

# Staff Report



Development Services Department

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**REPORT TO:** Planning and Strategic Initiatives Committee

**DATE OF MEETING:** June 16, 2025

**SUBMITTED BY:** Rosa Bustamante, Director of Planning and Housing Policy/City Planner, 519-783-8929

**PREPARED BY:** Katie Anderl, Project Manager - Planning, 519-783-8926  
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**WARD(S) INVOLVED:** All Wards

**DATE OF REPORT:** June 4, 2025

**REPORT NO.:** DSD-2025-248

**SUBJECT:** Evictions due to Renovations

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## RECOMMENDATION:

**That staff be directed to refer Path 2 initiatives to the Housing for All update for consideration and implementation; and,**

**That staff be directed to apply for relevant new Federal and Provincial funding and support community partners to access, programs and funding sources that support the creation and maintenance of affordable rental housing; and further,**

**That advocacy to the Province of Ontario include the proclamation and enactment of all regulations pertaining to bad faith evictions due to renovations in Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023.**

## REPORT HIGHLIGHTS:

- The purpose of this report is to provide an update on 'renoviction' by-laws in Ontario and to outline ways that the City may further support tenants experiencing evictions.
- The key finding of this report is that while there are opportunities and challenges for the City within the space of evictions as a lower-tier municipality, the City can implement new initiatives to support tenants at risk of or experiencing bad faith evictions outside of a rental renovation license by-law through new actions incorporated into Housing for All 2.0. New initiatives should be referred to the Housing for All update.
- Community engagement included an online evictions survey, and conversations with tenant support organizations, the City's Lived Expertise Working Group, and landlords.
- This report supports the delivery of core services.

## **EXECUTIVE SUMMARY:**

Evictions due to renovations are one symptom of the housing crisis that is being experienced in Kitchener and across Canada. An eviction is the forced removal of a person from their home. In researching this report, lived experiences of evictions were shared that provided an understanding of the magnitude of the matter in Kitchener. Evictions are traumatizing to tenants, even when the rules are followed, and even when there is a successful outcome at the Landlord Tenant Board. Solutions to the housing crisis, including preventing unlawful evictions, require coordinated multi-jurisdictional planning, meaningful legislation, and funding and supports from other orders of government.

The City of Kitchener is a leader in using tools and resources available to a local municipality to make meaningful interventions, and intentionally prioritized housing with its first housing strategy, Housing for All (HFA). HFA contains seven key priority areas and 44 actions, all of which have either been accomplished or significantly advanced as described in [DSD 2025-103](#). A full overview of the tremendous number of housing related initiatives that have been approved, are in progress and are planned are provided in Figure 1 - Housing Related Studies and Initiatives (below). Through the Federal Housing Accelerator fund and the Provincial Building Faster Fund the City of Kitchener has seen the creation of over 9,450 new housing units since 2022, brought the purpose-built rental vacancy rate to a healthy 3-5 per cent range in October 2024 and supported the creation of over 1,000 new affordable units.

Housing for All 2.0 is the next phase of Kitchener's housing strategy. Work has already begun on Housing for All 2.0 through a Housing Needs Assessment and an early draft of updated housing policies in progress through Kitchener 2051 – Official Plan. Staff recommends that the Path 2 actions emerging from this report be incorporated into Housing for All 2.0. These are new actions and initiatives that build on the work from HFA focused on continued support for tenants at risk of evictions and represent action in this area within Kitchener's jurisdiction and existing resource capacity. By incorporating Path 2 into Housing for All 2.0, staff can resource and prioritize these actions without impacting the delivery of the plans and initiatives that Council has previously directed. Path 2 does not require new staff or specialized expertise, and rather seeks to leverage partnerships and relationships with the Region of Waterloo and local tenant support organizations who have existing expertise in the space of evictions prevention.

Staff recommend the following Path 2 initiatives:

- support the relationship between landlords and tenants, together with community partners, the Region and other area municipalities by establishing and supporting a Landlord-Tenant Forum (including Regional and local area municipalities, the development industry, small and large landlords, service providers and tenant advocates).
- create and promote robust and proactive educational resources for tenants and landlords such as in person information events, direct outreach such as delivery of information postcards to tenants residing in multiple dwellings where development is proposed or building permits have been issued and sharing information through community newsletters and neighbourhood associations.

- actively participating with the Region of Waterloo, other area municipalities, service providers and tenant advocates to collaborate on actions identified in Building Better Futures and the Plan to End Chronic Homelessness.

Path 2 initiatives can be considered and scoped as part of the Housing for All updated strategy and implementation.



## Housing Related Studies and Initiatives



2023	2024	2025	2026 +	
<p>Municipal Housing Pledge</p> <p>Missing Middle and Affordable Housing Study Update</p> <p>Lived Expertise Working Group Year 2 Work Plan Development</p> <p>Lower Doon Land Use Study Implementation</p> <p>Eviction &amp; Displacement webpage &amp; online survey</p> <p>Rental Replacement By-law Directions Report</p>	<p>Official Plan Review Launch</p> <p>Growing Together West Implementation</p> <p>Inclusionary Zoning Implementation</p> <p>Enabling Four Units</p> <p>Not For Profit Affordable Rental and Co-op Housing Incentive (Pilot)</p> <p>Lodging House Official Plan and Zoning By-law Amendment Decision</p> <p>Rental Replacement By-law Implementation</p> <p>Lived Expertise Working Group Next Steps</p> <p>Growing Together East Project Launch</p> <p>Guide to Additional Dwelling Units</p> <p>City land donation to Build Now (Ottawa St.)</p>	<p>Land acquisition for downtown joint fire station and housing project</p> <p>Growing Together East Implementation</p> <p>Housing for All Progress Report</p> <p>Rental Replacement By-law Year 1 Report Back</p>	<p>“Renovictions” Municipal Tools Options Report Back</p> <p>Housing Needs Assessment</p> <p>Kitchener 2051: Approach to Growth</p> <p>Kitchener 2051: Draft New Official Plan</p> <p>Affordable Housing Community Improvement Plan</p>	<p>Kitchener 2051: New Official Plan decision</p> <p>Affordable Housing Community Improvement Plan Implementation</p> <p>Housing for All 2.0</p> <p>Lived Expertise Working Group next steps</p> <p>Official Plan implementation work plan</p>

Figure 1: City of Kitchener's Housing-Related Initiatives

## REPORT:

As part of Council's approval of Kitchener's Rental Replacement By-law on June 24, 2024, Council passed the following resolution related to 'renoviction' By-laws:

*"...that staff be directed to report back in June 2025... to provide a further update on any other "renovictions" By-laws within Ontario".*

Renoviction is a term that combines "renovation" and "eviction", describing a situation where a landlord evicts a tenant under the pretext of renovations to the property. Such evictions can and have been used in bad faith to displace existing tenants paying a lower rent with new tenants paying a higher rent under the guise of a needed repair or renovation to illegally evict tenants. It is important to distinguish a bad faith 'renoviction' from landlords who are undertaking renovations or repairs which may require a vacant unit and who follow the rules and regulations laid out on the Residential Tenancies Act (RTA). There are valid reasons for substantial renovations to a property including bringing building systems to current standards, repairing unsafe buildings, and updating units after years or decades of use. Throughout this report staff will use the term evictions due to renovation to describe the act of displacing tenants, and the eviction will be characterised as lawful or unlawful according to compliance with the RTA.

There are multiple reasons for evictions, some lawful and others unlawful. One of the main forces driving unlawful evictions is economic. Over the last decade, the income potential of the housing market has become more lucrative for landlords and investors and the value of real estate and the income possible through rent has increased substantially. For dwelling units constructed before 2018, landlords are only permitted to raise rents for current tenants in accordance with provincial guideline increases (2.5% in 2023 – 2025), or for other legislated reasons such as additional services being offered, or by mutual agreement. Provincial guideline rent increases have not kept pace with market rent increases.

Over time, the difference between the Provincially permitted guideline rent increase and average market rents grows, so that a tenant living in a unit for 10+ years (since 2015) may pay \$600 a month (\$7,500 annually) less than what could be realized by a landlord with a new tenant in the same unit (see Attachment C: Data Analysis). For landlords, evictions by lawful or unlawful means, may become a tempting proposition so that they may increase rent. For tenants with a low or moderate income, losing a rent-controlled unit can be devastating as they may not be able to find a similar unit at the same rent in the rental market. This causes a significant financial burden as the renter must now dedicate more income to secure adequate housing.

The RTA permits evictions due to renovations where a building permit is secured and the extent of the renovations so extensive that vacant possession is required. The RTA outlines protections and compensation afforded to the tenant including financial compensation or an alternative unit, and permitting the tenant to return to the unit following renovations at the same rent as would have been permitted prior to renovations.

Unlawful or bad-faith evictions due to renovations can include different breaches of law and results in the displacement of tenants and causes the permanent loss of affordable market rental housing. Bad faith evictions include:

- issuing eviction notices without securing proper permits or for work not extensive enough to warrant vacant possession
- not allowing a tenant who has exercised their right of first refusal to return post-renovation (often by allowing a new tenant to move into the unit without providing the original tenant with notice that the unit ready for re-occupancy)
- unlawfully raising the rent on a returning tenant
- not undertaking or significantly delaying the renovations or repair after evicting renters.

This report includes four parts.

### **Part 1: Current Regulatory Landscape and Funding Sources**

Housing and affordable housing, tenancies, and evictions are governed by legislation, policies, plans and funding at all orders of government. This section discusses these regulations and funding sources. A more comprehensive jurisdictional scan of legislation and plans/funding is contained in Attachment A.

### **Part 2: Overview of Rental Renovation License By-laws**

Rental renovation license by-laws are one tool that are currently being implemented and explored by municipalities in an attempt to prevent unlawful evictions due to renovation. A summary review of rental renovation license by-laws approved in Ontario is provided in this section, and a more detailed overview is contained in Attachment B.

### **Part 3: What we Heard and Data Analysis**

This report includes a review of available data to start to understand the magnitude of the problem and provides a summary of qualitative data gleaned from conversations with tenants, landlords and tenant support organizations and advocates. An overview of data from the Landlord Tenant Board (LTB) and a Market Rent Analysis is included in Attachment C, and a summary of conversations with community-based tenant support organizations and landlords is included in Attachment D.

### **Part 4: A Path Forward**

Ideas for action are further discussed in Part 4 of this report together with other matters for consideration depending on the path chosen for further work in the space of preventing unlawful evictions. This report contemplates several paths that will help to support and maintain affordable housing and support tenants experiencing or at risk of evictions, including unlawful evictions due to renovations. Throughout this report staff have identified actions and initiatives that are related to specific learnings. These are presented as being Path 1, Path 2 and Path 3 initiatives as follows:

Path 1 initiatives represent our current path and the ambitious scope of work that supports tenants through the provision and retention of affordable housing, and supporting tenants experiencing evictions, advocating to the Province, and leveraging new funding sources.

Path 2 increases the City's focus on tenant support and preventing unlawful evictions and allows the City to efficiently direct resources in this space by leveraging relationships with the Region of Waterloo and local tenant support organizations.

Path 3 is a path towards rental renovation license by-law, which seeks to support tenants experiencing unlawful evictions due to renovations by requiring the property owner/landlord to obtain a license.

These paths are not mutually exclusive. The City's journey along Path 1 will continue regardless of direction to initiate work on paths 2 or 3. Staff recommend that Path 2 initiatives be incorporated into Housing for All 2.0 so that they can be prioritized within the overall work plan and do not delay delivery of other corporate priority projects. Staff do not recommend proceeding with Path 3.

### **Part 1: Current Regulatory Landscape and Funding Sources**

Concerns with housing affordability, tenant rights, and evictions are felt across Canada. All orders of government are involved in addressing these issues, and there are a complex range of legislation, plans, and funding sources to support construction and retention of affordable housing and to support tenants at the Federal, Provincial, and municipal levels. A scan of relevant legislation, plans, programs and funding is included in Attachment A.

The federal role in housing is to develop programs/tools to support the creation of affordable housing, provide financing tools, and to monitor housing affordability. The majority of funding for affordable housing and tenant supports is provided by the Federal government through the Canadian Mortgage and Housing Corporation (CMHC). Some of these funds are distributed by the CMHC directly to housing providers through loans and grants. Funds are also administered and distributed by other orders of government on the Federal government's behalf through provincial programs, by provincially designated service managers and by area municipalities (e.g. Housing Accelerator Fund). There are a broad range of programs and funding related to the provision and maintenance of affordable housing and affordable market housing, rent supports and tenant supports that may be available. These exist in a complex funding system for housing providers, landlords and tenants to navigate.

Of note, there are currently three new programs in early stages of implementation or under development at the Federal level which directly respond to maintaining the affordability of existing units and supporting tenants. These include the:

- **Canada Rental Protection Fund** which will help the community housing sector acquire rental apartment buildings and preserve affordability of rents over the long-term
- **Renter's Bill of Rights** provide direction for fair and well-functioning renting and home buying systems, promoting practices such as access to home inspections and price transparency as well as addressing unfair evictions
- **Tenant Protection Fund** provide funding to legal services and tenants' rights advocacy organizations to better protect tenants against unfairly rising rent payments, renovations, or bad landlords

**Path 1 initiative:** monitor for new programs and funding sources at the Federal and Provincial levels which the City can leverage, or can assist housing providers to leverage, that support tenants experiencing evictions, or support the creation and maintenance of affordable rental housing.

While the Federal government provides the majority of funding and has high-level jurisdiction over housing programs and policies, the Province has jurisdiction over rents, rent control and landlord-tenant matters through the Residential Tenancies Act, 2006 (RTA). The most effective tools to protect tenants and deter unlawful evictions that occur due to renovations reside at the Provincial level.

#### Residential Tenancies Act, 2006

The RTA, is the Provincial legislation which establishes the rules and regulations governing the relationship between landlords and tenants 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, the tenant must be provided with a notice from the landlord which provides the landlord's reason for the eviction. A tenancy can also be terminated by mutual agreement. The LTB provides [many types of forms](#) that must be used by landlords and tenants to serve notices or to apply to the LTB for adjudication. This report and data obtained from the LTB primarily references two types of Notices:

- N12 – Notice to End your Tenancy Because the Landlord, a Purchaser or a Family Member Requires the Rental Unit
- N13 – Notice to End your Tenancy Because the Landlord Wants to Demolish the Rental Unit, Repair it or Convert it to Another Use

There is also reference to a T5 – Landlord gave a Notice of Termination in Bad Faith. This form is used by tenants to apply to the LTB to determine if the landlord gave a N12 or N13 Notice of Termination in bad faith.

Once notice has been served to the tenant, the landlord may apply to the LTB for an eviction order. The LTB adjudicates conflicts between tenants and landlords and can order evictions. A tenant does not need to vacate a unit until ordered to do so by the LTB. Tenants may request a hearing at the LTB if they feel a landlord has given a notice of termination in bad faith. A detailed review of LTB hearing processes is available from the [LTB website](#), and a copy of the N13 and Instruction Guide are provided in Attachment E.

[Section 50 of the RTA](#) specifically allows evictions when vacancy is required to complete renovations that are so extensive that they require a building permit and vacant possession. In such cases the landlord is required to:

- Provide a termination date at least 120 days after the date the notice is given.
- Provide financial compensation or another acceptable unit.
- Advise the tenant of their right of first refusal to re-occupy the unit once renovations are completed and allow the tenant to return at the same rent as could have been lawfully charged if there had been no interruption in tenancy.

### Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023

Through Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023 the Province has introduced additional requirements and penalties for notices to end tenancy due to repairs or renovations. These include:

- Confirmation from a qualified professional stating that the repairs or renovations are so extensive that they require vacant possession of the rental unit
- Providing the tenant with notification of the estimated completion date of any renovations/repairs should they indicate that they wish to exercise their right-of-first-refusal, and provide updates should this date change
- Providing the tenant with notice when the unit is ready for re-occupancy and providing a minimum of 60 days for the tenant to exercise their right-of-first refusal.
- Fines for unlawful eviction under an N13 have doubled from \$50,000 to \$100,000 for individuals, and from \$250,000 to \$500,000 for corporations.

Bill 97 has achieved Royal Assent but certain provisions have not yet been proclaimed into force. Once in force, these changes will further support tenants experiencing evictions and are emulated in rental renovation license by-laws in other municipalities.

### Municipal Act, 2001 S.O. 2001, c. 25

The Municipal Act, 2001 establishes the framework for how municipalities (excluding the City of Toronto) are governed and operated, setting out their duties, roles, and responsibilities. The Municipal Act gives municipalities broad powers to pass by-laws and govern within their jurisdiction, assigning a “tier” category to each municipality. The City of Kitchener exists in a two-tier system with the Regional Municipality of Waterloo being the upper tier municipality, and the City of Kitchener being the lower tier municipality. The Municipal Act gives the City authority to pass licensing by-laws and require business licenses. In the space of housing these include the Lodging House Licensing By-law and Rental Replacement By-law which help to regulate rentals and ensure they are safe.

### Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1

The Housing Services Act (HSA) sets the framework for community housing in Ontario, including the roles and responsibilities of municipalities (service managers) in providing affordable and social housing. It outlines how municipalities should plan for affordable housing, social housing, and housing for people with disabilities, as well as requires planning to prevent homelessness. The HSA also establishes the criteria for service managers to provide assistance to eligible households, including rent-geared-to-income (RGI) assistance and other forms of housing assistance. The Region of Waterloo is the provincially designated service manager for the City of Kitchener and other local area municipalities. In this role, they are responsible to plan for affordable housing and ways to end chronic homelessness, by putting measures in place to house people and keep them housed; funding and providing housing and housing support services; managing wait lists for affordable housing; and overseeing affordable housing providers. The Region is funded to provide the above noted services and housing programs. These supports are complementary to any eviction prevention by-laws and provide wraparound supports to tenants experiencing or at risk of evictions.

**Path 2 initiative:** actively participate with the Region of Waterloo, other area municipalities, service providers and tenant advocates to collaborate on solutions identified in Building Better Futures and the Plan to End Chronic Homelessness.

#### Building Code Act, 1992, S.O. 1992, c. 23

The [Building Code Act](#) governs building construction, renovation, demolition and change-of-use in the Province of Ontario. It sets the legal basis for the Ontario Building Code which outlines the technical and administrative requirements for building construction. The Building Code Act outlines when and under what conditions a Building Permit is required. One of the primary conditions identified in the RTA to allow an eviction due to a renovation is that the work must be so extensive that a building permit is required.

The Building Code Act also provides the authority to pass Municipal Property Standards By-laws which provide a legal mechanism to ensure that all dwellings and properties are maintained in accordance with minimum health and safety standards. This suite of tools includes requirements for maintenance of heat in rented dwellings, interior and exterior minimum maintenance property standards, and lot maintenance standards.

#### Planning Act R.S.O. 1990, c. P.13

The [Planning Act](#), sets out the rules for land use planning. The Planning Act provides some authority to the municipality to protect and provide additional housing including establishing demolition control area by-laws, enacting Inclusionary Zoning By-laws in Protected Major Transit Station Areas, and permitting up to 3 dwelling units on most residential lots. The City has enacted zoning regulations and passed by-laws enacting and requiring such measures in Kitchener. The City has gone further to permit a broad range of housing including rental housing of all types by enabling 4 units as-of-right on most residential lots, and approving Growing Together East and West which enable more housing in major transit station areas. The Planning Act also permits the creation of a Community Improvement Project Area for housing and affordable housing – which the City is seeking to implement later in 2025.

#### Council Approved Housing Initiatives:

The City has previously approved or is currently developing and implementing numerous housing related initiatives that support the provision and retention of rental and affordable rental housing, where legislation, jurisdiction and funding exist. The City has numerous by-laws, plans, policies, incentives, and advocacy efforts that support the provision and retention of affordable housing, and support tenants that are outlined in Attachment A. These by-laws and initiatives ensure that:

- rental housing is safe (through Property Standards By-laws, and Lodging House Licensing By-law)
- demolitions and conversion of rental dwellings are comprehensively evaluated (through Demolition Control and Condominium Conversion policies),
- in buildings with 6 or more rental units, where units are demolished they are replaced and tenants compensated (Rental Replacement By-law),
- new housing of all types is enabled, including additional dwelling units on residential lots, proactively zoning to allow for more density and a greater variety of housing

and to require affordable housing in Protected Major Transit Station Areas (Enabling 4 Units, Growing Together and Inclusionary Zoning),

- the City and residents benefit from opportunities afforded through funding opportunities (such as the Housing Accelerator Fund and Building Faster Fund)
- Council approved incentives such as the application fee waiver for non-for-profit affordable housing providers, the property tax exemption program for affordable housing providers, and the not-for-profit affordable housing grant support the creation of new affordable forms of housing
- the Province and other orders of government are aware of the challenges that are faced by our community, and the requested actions and reforms that will lead to change.

Staff is of the opinion that these efforts are making a meaningful difference in creating and protecting rental and affordable housing and supporting tenants.

These efforts have been bolstered by Provincial policies and incentives aimed at increasing housing supply, such as the Building Faster Fund and the Municipal Housing Pledge. Federal programs like the Rapid Housing Initiative and the Housing Accelerator Fund have further supported these efforts by prioritizing the growth of affordable and supportive housing. Through the Federal Housing Accelerator fund and the Provincial Building Faster Fund the City of Kitchener has seen the creation of over 9,450 new housing units since 2022, brought the purpose-built rental vacancy to a healthy 3-5 per cent range in October 2024 and over 1,000 new affordable units.

#### **Path 1 Initiatives:**

- support and incentivise the development of new supportive and affordable housing through existing planning initiatives, funding sources, Housing Accelerator Fund projects, and building on the successes of Housing for All with Housing for All 2.0.
- continue to deliver the full scope of previously directed and approved housing related projects and initiatives

#### **Council Approved Motions and Actions:**

Council has consistently been advocating for stronger legislation regarding affordable housing and eviction protections and has taken meaningful action wherever legislation and authority exists. Council has passed the following motions and taken the following actions related to housing and affordability since 2020:

- On October 5, 2020, Council requested that the Province reinstate the Planning Act provisions enabling a municipality to apply Inclusionary Zoning provisions within its entire jurisdiction, or at minimum, enable Inclusionary Zoning along Major Transit bus routes throughout the City, rather than only in Major Transit Station Areas (MTSAs). **In March 2024, Council approved an inclusionary zoning framework for Kitchener within its MTSAs as is currently permitted under Provincial law.**
- On October 18, 2021, Council passed a resolution to take additional and meaningful steps to address the ever increasing problem of “Renovictions” and that the motion be sent to the Association of Municipalities of Ontario, the Premier of

Ontario, the Minister of Municipal Affairs and Housing, the Region of Waterloo and other Municipalities in Ontario for their consideration and possible endorsement.

- On September 25, 2023, Council called on the Province to double social assistance rates for ODSP and OW recipients, tie these new rates to inflation, and support Feed Canada's recommendation to stop the clawbacks. This means OW and ODSP recipients would be allowed to earn their first \$1000 without penalty, and benefits such as CPP, WSIB, EI, and the upcoming Canada Disability Benefit (CDB) would be exempt from clawbacks.
- On January 30, 2023, Council directed staff to provide recommendations on how the City can support the transitioning of displaced residents including the review of rental replacement by-laws in Ontario. **In June 2024 Council approved a Rental Replacement By-law for the City which has been successfully implemented.**
- On October 16, 2023, Council directed staff to propose a zoning by-law amendment that would permit "as-of-right" permissions for up to four (4) residential units on a property wherever zoning permits single detached, semi-detached or street townhouse dwelling units on sufficient lot sizes and report back to Council in Q1 2024. **In March 2024 Council approved Official Plan and Zoning By-law amendments to enable 4 residential units as-of-right across the City.**
- On August 26, 2024, [Council resolved](#) that the Province amend the Residential Tenancies Act on matters related to vacancy control and rent control and strengthening process requirements for evictions.
- On February 7, 2025 [Ontario's Big City Mayors](#) passed a motion, tabled by Mayor Urbanovic, calling on the Province of Ontario to proclaim and bring into force all regulations pertaining to bad faith renovations in Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023. (Bill 97 was passed in June 2023, however, regulation pertaining to bad faith renovations have yet to be proclaimed).

**Path 1 initiative:** that advocacy to the Province of Ontario includes the proclamation and enactment of all regulations pertaining to bad faith evictions due to renovations in Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023.

## **Part 2: Overview of Rental Renovation License By-laws:**

In 2019, in response to numerous complaints regarding renovations, the City of New Westminster in British Columbia (BC) created a business license aimed to deter renovations and to provide protection to tenants being displaced by large scale renovation work. This by-law was enacted under the BC version of the Municipal Act (the Local Government Act and the Community Charter) which authorizes municipalities to make by-laws relating to rental housing/residential tenancies and makes specific reference to the BC Residential Tenancies Act. The City of New Westminster saw a decrease in the number of reported renovations and inquiries of concern during the time that the by-law was in effect. The By-law was repealed in 2021 as changes to the BC Residential Tenancy Act were strengthened and amended so that the license by-law became inoperative and redundant.

The City of New Westminster by-law has inspired municipalities in Ontario including Hamilton, London and Toronto, where tenants are experiencing unlawful evictions due to renovations, to explore whether similar approaches maybe possible in the context of Ontario laws and regulations. This includes measures such as Rental Renovation Licensing and By-laws that aim to prevent illegal evictions and mitigate harms to tenants. Such by-laws include new requirements for landlords, and dedicated investigation, compliance and enforcement frameworks.

Staff have connected with municipalities across Ontario who have implemented or are exploring these by-laws to learn from their experiences. Staff have reviewed the approved by-laws and license requirements of Hamilton, Toronto and London, and have had conversations with staff from these municipalities to understand the current status of the by-laws, how they are being implemented and enforced, and what opportunities and challenges they are finding. Further details can be found in Attachment B. Of these, only Hamilton and London have by-laws which are in effect, however Toronto's has been approved. Municipalities including Ottawa, Mississauga and Waterloo are also either exploring such by-laws and license requirements or have been directed by their Councils to prepare by-laws for consideration.

Each of Hamilton, London and Toronto have developed a slightly different approach to their rental renovation licensing by-law which responds to unique local context and challenges, and the existing and proposed complementary programs. It is important to note that these municipalities are all single tier and therefore, while the license may be managed and implemented separately from housing and tenant support programs, these municipalities are also the Provincially designated service manager, which differs from Kitchener's context. As service manager, the single tier municipality is already staffed and funded to plan for housing and homelessness, to deliver community and affordable housing programs and supports, to offer tenant supports such as tenant defense funds or rent banks and provide educational resources to tenants, which offer important wrap around services to tenants experiencing or at risk of eviction. The City of Kitchener does not have the mandate, funding, staff, expertise or other resources to provide these complementary components of an effective evictions prevention and tenant support system. Further, City staff are not trained social workers or tenant advocates, do not have specialized legal expertise in this area, and cannot advise tenants on their decisions pertaining to the evictions process.

One key component and purpose of rental renovation license by-laws is that they provide municipal oversight where N13 eviction notices have been issued to tenants and provide municipal regulation to confirm that the eviction is lawful. This includes that:

- an N13 notice has been issued to the tenant
- the tenant is aware of their rights including right of first refusal to return to the unit
- the tenant receives financial compensation (and in some cases additional rent top-ups) or is offered alternative accommodation
- a building permit has been issued.

Rental renovation license by-laws also go beyond confirming that the current minimum requirements of the RTA are complied with and include measures proposed by Bill 97 such as requiring that a qualified professional confirm that the proposed repair or

renovation not only requires a building permit but is so extensive that vacant possession is required. Staff have reviewed and compared by-laws as described below.

#### Application Fees and Fines:

License application fees are typically in the \$600 to \$700 range, and do not represent a cost recovery model. Fees are deliberately set low to avoid unintended consequences for tenants such as having landlords choosing to delay renovations, sell rather than renovate, or causing landlords to apply for above guideline rent increases. These lower application fees are contrasted with fines that are set intentionally high to disincentivize non-compliance and which can be up to \$100,000.

Compensation/Rent-top up: Toronto and Hamilton include provisions that require landlords to provide additional rent top-up to the average market rent for the duration of time a tenant is displaced. Toronto's by-law requires the landlord to provide for three months' rent top-up if the tenant elects not to return (this is in addition rent compensation payments required by the RTA). London's by-law does not provide for a rent top-up or alternative accommodations and instead relies on compliance with the RTA.

#### Time and Costs:

Rental renovation by-laws in these municipalities typically took anywhere from 5 to 12 months to prepare and be approved. An additional 5 to 9 months was needed to prepare for implementation before coming into effect. This allowed time for staff to draft and consult on by-laws with stakeholders, and provided for an implementation period to hire/train staff, develop processes, prepare application forms and educational materials, etc.

By-law and license development and annual costs vary depending on the complexity and scope of the License By-law. Initial projections include multiple FTE's and vehicle purchases, as well as program start up costs. Hamilton and London have both taken an incremental approach to hiring and will increase staff as applications demand, and as complementary programs are implemented (such as Hamilton's Safe Apartment Building's By-law and Tenant Support Program). Toronto has approved the highest program budget of approximately \$2 million (in 2026) including 14 staff, \$300,000 annually for tenant education and communications, and an additional \$200,000 for development of initial communication and educational materials (to be produced in multiple languages). London has allocated a lower budget of \$330,000 in 2025 including 3 FTEs, and an initial communications budget.

#### Complementary By-laws and Programs:

Hamilton, London and Toronto have approved their respective rental renovation license programs together with other important and related tenant and rental support programs including safe apartment buildings by-laws and landlord/rental licenses. The City of New Westminster, BC also has complimentary tenant support programs, and social planning and by-law staff with expertise in tenant support and evictions supported preparation and implementation of the license program. These complementary programs work to provide wrap-around tenant supports and education, fund tenant defense, and create more comprehensive rental licensing programs community wide, and are listed and briefly described in Attachment B. In Kitchener, much of the planning and funding for these supports and programs rests with the Region and are implemented together with

community partners. Any investments and interventions by Kitchener should be coordinated with the Region and community partners, to ensure that works and supports are being provided efficiently and without duplication.

#### Limitations:

Each municipality has been clear that the license does not prevent an N13 from being issued, a Building Permit being issued for renovation or repair work and cannot prevent LTB hearings or evictions being ordered. Licensing by-laws provide an avenue for municipal oversight of Provincial regulations and allow the issuance of licenses which permit a tenant to be displaced when criteria are met. They rely on by-law enforcement and the application of fines and additional compensation payments as a financial and bureaucratic disincentive to landlords to evict tenants. Where the rules of the RTA and any additional rules of rental replacement by-laws are followed evictions may occur.

**Path 3 initiative:** direct the preparation and implementation of a rental renovation licensing by-law, in accordance with the considerations outlined in Part 4 of this report.

### **Part 3: What We Heard & Data Analysis**

#### **What We Heard from Tenant Support Organizations**

In the process of preparing this report staff had the opportunity to have conversations with a range of community-based tenant support and advocacy organizations in April and early May including: the Region of Waterloo's Plan to End Chronic Homelessness Co-Creators group, the Waterloo Region Social Development Center (WRSDC), Association of Community Organizations for Reform Now (ACORN) Canada and, Waterloo Region Community Legal Services. These organizations provided valuable insight and perspective into tenant experiences related to the evictions landscape and processes. Key themes identified by community-based tenant support organizations are summarised in Table 1, and a more detailed summary of interviews is provided in Attachment D.

Staff also sought to understand what a rental renovation licensing by-law, like those in other municipalities, helped to solve or what benefits were provided. Staff learned that these by-laws fill a perceived gap in Provincial legislation and an absence of reforms to the LTB to enact or enforce regulations that protect tenants. Tenant organizations and advocates are looking to municipalities to provide accountability and oversight of Provincial legislation to ensure regulations are complied with, and that tenants' rights are protected. Further, they are looking to municipal licensing by-laws for additional financial consequences for bad actor landlords, and additional compensation for displaced tenants to ensure vacant possession is a last resort measure.

Tenant support and advocacy groups as well as landlords raised concerns with the LTB. These concerns included both perceived lack of accessibility, fairness of decisions, lack of repercussions for bad actors (both bad actor tenants and landlords), and delays resulting in undue hardship (both to tenants and to landlords). With respect to delays, the LTB outlines expected service timelines on their [website](#), and acknowledges that there were significant delays through 2023. They indicate that current service timelines have decreased significantly and most application types are currently scheduled within 5-7 months as compared to 8-10 months in 2023, and decisions are typically issued within 30

days. They expect these timelines to continue to decrease as more files are scheduled and the backlog resolved.

**Table 1 – Key Themes identified by community based tenant support organizations**

<b>Theme</b>	<b>Comments</b>
Financialization of housing is driving evictions.	The rapid increase in property values, and coincidentally market rents is causing rents to rise at a faster pace than income. Rent control is tied to a tenant and not a unit, therefore, when there is a change of tenants rent for the unit may be increased, causing a permanent loss of an affordable market unit. Landlords are motivated to drive or evict tenants from units being rented for less than market value in order to increase rental income.
Existing affordable market housing is deteriorating, both justifying repairs and causing poor living situations.	Much of Kitchener’s affordable market housing is in older buildings, many of which are 50+ years old. These buildings require maintenance and sometimes major repairs where maintenance has been deferred. Tenants are reluctant to complain about units in poor repair as they are fearful of being evicted in order for those repairs to occur. There are also reports that some landlords use the guise of repairs and renovations to evict tenants for work which may not require vacant possession.
Power imbalance between landlords and tenants	Several commenting groups reflected on the real or perceived imbalance of power between landlords and tenants (whereby landlords have power and tenants have little). This is further exacerbated by tenants who may not have a complete understanding of their rights, or who may have limited financial means, which both limit ability to effectively fight bad faith evictions at the LTB either due to lack of personal knowledge or lack of financial resources to obtain legal representation. While community funded legal resources are available to some low-income tenants, others may exceed the financial threshold to obtain services, or the resources may be at capacity and not able to take on additional clients.
Regulations of the RTA are not adequate	Several organizations are critical that the regulations of the RTA do not adequately protect tenants, and that Bill 97 needs to be enacted to provide additional protection. Commenting groups feel that there is a lack of governmental oversight and enforcement of the Provincial regulations, and that the local level of government should step in to aid enforcement.
Landlord Tenant Board accessibility and fairness	Several community groups commented that the landlord tenant board format can be difficult for tenants to participate in fully and meaningfully, potentially impacting outcomes. Hearings are fully virtual which can present barriers for people without access to technology (including limited data or minutes) or limited technological capabilities. Further, there are concerns that decisions are not consistent and that

Theme	Comments
	when fines are levied, they are not sufficiently high to be an effective deterrent for a landlord, and that there is limited compensation awarded to tenants.
Landlord Tenant Board backlogs	Staff heard concerns from several groups about LTB backlogs and failure to provide timely decisions. These delays cause uncertainty and distress for tenants who are experiencing an eviction or who have challenged evictions which are alleged to be in bad faith.
Lack of data	Several organizations cited a lack of available quantitative data as a gap and noted that it is difficult to accurately describe and understand the scale of the evictions actually occurring vs. those that can be tracked. Data obtained from the LTB does not include decisions and is limited to those notices which have proceeded to the LTB for an eviction hearing. Informal evictions and those that are not challenged by the tenant or proactively referred to the LTB by a landlord, may not proceed to the LTB and are not captured.
Bad-faith evictions are abundant	Several organizations indicated that while there may be a lack of data, bad faith evictions are prevalent. Anecdotally, there are reports of landlords evicting tenants and not carrying out work, not providing opportunity for the displaced tenant to move back in, etc. In many cases, tenants are evicted by agreement, often using a cash-for-keys model, where the tenant is provided a lump-sum payout to agree to end the tenancy. Tenant advocates comment that while these buyouts are tempting, they are not beneficial to the tenant in the long-term.
Any eviction or eviction attempt is traumatic for tenants	Several organizations noted that every eviction attempt is traumatic, and many tenants experience multiple eviction attempts. This can occur while residing in the same unit (particularly if a building is sold to a new owner), or in multiple subsequent places of residence. Advocates identify that each eviction or eviction attempt causes stress, uncertainty and trauma for residents.

### What we Heard from those with Lived Expertise

As a part of the supporting work on the rental replacement by-law, an anonymous online eviction survey was launched in February 2024. At the time of drafting this report, there have been over 150 responses. Staff were also provided the results of an evictions survey of Waterloo Region Community Legal Services. These surveys provided valuable insight into the experiences of tenants experiencing evictions and highlighted the emotional and financial cost of rental displacement. The lack of alternate housing, the pressure and coercion experienced, and the destabilization that occurs when one loses a home provided vivid illustration of hardships.

The majority of responses to the City's online eviction survey 60% have been from people living in buildings with under 5 rental units and 27% from people living in buildings with 11

or more rental units, and most units have 2+ bedrooms. The cost of rent listed by most survey respondents was \$1400 or more and represented 26-50% of their total income.

Approximately 30% of respondents shared that the reason they were evicted was because their home was being renovated and another approximately 33% 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 (25%), or an N13 notice (17%). Nearly 50% of respondents reported not being offered any compensation for their evictions. When asked about their awareness of the rules that apply to landlords/tenants, 55% reported they were informed, 40% reported somewhat informed, and 4% reported having no knowledge. However, when asked about their awareness of community supports, only 28% reported they were aware, 41% somewhat aware, and 29% reported no awareness. Staff speculate that had tenants been more fully aware of their rights, a greater proportion may have advocated for the required compensation to be provided.

<p><b>Path 2 initiative:</b> create and promote robust and proactive educational resources for tenants and landlords.</p>
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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 high demand on housing by international students and identified that rising mortgage rates were causing rents to be increased. 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.

Staff have also had conversations with the Lived Expertise Working Group (LEWG) about gaps and barriers that exist for tenants experiencing evictions and what they feel is effective about rental renovation license by-laws. The largest barriers identified included the LTB and lack of supports for those defending themselves. The LEWG also expressed concern that landlords were using coercive and intimidating tactics when attempting evictions, and that evictions are often experienced by vulnerable people including seniors and newcomers who may lack resources and knowledge to defend themselves. The LEWG indicated the benefit of these by-laws is that there is municipal oversight, proof that legislative requirements are being met and that the landlord is being held accountable. The LEWG commented that a license allows the municipality to intervene in the relationship between the tenant and landlord and lessen the power imbalance.

### **What we heard from landlords**

Staff met with a member of the Small Ownership Landlords of Ontario (SOLO) to discuss their perspective on the current conditions and challenges of small-scale rental management (duplex, triplex or other types of additional dwelling units). The member highlighted that the relationship that exists between small scale landlords and their tenants can be more immediate and personal than that experienced with larger rental properties.

The representative told staff about challenges experienced by small landlords including non-payment of rent, property damages and LTB backlogs, which threaten financial

viability of renting units. Unexpected and additional costs cannot be easily absorbed and have a direct impact on landlords. This risk can cause landlords to discontinue renting existing units and can cause reluctance to become a landlord in the first place. Difficult tenants and long wait times at the LTB were cited as reasons some small landlords seek alternative means of eviction, including cash payouts. The landlord stated that increased non-market, supportive, and cooperative style housing options would likely fill the gap that exists in the housing spectrum and reduce the strain on property owners. It was suggested that licensing and further regulation of renovations, works at cross-purposes to other programs and incentives which seek to increase investment and encourage renovations to increase rental housing stock. Such programs include CMHC sponsored loans for secondary suites, and new regulations that encourage homeowners to add additional dwelling units.

**Path 2 initiative:** explore how the City can support the relationship between landlords and tenants, together with community partners, the Region and other area municipalities by establishing and supporting a Landlord-Tenant Forum (including Regional and local area municipalities, the development industry, small and large landlords, service providers and tenant advocates).

## Data Analysis

In researching this report staff undertook a data analysis exercise in an attempt to understand the number of evictions due to renovations in Kitchener and to determine whether there is any evidence that landlords were evicting tenants illegally or in bad faith (Attachment C). However, after compiling the available information only limited conclusions could be drawn:

- data obtained from the LTB is limited to those evictions which have been referred to the LTB for an eviction hearing. Informal evictions and those where a hearing is not requested by the landlord or a tenant are not documented and are not captured in these data sources. Further, N13 notices can be related to evictions due to renovation or repairs, as well as demolition or change in use. While the number of overall N13 notices that were referred to the LTB is listed, the reason is not specified.
- The data confirms that despite a few anomalous years, the number of N12s and N13s referred to the LTB has generally shown an upward trend between 2017 and 2025.
- The data obtained from the LTB shows that of the eviction notices related to units which are likely an additional dwelling unit located in a single detached, semi-detached or street townhouse dwelling, more than 70% are N12s while less than 30% are N13s. N13s are more closely tied to apartment buildings and multiple dwellings.
- LTB data does show that there are certain addresses where a number of N13 notices have been issued impacting several units, and the landlord has applied for an eviction hearing at the same time. In such cases the landlord could be undertaking comprehensive work or could be systematically trying to evict groups of tenants under the guise of renovations.
- a comparison of building permits to addresses where N13's have been referred to the LTB for an eviction hearing demonstrates that there is inconsistency with the timing of building permit application/issuance and the timing that N13's are referred

to the LTB. As staff do not have access to decisions of the LTB, there is limited knowledge on whether evictions have been successfully fought by tenants on the basis of a building permit being issued, and whether the presence or absence of a building permit was foundational to the decision.

- available data does not include information on whether tenants who have requested a right-of-first return have been afforded this right once renovations have been completed.

The data that is available is not complete enough to verify the scope of the problem, and conclusions cannot accurately be drawn from this alone. Qualitative data and personal experiences shared by tenants, community organizations, and tenant advocacy groups indicates that evictions due to renovations are a substantial issue. All agree that the lack of available LTB data, and knowledge of informal evictions (for all reasons) is a significant gap.

#### **Part 4: A Path Forward**

Through conversations with tenant advocates and landlords, staff have a better understanding of gaps and perceived gaps in the RTA and the LTB. Through these conversations staff learned that there is a desire for municipalities to use a licensing by-law to provide accountability and oversight of evictions due to renovations, enhance tenant rights and compensation, and implement financial consequences for landlords who do not comply. However, staff also learned that these measures and additional regulation can be a barrier for some landlords.

There are several ways that lower-tier municipalities can proactively be in the space of evictions prevention. This section of the report outlines 3 paths forward.

Path 1 represents ongoing work that supports provision of supportive and affordable housing, evictions preventions, and ongoing advocacy efforts. This work will continue regardless of new actions contemplated by paths 2 or 3, and within existing resources. These actions represent the City's ongoing efforts to support tenants experiencing evictions and to support the provision of affordable housing.

Path 2 requires reprioritization and allocation of resources through Housing for All 2.0. This work can be carried out in partnership with other orders of government and community partners with expertise in tenant support and evictions prevention. These measures are alternative approaches to achieving the benefits of a rental renovation licensing by-law.

Path 3 considers a rental renovation license by-law. This scope of work will require additional resources and will take a minimum of one year to develop and implement.

#### **Path 1**

The City has accomplished a tremendous amount in the housing space over the past few years including reforms to its Official Plan and Zoning by-law to enable more housing across the city in its Protected Major Transit Station Areas, city-wide by enabling 4 units to be built as of right in residential areas and by expanding permissions for lodging homes. The City has facilitated the creation of over 184 supportive homes in Kitchener with an additional 84 currently under development, has waived development and building permit

application fees for more than 1000 units, and has partnered with non-profits and developers to maximize the use of City-owned land for affordable housing. Through Kitchener's Housing Accelerator Fund we have created a Not-for-profit Affordable Rental and Co-op Housing Incentive which is set to distribute \$5.2 million of the program's lifespan supporting the creation of 520 affordable units, and are in the early stages of enabling incentives for affordable housing through a new Community Improvement Plan. Staff will continue to implement these existing plans, initiatives and incentives which are making a difference in the provision of new rental housing of all types including new affordable and supportive housing in our City.

The City is committed to an all orders of government approach to making marked improvements in housing supply and affordable housing. Addressing the housing crisis is a priority for both the Federal and Provincial government, and new programs and funding sources are regularly introduced. Staff recommend monitoring for new programs and funding sources at the Federal and Provincial levels which may further support tenants experiencing evictions and which support the creation and maintenance of affordable rental housing. In particular, staff recommend monitoring the Canada Rental Protection Fund to support local projects and uptake, and the Tenant Protection Fund (currently in development).

Staff recommend that Council continue advocacy for legislative changes at the Provincial level to strengthen existing Residential Tenancies Act and Landlord Tenant Board processes, including advocacy for implementation of the changes proposed through Bill 97.

**Path 1 initiatives can be accomplished within existing resources and do not require further direction:**

- **support and incentivize the development of new supportive and affordable housing through existing funding sources, and building on the successes of Housing for All with Housing for All 2.0**
- **continue to deliver the full scope of previously directed and approved housing related projects and initiatives**
- **apply for new programs and funding sources at the Federal and Provincial levels and support community partners to access programs and funding sources that support the creation and maintenance of affordable rental housing**
- **that advocacy to the Province of Ontario includes the proclamation and enactment of all regulations pertaining to bad faith evictions due to renovations in Bill 97, Helping Homebuyers, Protecting Tenants Act, 2023.**

**Path 2**

Path 2 supports tenants and tenants experiencing evictions of all types, without passing a rental renovation license by-law. The initiatives described in this section can be carried out in partnership with other levels of local government and community partners with expertise in tenant support and evictions prevention. These options do not require new staff expertise, however will need to be prioritized in consideration of other existing workplan priorities, and may require some funding to support actions such as development of educational materials. This work should be incorporated into Housing for All 2.0. Some

of these initiatives also work towards achieving the stated goals of a rental renovation by-law as shared by tenant advocates. The goal of these actions is to support tenants and landlords, and prevent unlawful evictions of all types, rather than focussing on evictions due to renovations.

Results of the evictions survey and interviews highlighted that while most tenants are at least somewhat informed of the rules that apply through the RTA and LTB, many still feel disempowered, bullied and feel that landlords use coercive techniques to evict tenants. This concern is not limited to evictions for renovation, but for other evictions as well. While tenants can access information from numerous resources, results can be overwhelming and confusing. A key component of rental renovation licenses is provision of clear and accurate information to tenants to inform them of their rights, and to provide information about available community resources to support tenants experiencing an eviction. Dissemination of this type of information to tenants does not have to be tied to a license by-law, and there are alternative approaches to connect with tenants to help support empowered and informed decision making.

The regional rental market is highly integrated, and staff suggest that creating and promoting robust and proactive educational resources for tenants and landlords could be effectively implemented by combining efforts with the Region of Waterloo and other area municipalities. This could include coordination of clear online resources, in person information events such as a tenant's fair, direct outreach such as delivery of information postcards to tenants and sharing information through community newsletters and neighbourhood associations. Allocation of staff resources to support the development of educational materials for tenants and landlords will help to support tenants experiencing evictions of all types, rather than being limited to tenants experiencing evictions due to renovations.

In researching this report staff also attempted to connect with local landlord organizations. Staff were able to connect with the Small Ownership Landlords of Ontario, however found that several pre-existing local landlord organizations were not currently active. Staff feel that this lack of support and joint leadership for local landlords is a current gap. Other jurisdictions such as London facilitate and support a landlord/tenant roundtable or forum for those involved with rental accommodations. Such a group would bring together landlords, not-for-profit housing providers, developers, service providers, tenant advocates and local government to share information, facilitate connections, and enhance relationships among stakeholders. Staff suggest that resources could be allocated to creating such an association, and that it be modelled on a "Town and Gown". Such a group would be able to provide informed and timely feedback on local challenges, including evictions, and initiatives associated with rented accommodations and other issues of common interest between landlords and tenants. Such a forum also allows the municipality to be better connected to tenants and landlords, to facilitate the exchange of ideas, and find and be part of solutions.

Finally, there are opportunities to collaborate with other area municipalities and the Region of Waterloo as well as tenant advocacy groups with existing mandate and expertise. Over the past few months, staff have had the opportunity to participate in the Region of Waterloo's Plan to End Chronic Homelessness Co-Creators group and have had meaningful conversations with tenant support workers and advocates. The Plan to End

Chronic Homelessness (PECH) and Building Better Futures (BBF) identify that collective action between all levels of government, including area municipalities, is required to successfully address the homelessness crisis. For example, the PECH envisions a Whole of Community Leadership Table to work together to deliver on housing objectives and reduce inflow into chronic homelessness. Local area municipalities play an important role in achieving the actions of both PECH and BBF and directing resources to support this work will be meaningful and impactful and will ensure that resources are aligned and coordinated in order to provide the greatest benefit to support tenants experiencing evictions.

**Path 2 initiatives identified in this report include the following:**

- **explore how the City can support the relationship between landlords and tenants, together with community partners, the Region and other area municipalities by establishing and supporting a Landlord-Tenant Forum (including Regional and local area municipalities, the development industry, small and large landlords, service providers and tenant advocates) modelled on a Town-and-Gown type of program**
- **create and promote robust and proactive educational tools for tenants and landlords**
- **actively participate with the Region of Waterloo, other area municipalities, service providers and tenant advocates to collaborate on actions identified in Building Better Futures and the Plan to End Chronic Homelessness.**

**Path 2 initiatives should be incorporated into Housing for All 2.0. Any immediate actions are contingent on a reprioritization of existing work and may impact delivery of other housing related initiatives.**

### **Path 3**

As has been seen in other Ontario municipalities, licensing by-laws have been adopted under the non-explicit authority of the Municipal Act requiring licenses to renovate rental units. A rental renovation licensing by-law provides the opportunity to:

- **increase municipal oversight** to ensure that the Residential Tenancies Act process is followed by landlords.
- **provide a financial disincentive** to landlords seeking to issue an N13 notice.
- provide an opportunity for **municipalities to provide proactive support to tenants** to advise of rights and regulations and provide connections to community resources.

Despite the opportunities associated with a rental renovation licensing by-law, staff note the following challenges:

- **The Residential Tenancies Act and Landlord Tenant Board are the jurisdiction of the Province and exist to regulate and enforce the relationship between landlords and tenants.** Regulations in a license by-law cannot supersede these regulations and the presence or absence of a license requirement cannot change the outcomes of LTB proceedings.

- **Effectiveness is not proven.** Hamilton, London, and Toronto have approved rental renovation licensing by-laws. However, only Hamilton and London's are currently in effect. Hamilton received its first application under its by-law at the beginning of May. Given the infancy of these by-laws, it continues to be too soon for staff to evaluate the effectiveness of these Ontario licensing by-laws in preventing evictions.
- **Rental Renovation licenses are limited in scope.** These by-laws only regulate renovations or repairs to units, and do not regulate other types of evictions such as evictions for personal use which could be used as an alternative bad-faith eviction tactic or negotiated evictions using 'cash-for-keys' and other coercive tactics. The only mechanism to address bad-faith evictions is through the LTB processes.
- **By-law may have a limited lifespan.** The City of New Westminster Council supported the preparation and implementation of a licensing by-law as part of a larger body of tenant protections. Their by-law was in place from 2019-2021 and was subsequently repealed by Council and found redundant with the British Columbia Provincial government updated Provincial legislation similar to the changes being contemplated in Ontario through Bill 97.
- **A rental renovation licensing by-law will not stop a lawful eviction process.** Evictions will continue in accordance with the RTA and LTB proceedings.
- **A building permit cannot be withheld pending the issuance of a rental renovation license.** Staff explored whether, through the powers afforded by the Municipal Act and the Building Code Act, it was possible to withhold building permits until a rental renovation license is issued. Staff found that licensing by-laws are not applicable law under the Building Code Act and as such a building permit cannot be withheld. Building Division staff have confirmed that they will not issue a building permit when one is not required and in fact have cancelled permits in these circumstances, thereby not facilitating the conditions of a lawful eviction when the criteria of requiring a building permit is not truly met.
- **A rental renovation licensing by-law cannot compel or prevent the issuance of an N13.** The rental renovation licensing by-laws in other Ontario municipalities are triggered when an N13 notice is issued. However, should the city become aware of the issuance of an N13, they can require that a license be obtained and fines can be levied under the by-law for not obtaining the license or complying with conditions.
- **A rental renovation licensing by-law does not provide wrap around tenant support.** Despite Kitchener's authority to enact licensing by-laws, unlike Hamilton, London, and Toronto, the City is not a (housing) services manager, does not have expertise in nor the resource capacity to support or provide advice tenants experiencing evictions, provide funding for legal representation at the LTB, or provide rent gap payments to assist tenants at risk of homelessness.

Should Council direct the preparation of a rental renovation license by-law, the following should be considered through the by-law preparation process:

- Whether to place focus on providing oversight and enforcement of existing RTA regulations, or whether the by-law should enhance supports for tenants.
- Whether a by-law can be effectively implemented in the absence of other licenses (such as a landlord license or safe apartments license) and tenant supports typically provided by the provincially designated service manager.

- Whether additional tenant compensation should be built into the by-law and if so, how this is administered.
- How a by-law can best work along side the Residential Tenancies Act and Landlord Tenant Board requirements and processes.

Additionally, the following comprises necessary next steps and timing:

- **Immediate** - The establishment of a dedicated staff team with expertise in licensing, by-law enforcement, social work/tenant support, and building code.
- **Summer/Fall 2025** - Continued conversations with advocates and landlords.
- **Earliest December 2025** - A report back no earlier than December 2025, provided that a dedicated staff team can be established in short order, that includes a proposed by-law and outlines a communications and implementation plan including any staffing resources.
- **Minimum January to June 2026** – education and outreach on the licensing requirements and obtaining necessary staff resources.

**Path 3 identified in this report is a Rental Renovation License By-law.**

**This path is contingent on both:**

- **a reprioritization of existing work and initiatives related to the provision and preservation of affordable housing, and will impact delivery of other housing related initiatives, and**
- **dedication of additional staffing resources with an expertise in the area of evictions and tenant support, and by-law enforcement to administer and implement the new license requirements.**

#### **STRATEGIC PLAN ALIGNMENT:**

This report supports the delivery of core services.

#### **FINANCIAL IMPLICATIONS:**

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

Operating Budget – The recommendation has no impact on the Operating Budget. However, depending on the direction of Council, Path 3 as outlined in this report will have financial and resourcing implications. Should Council direct staff to proceed with a rental renovation license by-law, a full financial assessment will be included in a subsequent report back. Any additional work in this space will require dedicated resources with relevant expertise in this area. Early estimates for the continued exploration, development, and implementation of a rental renovation licensing by-law can be expected to start at \$300,000 with additional funds for annual implementation.

#### **COMMUNITY ENGAGEMENT:**

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

CONSULT – In researching this report, staff consulted with a range of community partners, tenant advocates and those with lived expertise including:

- Waterloo Region Co-creators (Regional Plan to End Chronic Homelessness)
- Social Development Council of Waterloo Region
- Association of Community Organizations for Reform Now (ACORN) Canada
- Waterloo Region Community Legal Services
- Lived Expertise Working Group
- Residents experiencing evictions through the online evictions survey
- Small Ownership Landlords of Ontario

**PREVIOUS REPORTS/AUTHORITIES:**

- [DSD-24-282](#) Rental Replacement By-law
- [DSD-25-051](#) Evictions due to Renovations – report back timing

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**ATTACHMENTS:** Attachment A – Jurisdictional Scan of Legislation and Plans/Funding  
Attachment B – Review of Rental Renovation License By-laws approved in Ontario  
Attachment C – Data Analysis  
Attachment D – What We Heard - Summary of Interviews  
Attachment E – N13 Form and Instructions