

February 10th, 2025

Special Council Meeting Re: Evictions due to Renovations - By-law Request

Dear City Councillors,

Please see below Waterloo Region ACORN's submission regarding the urgent need for the City to develop a renoviction bylaw similar to Hamilton and Toronto, despite staff's opposing recommendations.

What is ACORN?

ACORN is a grassroots tenant and community organization with a membership of low and moderate income tenants in both Waterloo Region and across Canada. We started the Waterloo Region chapter in 2023, we have hundreds of members in Kitchener and over 180,000 members across Canada.

Background

Since before we even officially launched the chapter, Waterloo Region ACORN has been advocating for strong municipal policies to protect tenants from mass displacement and to save affordable housing. Over the past three years, our members in the region have led organizing in their buildings to defend their homes from predatory corporate landlords who are looking to evict tenants in rent controlled units so that they can raise rents.

ACORN members have organized tirelessly through building and neighbourhood tenant meetings, actions, town halls, and more to ensure its members and tenants region-wide know their rights and how to work with their neighbours to defend their homes.

In January 2023, ACORN was pleased to see council pass a directive to city staff to report back with a review of rental replacement bylaws for when developers demolish affordable rental housing. We were also pleased to see councillors discuss the potential for applying similar regulations to stop bad-faith evictions where landlords evict tenants from affordable units under the guise of renovations. City staff have since paused this latter work because of potential interference from the Province.

The cities of <u>Toronto</u>, <u>Hamilton</u>, <u>Mississauga</u> and <u>Brampton</u> have already passed (or are about to pass) municipal protections for tenants that prevent displacement and the loss of affordable housing through renovictions. If councillors follow staff's recommendation to take no action locally, Kitchener will be left behind even small towns like Kowartha lakes, who are in the process of developing a renoviction bylaw as well.

Meanwhile, hundreds of tenants in Kitchener are experiencing renoviction right now. Inaction puts all of their housing at risk. ACORN members in Kitchener do not want to see our city continue to lag behind others as our housing crisis only worsens.

What are Renovictions?

Renoviction is the practice and tactic used by landlords to evict or force out tenants under the guise of major renovation. The goal of renoviction is not to repair or upgrade the unit. The goal is to displace the existing tenant and increase the rent for the next tenant. Displaced tenants will never find their affordable rents again.

Renoviction shatters the lives of families, breaks long-held community bonds, drives up rents in the neighborhood, increases homelessness and strain on social services, incentivizes landlords to allow their buildings to fall into disrepair and destroys the existing stock of affordable housing.

Key Statistics

- Kitchener is losing 39 affordable housing units for every 1 that is built
- <u>According to CMHC</u>, the share of units with rents costing no more than 30% of low income households' income in Waterloo Region is zero.
- <u>Average rent in Kitchener</u> for a 1 bedroom apartment is \$1,866. A 2 bedroom is \$2,222.
- <u>Based on Landlord Tenant Board data obtained by ACORN</u>, Kitchener is ranked #6 in the province for the most N13 evictions (eviction notices for renovations, conversions and demolitions) issued to tenants.

It is important to note that most N13s are never filed at the LTB as tenants are often misled about their rights, harassed or pressured into taking buy-outs. <u>Therefore. N13 data is a gross</u> <u>underestimate of the scale of the actual problem.</u>

Typical Renoviction Timeline/Tactics:

- Change in building ownership (not always but often a sign of changes coming).
- Notice to tenants of coming renovations and major inconveniences.
- N13 eviction form issued to tenants (sometimes in "batches", which makes it more difficult for tenants to find community with their neighbors)
- Offer of low buyout offers (also known as 'cash-for-keys') to pick on tenants that are vulnerable, low income, or do not know their rights.
- Discontinuing repairs and building maintenance (make life more difficult and make buyout offers more enticing.
- Increases in fees or implementation of new fees for amenities that were previously included in rent or cost a small fee prior (ACORN members have experienced sudden parking fees as high as \$250 per month - with the threat of towing if unpaid; increases in laundry fees by as high as 200%, and sudden fees for owning everyday appliances like air purifiers, air conditioners, and mini refrigerators).
- Shutting down of amenities such as storage lockers, underground parking, access to common spaces, etc.
- Repeated vital services (water, power, heat, etc) shut downs with little to no notice.
- Filing at the Landlord and Tenant Board.

Landlords will use a combination of these tactics to ensure that tenants move out before the application reaches the LTB. Since the goal is to not have the tenant return to the unit, having a tenant accept a buyout offer to move out and waive their right to return is the quickest and easiest path to turning over the unit.

For tenants that want to keep their affordable homes, no amount of money is worth accepting. Low income tenants cannot afford to re-enter the rental market. Tenants on social assistance (ODSP or OW) especially cannot afford buyouts as large lump sum payouts may make them ineligible for benefits, or see a dollar-for-dollar reduction in benefit payments, thereby costing them more money.

Problems with Existing Rules

Here is an overview of the existing rules regarding evictions for major renovations:

- In Ontario, landlords have the ability to secure vacancy of a unit for renovations by issuing a N13 to the tenants.
- If filed at the LTB, the landlord must demonstrate that the eviction is in good faith.
- Landlords are required to compensate tenants the equivalent of 3 months rent.
- Tenants have the right of first refusal after renovations which means that they have the right to return to the same unit at the same rent.
- Tenants can also pursue fines if the landlord rents out the unit to another tenant once the renovations are complete.

Despite these provincial regulations, it is very difficult for low income tenants to exercise their right of first refusal and maintain their affordable housing because of the following reasons:

- The N13 process effectively allows landlords to evict tenants when vacant possession is not actually necessary to do repairs, creating a semi-legal method for landlords to evict tenants to raise rents.
- Difficulty to find short term lease at the same rent while renovations take place (the reality is tenants will not be able to find similar rents when they re-enter the market). ACORN most commonly sees renovation timelines of 6-12 months current compensation requirements will not come close to covering this period.
- Landlords are under no obligation to finish the renovations in a certain amount of time.
- Tenants aren't given adequate notice of units being ready for reoccupation that would allow them enough time to legally vacate their temporary accommodation so they can move back into their units following renovation.
- Tenant support organizations and cities in Ontario (except those that have recently passed bylaws) have no way of finding out which tenants are being renovicted unless tenants reach out to them; if tenants do reach out, it is often done too late to provide effective support and prevent predatory eviction.
- LTB adjudicators that receive N13s that claim landlords have gotten all necessary approvals generally do not question whether they have *actually* received these approvals and award eviction orders even when the eviction is unjustified.
- Renovations to a unit can function to make housing unlivable for other tenants, and can be used as a tool to encourage other tenants to move out voluntarily.

- The Residential Tenancies Act doesn't establish a clear process that enables tenants to re-occupy their rental units at the same terms as their original rental agreement once renovations are complete.
- Challenge of staying on top of the landlord's renovations to ensure the Right of First Refusal.
- Financial costs of moving twice (moving out, moving back, potential storage costs, paying first & last month's rent somewhere else) which falls solely on the tenants to pay.
- If the Right of First Refusal is revoked or lost by the landlord, tenants have no legal ability to get their unit back. They're then stuck paying the new inflated rent elsewhere.
- The landlord can be fined and the tenant could be awarded compensation, however, this almost never happens. <u>The LTB has only issued 13 fines for bad faith</u> evictions since 2020 and only 4 landlords have paid their fines.

Kitchener Needs Renoviction Protections

The primary value of a renoviction bylaw is that the burden of compliance (fees and administrative requirements) is great enough that it will prevent some landlords from serving tenants N13s in bad faith or if they do proceed with temporary eviction for renovations that tenants are supported to exercise their first right of refusal.

Key elements of a renoviction bylaw:

- The landlord is required to file an application with the City for a renovation licence within seven days of issuing an N13 notice to a tenant.
- The application for a renovation licence must include supporting documentation including a building permit, a report from a qualified person (engineer) that states that vacant possession is required and a copy of the N13 notice.
- The landlord must provide either a temporary alternative accommodation or compensation to the tenant for the duration of the renovation.
 - This includes support for moving costs when tenants move to their temporary accommodations and when they return to their current unit after renovations.
 - Any temporary alternative accommodation must be comparable to the tenant's current unit during the period of repair.
 - Compensation is determined to be in an amount equal to the difference between the rent rate currently paid by the tenant for the unit being renovated and the Average Asking Rent of a Rental Housing Unit with the same number of bedrooms as the tenant's current unit.
- The landlord shall provide details to the City of the arrangement that has been made, prior to receiving a renovation licence.
- A landlord may be subject to enforcement for failing to comply with the provisions of the by-law including escalating fines.

Response to Council and Staff Concerns

The City of Kitchener has provided very little public information explicitly outlining the City's stance on renoviction bylaws, other than a single city staff report from June 2024 where City

Staff recommended against pursuing a renoviction bylaw. Below is ACORN's response to the arguments laid out in the June 2024 staff report as well as arguments raised by councillors in council meetings and public communications.

1. The Province's Bill 97 already addresses bad faith evictions

The Province announced Bill 97 almost 2 years ago but it still has not taken effect because it still requires supporting regulations and proclamations from the Lieutenant Governor. In addition, Bill 97 doesn't include requirements for temporary accommodations, rent gap payments, moving cost assistance and most other elements that a municipal bylaw would cover.

2. Claims jurisdictional issues and that the Hamilton and Toronto bylaws are untested.

Multiple legal clinics and law firms (including <u>ACTO</u> and <u>Raven Law</u>) have written memos explaining how municipal renoviction bylaws would complement, not contradict, provincial regulations. While Hamilton and Toronto bylaws are new, they are based on the successful policy from New Westminster, BC which was enacted in 2019. <u>Their bylaw reduced renovictions from 333 to zero.</u>

3. <u>Renoviction protections may lead to more landlords pursuing N12 evictions for personal use.</u>

Even if this were true (and there is little evidence currently to support this), the City's response shouldn't be to do nothing. The result would be that both evictions continue to increase dramatically.

In ACORN's experience, most renovictions take place in buildings. It is harder for a landlord to evict a tenant of a multi-unit residential building using an N12 (ie. eviction because the landlord or their immediate family wants to move in). However, landlords certainly still try. <u>The Province of BC recently banned personal use evictions in buildings with over 5 units</u>. The City of Kitchener could advocate to the Province of Ontario that they follow a similar approach and consider municipal options during the development of a renoviction bylaw.

4. Cost of renovation license would stifle necessary renovations and redevelopment

Landlords are still able to renovate their units in cities that have passed renoviction bylaws. Most necessary repairs can happen while the tenant remains in their unit. This would not require the landlord to obtain a renovations license. However, if renovations were shown to require vacancy, the landlord can still do the renovations under the condition that tenants are supported while they are temporarily displaced and that their right to return at the same rent is protected.

The current system incentives landlords to neglect repairs and use it as justification for renovations that are often cosmetic in nature so they can evict the tenant and raise rents. Instead of allowing this to continue, the City should strengthen its property standards bylaws that are meant to require landlords keep their units in a good state of repair. This was the approach that the City of Hamilton chose to undertake with their <u>'Safe Apartments Bylaw'</u>

(passed at the same time as their renoviction bylaw) that is similar to Toronto's <u>'RentSafeTO'</u> program that's been in place since 2017.

5. No money in the city budget or capacity in the bylaw department

Inaction will cost the City more in the long run.

Ensuring tenants are able to maintain their affordable housing saves the City money by reducing costs resulting from increased homelessness, strains on our healthcare system, and the impacts of deteriorating mental health and addiction in the community.

6. <u>Recommends tenant education and provincial advocacy as a better alternative</u>

If tenants' rights are weak (as they are now) then educating tenants on their rights alone won't have a significant impact on reducing renovictions. Even if tenants are more informed on their rights (which is something ACORN does all the time), tenants are still on the hook for:

- Finding temporary housing at much higher rents
- Paying for moving costs
- Tracking their landlord's progress on the renovations
- Becoming a private investigator to look for signs that their landlord may be trying to rent out their unit to someone else (ex. Driving by their old home, searching ads on Kijiji, Facebook marketplace etc this can become a full time job)
- Going through a lengthy and sometimes costly legal process that will not result in tenants getting their unit back

Premier Doug Ford has had 7 years to stop renovictions and his government hasn't. There is no desire from the Province to maintain affordability in rental housing and to stop no fault evictions. This is why municipalities across Ontario have stepped up to the plate to protect tenants. ACORN is urging the City of Kitchener to do the same.

Sincerely,

Waterloo Region ACORN

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