eviction experiences. Many shared that they felt that they were discriminated against or that they felt bullied into paying more rent or face eviction, others shared a concern over demand for international student housing and challenges with mortgages increasing rents. Many expressed worry and stress over being able to find another similar affordable unit. The information and stories shared through the survey underline the significance and magnitude of eviction and displacement in Kitchener and further highlight that although our tools are limited, now is the right time to implement a Rental Replacement By-law and continue to work together with all orders of government on solutions.

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

- [DSD-20-214 – Housing for All – City of Kitchener Housing Strategy](#)
- [COR-2022-104 – Housing for All Program Update – 2022 Year in Review](#)
- [DSD-2023-160 – Enabling Missing Middle and Affordable Housing](#)
- [DSD-2023-295 – Housing for All Strategic Lived Expertise Working Group – First Year Review and Rental Housing, Eviction and Displacement Study Update](#)
- [DSD-2023-446 – City-wide Lodging House Review](#)
- [DSD-2023-486 - Rental Housing, Eviction and Displacement Study](#)
- *Municipal Act, 2001*
- *Planning Act*

REVIEWED BY: Garrett Stevenson, Director, Development and Housing Approvals

APPROVED BY: Justin Readman, General Manager, Development Services

ATTACHMENTS:

- Attachment A – Proposed Rental Replacement By-law
- Attachment B – Rental Replacement Financial Feasibility Updates – Parcel (June 2024)
- Attachment C – Proposed Official Plan Amendment
- Attachment D – Proposed Amendment to Chapter 620 of the Municipal Code (Demolition Control)
- Attachment E – Waterloo Region Record Statutory Public Meeting Notice (May 24, 2024)