

IRREPLACEABLE

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The fast-tracking of a new provincial omnibus bill intended to create more housing supply for Ontario means that municipalities like the **City of Toronto** are now legally unable to require that private developers guarantee new affordable rental housing as a condition of approval for the demolition of existing housing to develop new residential buildings. While city decisionmakers are calling on the province to modify the new regulations coming from Bill 23 – *The More Homes Built Faster Act* so that the City's rental-replacement requirements are maintained, local housing researchers warn that tens of thousands of existing affordable rental apartments in Toronto are at serious risk of being forever lost.

Bill 23 received Royal Assent after it passed its third and final reading by a majority vote at Queen's Park earlier this week, barely one month after the new measures were announced by the province immediately following the 2022 municipal election.

The bill's passing means that significant limits have now been imposed on the ability of municipalities to require concessions from private developers as a condition of new development approval. In the

case of rental replacement, the new measures mean that the City of Toronto and other municipalities can no longer enact by-laws requiring developers to guarantee units within their planned developments for tenants whose apartments are to be demolished to make way for the new build at rental rates similar to what they paid in their original apartments. Instead, **Steve Clark**, Ontario's Minister for **Municipal Affairs and Housing**, now has the sole authority to enact rental-replacement measures for sites where existing rental apartments are proposed to be torn down. The extent of the Minister Clark's new authority has not yet been made clear by the province.

In a press conference this week, Toronto Mayor **John Tory** urged the province to reverse course on Bill 23's intent to do away with municipal rental-replacement by-laws.

"The rental replacement policy is working. It has worked and it must continue to work in some way, shape or form to protect the overall quantity of rental housing, and to protect renters," Tory told reporters.

Since 2007, when the City of Toronto's rental demolition and conversion control by-law came into effect, allowing the

city to regulate demolition of rental properties, city planning project manager **Christine Ono** estimates that almost 5,000 affordable apartments have been protected from disappearing from the city's very low inventory through rental replacement.

"Any dilution of existing protections would limit the City's ability to maintain the existing rental housing stock and reduce protections for renters, likely resulting in increased rate of eviction, housing instability for renters and increased demand for homeless services," Ono told *NRU* in a written statement.

"It is also anticipated that the dilution of existing protections would incentivize the purchase and demolition of existing rental units, putting vulnerable populations at risk."

Looking at **Canada Mortgage and Housing Corporation** (CMHC) data, Toronto affordable housing advocate **Melissa Goldstein** estimates that as many 71,000 purpose-

built rentals currently in the city — whose construction dates back to before 1960, and which comprise 26 per cent of all of the city private rental units — could be in danger of being lost permanently as a consequence of Bill 23.

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Bill 23 impacts for rental-replacement housing

- Removing the ability of municipalities to enact demolition control by-laws that require the replacement of rental housing units in buildings proposed to be demolished for redevelopment.
- Providing the Minister of Municipal Affairs and Housing with the sole authority to enact measures pertaining to the implementation of rental-replacement housing as part of development proposals where an existing residential building is proposed to be demolished or converted to permit a higher-density residential building on a site.

Summary of approved changes from the province's Bill 23, the More Homes Built Faster Act that municipalities like Toronto fear will result in the loss of existing affordable housing and make low and moderate-income renters more vulnerable to evictions and homelessness.

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Concentrations of such apartments can be found in Midtown and in other high-density city neighbourhoods within walking distance of major arterials and TTC subway stations, making them prime targets for redevelopment, Goldstein fears.

“Developers can see there’s a lot of revenue potential if they build large [market-rate] condo developments in those areas,” Goldstein, who prepared a written submission to the province detailing the Bill’s many impacts for rental housing, told *NRU*. “Those are neighbourhoods that people will want to buy condos in.”

Right to Housing Toronto researcher and housing advocate **Joy Connelly** can’t understand why Toronto’s rental-replacement requirement is being targeted through Bill 23. She notes that there had already been an ‘acceleration’ of applications being submitted to the City of Toronto for demolition of existing rental properties prior to Bill 23 becoming law— suggesting that requiring replacement units has had little impact on slowing new development in the city.

“I think the madness of this approach is that we are replacing inclusively affordable housing with unaffordable housing,” Connelly told *NRU*. “To me, the whole rationale of building more housing should be to create affordability.

“[Bill 23] is a contrary move and it will have the opposite effect [of affordability].”

Canadian anti-poverty and human rights charity the **Maytree Foundation** also sent a written submission to the province on Bill 23’s negative impacts for renters. The organization is extremely concerned that doing away with municipal rental-replacement requirements is coming at a time of high rents being exacerbated by low rental supply and rising inflation, which could effectively price out individuals and households with even moderate incomes from the rental market.

Mayfair’s director of policy and research **Garima Talwar Kapoor** believes that with Bill 23, the province is undermining the ability of the City to control affordability without providing a clear-cut rationale for why such measures are needed. Talwar Kapoor is disappointed that the new housing legislation was approved even before the official public commenting period was over. Prior to approving Bill 23, the province announced it would extend the time period for public feedback on the bill to December 9 through the **Environmental Registry of Ontario** (ERO) website.

“One of the things that we’re irked about is that that consultation on these changes is being made through the

regulatory registry, which is not a very accessible way for people who will be affected by these changes to engage in the process,” Talwar Kapoor told *NRU*.

With cities like Toronto no longer able to maintain its existing rental stock through the passing of Bill 23, newcomers are at a particularly acute risk of further housing precarity, the **Canadian Centre for Housing Rights** (CCHR) finds in its new report, “‘Sorry it’s rented’: Measuring Discrimination Against Newcomers in Toronto’s Rental Housing Market”.

For the report, the group organized a ‘discrimination audit’ earlier this year, cold-calling and emailing rental providers claiming to request housing. Through the undertaking, CCHR concluded that individuals that presented as racialized were far more likely to be denied or discouraged from securing housing, with that number rising even further in the case of racialized auditors presenting as female.

CCHR’s director of policy and communications **Bahar Shadpour** is concerned that doing away with rental-replacement measures through the enactment of Bill 23 will present even more barriers to racialized newcomers to Canada to secure housing. Since municipalities can no longer require replacement rental units, Shadpour wants to see support from the province, as well as from the federal government, to ensure city

governments can acquire existing residential rental properties at risk of being demolished to potentially convert into new affordable housing.

“It would be great to have a by-law guaranteeing a first right-of-refusal so that the City at least gets to have a first stab at possibly purchasing those buildings and making them available for housing non-profits to redevelop,” Shadpour told *NRU*. “So that they retain affordability and tenants aren’t displaced from their communities.”

“But that will require all levels of government, especially the federal and the provincial governments, to provide the funding for that type of acquisition.”

NRU reached out the province for comment on the impacts of Bill 23 for municipal rental-replacement measures, but did not receive a reply by deadline. 🌸