

January 31, 2024

BY EMAIL TO submissions@ontario.ca

The Honourable Peter Bethlenfalvy, Minister of Finance
c/o Budget Secretariat
Frost Building North
3rd Floor, 95 Grosvenor Street
Toronto ON M7A 1Z1

Dear Minister Bethlenfalvy,

Re: 2024 Budget Consultations

I am writing on behalf of the Advocacy Centre for Tenants Ontario (ACTO), a community legal clinic funded by Legal Aid Ontario. ACTO provides legal services to low-income tenants across Ontario on issues that affect their ability to access and maintain decent homes for themselves and their families.

We believe that we are reaching a tipping point. An increasing number of tenant households do not have incomes keeping pace with escalating rental costs — this is unsustainable. We ask the government to make secure housing for everyone in Ontario, particularly low-income and vulnerable residents, a cornerstone of your government's strategy by:

- 1) **Eliminating vacancy decontrol and extending rent regulation to units built after 2018 to keep market rentals affordable**
- 2) **Ensuring new affordable housing developed with public funds remains affordable through projects owned and managed by the non-profit community housing sector**
- 3) **Dedicating surplus land only for affordable housing**
- 4) **Preventing detrimental impacts from Bill 23 on municipal housing programs**
- 5) **Increasing the capacity of the Rental Housing Enforcement Unit (RHEU)**

- 6) **Improving the safety and security of social assistance recipients by enhancing their ability to meet the rising cost of housing through increased rates and improved program design of social assistance programs**
- 7) **Building a centralized data system for housing indicators in Ontario**
- 8) **Addressing the needs of victim-survivors of gender based violence (GBV)**
- 9) **Mitigating Heat Related Deaths in Ontario with a Municipal Maximum heat Bylaw**
- 10) **Enshrining a Rights Based Approach to Encampments**
- 11) **Establishing a Registry for Short Term Rentals**
- 12) **Making meaningful reforms to the Landlord and Tenant Board (LTB)**
- 13) **Restoring funding to Legal Aid Ontario to ensure access to justice for low-income Ontarians**

It is not too late to take bold steps to address the grim state of our current housing situation.

A Deepening Affordable Housing Crisis

We all know that Ontario is facing a prolonged and continually worsening affordable housing crisis — disproportionately affecting the province’s 1.7 million renter households:

- Over half (**52%**) of all tenants across Ontario are living in unacceptable housing.¹
- Four in ten tenant households in Ontario are spending 30% or more of their income on shelter;

¹ Statistics Canada. [Table 98-10-0246-01](#) Acceptable housing by tenure: Canada, provinces and territories, census divisions and census subdivisions.

Note: Unacceptable housing means housing that costs more than 30% of income, is in a state of major repair and/or does not have enough bedrooms for household composition. Unlike core housing need, households who have lower incomes than shelter costs as well as students are included, and it is not assumed that households are able to get their housing needs met by moving to another suite within their community.

- 15% spend 50% or more of their income on shelter, placing them at higher risk of homelessness.²

Increases in the average income of renter households have been greatly outpaced by increases in average shelter costs. Across Ontario in 2021:

- The average household income for ~1.7 million tenant households was \$71,700. However, the average household income for the over 650,000 tenant households unable to afford housing was **\$39,920**.³
- The minimum rental wage needed⁴ to afford an occupied primary purpose-built rental suite was **\$55,912**⁵ and a vacant rental (primary or secondary suite) was estimated to be **\$81,924**.⁶

Based on average rent, as of January 2024 four out of the top five most expensive cities for tenants to live in are in Ontario.⁷ In Toronto, the second most expensive city to rent in, it is estimated that the minimum income required for a tenant to be able to afford the average cost of a 1 bedroom vacant primary or secondary rental suite is **\$101,643**, a minimum income of **\$134,068** is required to afford the average cost of a vacant 2 bedroom suite, and a minimum income of **\$154,027** is needed to afford the average cost of a vacant 3 bedroom suite.⁸

Low-income and vulnerable Ontarians, many of them tenants, were the most impacted by the Covid-19 pandemic due to increased exposure to the virus and loss of employment

² Statistics Canada. [Table 98-10-0248-01](#) Core housing need by tenure including presence of mortgage payments and subsidized housing: Canada, provinces and territories, census metropolitan areas and census agglomerations.

³ Statistics Canada. [Table 98-10-0252-01](#) Shelter-cost-to-income ratio by tenure: Canada, provinces and territories, census metropolitan areas and census agglomerations.

⁴ The average wage needed to afford the average cost of a suite (paying less than 30% of income).

⁵ Canada Mortgage and Housing Corporation (CMHC). Housing Market Information Portal; Primary Rental Market; Ontario — Historical Average Rents by Bedroom Type: <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#TableMapChart/35/2/Ontario>.

⁶ <https://rentals.ca/blog/rentals-ca-november-2021-rent-report>

⁷ <https://rentals.ca/national-rent-report>

⁸ <https://rentals.ca/national-rent-report>

in major sectors forced to close or restrict their operations. These Ontarians now experience increased struggles with rapid inflation and escalating housing costs. For low- and moderate-income tenants, there are very few rental options that will not force them to pay unaffordable rents and cut back on other necessities—60% of tenants in Ontario reported cutting back on food in order to pay shelter costs.⁹

For the past 20 years, we have lost affordable rental housing units without building enough units to replace them. As a result, average rents have rapidly increased as the stock of affordable units has decreased. Between 2006 and 2016, Ontario experienced a 26% decline in units that rent for less than \$1000, while units renting by over \$1,500 increased a shocking 360%. This trend has further accelerated. Between 2016 and 2021, units renting for under \$1,000 have decreased by another 36%. The highest increase has been in luxury rentals, renting for over \$3000, which have increased by 87%.¹⁰ As a result, CMHC's latest Rental Market Report found that units affordable to low- and middle-income renter households had the lowest vacancy rates in the GTA.¹¹

We offer the following recommendations:

1) Eliminating vacancy decontrol and extending rent regulation to units built after 2018 to keep market rentals affordable

Ontario currently has vacancy decontrol, which means that a landlord can charge any amount of rent to new tenants when they are moving into vacant units. Over time, this reduces the number of rental units that are affordable. As noted, over the past 15 years

⁹ <https://www.acto.ca/a-new-poll-shows-the-majority-of-ontario-renters-are-having-to-choose-between-food-and-paying-their-rents-when-it-comes-to-housing-affordability-this-province-is-on-fire/>

¹⁰ Statistics Canada. [Table 98-10-0254-01](#) Shelter cost by tenure including presence of mortgage payments and subsidized housing: Canada, provinces and territories and census subdivisions affiliated with First Nations or Indian bands.

¹¹ CMHC Rental Market Report, January 2023 [Rental Market Report | CMHC \(cmhc-schl.gc.ca\)](#).

we have seen a drastic reduction in suites with affordable rents and a concurrent increase in luxury rentals.

CMHC's annual Rental Market Report illustrates the impact of vacancy decontrol on the rental market. The report noted that in 2022 vacancy decontrol sharply increased rents for two bedroom apartments that had turned over by 26% in Hamilton, 17% in Ottawa, and 29% in Toronto, compared to 1.2% for existing tenants who were protected by rent control provisions.¹² This is further indicated by the gap between annual CMHC estimates of average rents (primary purpose built rental that is occupied) and average rental costs through rentals.ca (vacant primary and secondary rental suites).

As of January 2024, average asking rents for 2 bedroom suites soared to \$3314 in Toronto, \$2749 in Mississauga, \$2742 in North York, \$2595 in Scarborough, \$2523 in Burlington, \$2512 in Ottawa, \$2410 in Brampton, \$2361 in Guelph, \$2359 in Kitchener, and \$2233 in Barrie.¹³ Asking rents continue to sharply increase all across the province, as high as 12% in some municipalities when compared to the previous year.

Vacancy decontrol creates an incentive to remove long-term tenants, resulting in higher rates of eviction, increases the cost of housing far above inflation, and discourages tenants from moving when necessary due to unaffordable rents elsewhere. The government should set limits to allowable rent increases in vacant units.

Under the current regulations, units first used for residential purposes after November 15, 2018 are exempt from rent regulation. This has resulted in rapidly escalating costs for many of these newer units. It is not unusual for tenants in these units to see rent increases of 20% or 30%.¹⁴ Combined with the increases in cost of living, this places tenants in a precarious position, leading to economic evictions and displacement —

¹² CMHC Rental Market Report, January 2023 [Rental Market Report | CMHC \(cmhc-schl.gc.ca\)](https://www.cmhc-schl.gc.ca/en/rental-market-report).

¹³ Of note, rents are typically lower this time of year: <https://rentals.ca/national-rent-report>.

¹⁴ <https://www.cbc.ca/player/play/2165123651901>

especially as landlords are incentivized to evict longer term tenants in place of higher rents from a new tenant.

An additional consequence of this 2018 exemption is the significant increase in demovictions¹⁵ where rent-controlled purpose built apartments are demolished and replaced by luxury market suites. In 2022 the Landlord Tenant Board processed over 5500 eviction applications, which was a 41% increase compared to rates in 2019.¹⁶ Presently, over 70 buildings in Toronto are at risk for demoviction, meaning over 10,000 individuals are facing displacement in the midst of rents being at an all time high.¹⁷

We would propose that the government end these two rent control exemptions. In the alternative, the province may institute a rent increase ceiling, or set in place a sunset clause to restrict how long these units would be exempt from rent control. We also recommend placing provincial moratoriums on all demovictions¹⁸ and above the guideline rent increases.¹⁹

2) Ensure that new affordable housing developed with public funds remains affordable over the long-term and provides value to the taxpayer by prioritizing projects that are owned and managed by the non-profit community housing sector

One of the most effective ways to increase the supply of affordable housing is to invest in the development of non-market rental housing, including social housing, non-profit and co-op housing. They have a proven track record of providing affordable housing for

¹⁵ ‘Demoviction’ refers to eviction by way of demolition: <https://www.nodemovictions.ca/>.

¹⁶ <https://www.nodemovictions.ca/resources-1>

¹⁷ <https://www.nodemovictions.ca/resources-1>

¹⁸ <https://www.nodemovictions.ca/mission>

¹⁹ <https://acorncanada.org/wp-content/uploads/2024/01/Ontario-ACORN-Submission-for-Budget-2024.pdf>

Ontarians for many decades. These stable, secure, and affordable homes are the type desperately needed in communities across Ontario.

New market supply alone cannot provide the affordable rental housing needed by low- and moderate-income renters. In 2022, the average rent for a new 1 bedroom apartment in the GTA was \$2,199 — 45.4% higher than the average rent for all units.²⁰ These new units are affordable only to tenants with an annual income of at least \$87,960. In 2023, the average rent for an unoccupied 1 bedroom apartment in Ontario was \$2,281²¹ meaning the minimum income needed for affordability was \$91,422.

Furthermore, increasing the number of non-market rental homes would counter the escalating financialization of housing. Investing in the non-profit housing sector will also create new jobs, and improve disposable incomes for low-income households along with social, educational, and health outcomes.

The Provincial Auditor's 2017 report concluded that giving tax dollars to private developers to provide time-limited affordability in housing they built and owned was not providing good value²² and more should be done to encourage development by non-profit organizations. The benefits of non-profit construction and ownership noted by the Auditor included:

1. Not-for-profits' objectives are to contribute to the community – by either not earning profits and gains, or re-investing profits and gains to building new units. The affordability benefits they provide can continue in perpetuity.

²⁰ CMHC Rental Market Report, January 2023 [Rental Market Report | CMHC \(cmhc-schl.gc.ca\)](https://www.cmhc-schl.gc.ca/en/rental-market-report).

²¹ <https://web.archive.org/web/20231104195522/https://rentals.ca/national-rent-report>

²² These same outcomes have been replicated nationally (2022 report): <https://cms.nhc-cn.ca/media/PDFs/analysis-affordable-housing-supply-created-unilateral-nhs-programs-en.pdf>.

2. Not-for-profits can provide the affordable rentals in a more cost-effective manner than private developers because they do not have an incentive to mark up prices to make a profit.

We urge you to follow this advice as well as the 7 recommendations made by United Way Greater Toronto²³ in allocating funds for affordable housing development. We ask that you continue to support the community housing sector as represented by the Ontario Non-profit Housing Association and the Co-operative Housing Federation of Canada (Ontario Region).

3) Dedicate surplus land only for affordable housing

The provincial government should use surplus land and properties for the development of affordable housing, leasing or selling the properties below-market value to non-profit developers who will guarantee the housing developments will be affordable in perpetuity.

The province should also promote innovative models of land ownership, such as the community land trusts model. Community land trusts are local private not-for-profit organizations that purchase land and use it for the benefit of a community. This approach is a way for the government to remove properties from the speculative land market and to allow the non-profit sector to develop affordable housing for middle and low-income families.

²³ <https://www.unitedwaygt.org/wp-content/uploads/2024/01/Ontario-United-Ways-2024-Pre-Budget-Submission.pdf>

4) Prevent detrimental impacts from Bill 23 on municipal housing programs

Bill 23 proposed significant changes to the *Development Charges Act* and *Planning Act*. Some will be helpful in promoting affordable housing, for example eliminating development charges (DC) for non-profit housing and affordable rental units. Other changes have the potential to be detrimental to municipalities and taxpayers. We are concerned about the financial impact on municipalities of proposed reductions to the market housing development charges, community benefits charges, and parkland dedication levies. Municipalities already face heavy financial burdens and have limited sources for generating revenue. The loss of DC funding will have a serious impact on their ability to pay for critical infrastructure and services that are needed to support existing residents' needs and future growth, and will shift the burden from developers to taxpayers.

Of even greater concern to renters, Bill 23 will also eliminate the ability of municipalities to implement development charges to fund affordable housing development and services. These funds are a critical component in municipalities' plans to create new affordable homes and support existing housing programs. Eliminating development charges for housing services will further reduce municipalities' ability to create new affordable rental housing. Funding from development charges is part of the planning for affordable housing development in municipalities across the province. In Toronto alone, it has been estimated that Bill 23 will result in a reduction of \$200 million in annual revenue.

Without financial support from the provincial government, these changes to DCs will counter existing efforts to build more affordable housing, and shift the financial responsibility of growth-related infrastructure onto taxpayers. We ask the government to ensure that municipalities are not forced to choose between cutting much-needed

housing programs, services, and infrastructure, or placing the burden on existing taxpayers.²⁴

5) Increase the capacity of the Rental Housing Enforcement Unit (RHEU)

The RHEU is responsible for enforcing over 50 offenses under the Residential Tenancies Act (“RTA”), monitoring compliance with offences, investigating cases of alleged failure to comply, and prosecuting alleged offenders where warranted.

The Landlord and Tenant Board (“LTB”) has historically been the forum where tenants and landlords enforce their rights and the RHEU would supplement that work when parties are unable to participate in that process. However, due in part to the increased delays at the LTB with parties waiting almost a year for their hearing, the RHEU is facing increased demands for intervention. Responses to complaints are often limited to communications to encourage voluntary compliance, with very few cases being investigated, and fewer referrals for prosecution. Given the current state of the LTB and the limited resources and mandate at the RHEU, some parties are acting with impunity with respect to their responsibilities under the Act.

On average the RHEU receives around 18,400 calls per year, and 1,500 cases are opened. Of this, only 200 (13%) of cases go to the investigation stage and less than 1% of cases result in convictions through the Ontario Court of Justice.²⁵

Between 2022-2023 out of 16,394 calls, 1,452 (9%) were resolved through the ‘compliance stage’ but of this total we do not know how many cases were withdrawn, whether by landlord or tenant (and why), or any other reasons cases might have been

²⁴ <https://www.acto.ca/bill-23-more-homes-built-faster-act-is-bad-for-renters/>

²⁵ <https://www.cbc.ca/news/canada/hamilton/rheu-enforcement-1.7048391>

closed at this stage.²⁶ During this time just 219 cases (1%) were developed out of all of the calls received with only 21 prosecuted and 17 convictions as a result.²⁷

We need more transparency and clarity around how why less than 1% of calls qualify into cases²⁸, the discrepancy between the number of cases opened and those that end in a conviction, as well as why maximum penalties are seemingly not enforced.²⁹ We also need these numbers to be publically accessible.

We recommend increasing the capacity of the RHEU with a fully staffed investigation unit. We also recommend a stronger mandate to prosecute parties, with dedicated prosecutors available to refer matters to. Other provinces have recognized the important role of these units in stabilizing the housing crisis. For example, in British Columbia the government is increasing the Residential Tenancy Branch's (RTB) operating budget and staffing by 40%, including doubling the size of the Compliance and Enforcement Unit (CEU).³⁰ The CEU serves a similar function to the RHEU, investigating complaints and taking action on repeat or serious residential tenancy offences, and if necessary, levying monetary penalties.

An increase in the resources available for investigations and prosecutions would lead to more timely enforcement of the RTA and ensure that parties are abiding by their legal responsibilities under the Act.

²⁶ <https://www.collingwoodtoday.ca/local-news/ontarios-rental-enforcement-unit-investigates-a-fraction-of-calls-received-7639674>

²⁷ <https://www.collingwoodtoday.ca/local-news/ontarios-rental-enforcement-unit-investigates-a-fraction-of-calls-received-7639674>

²⁸ <https://www.collingwoodtoday.ca/local-news/ontarios-rental-enforcement-unit-investigates-a-fraction-of-calls-received-7639674>

²⁹ <https://www.cbc.ca/news/canada/hamilton/rheu-enforcement-1.7048391>

³⁰ [Improved processes will help renters, landlords | BC Gov News](#)

6) Improve the safety and security of social assistance recipients by enhancing their ability to meet the rising cost of housing through increased rates and improved program design of social assistance programs

A large majority of Ontario Works and Ontario Disability Support Program recipients live in the private rental market. The shelter allowance portion of social assistance continues to fall dramatically short of the actual cost of housing and so money needed to meet other basic needs must be used to cover the rent. However, we have not heard of any commitment to address this recognized shortcoming despite social assistance rates being \$200 a month less now than rates were in 1995.³¹

The 2024 budget must contain measures that increase assistance to keep pace with market costs as current maximum rates cannot cover costs of housing, let alone other essential needs.³² One way tenants are trying to meet these shortfalls is finding one or more roommates — which was also the fastest growing household type as of the 2021 census.³³ However this household formation is not always feasible³⁴ nor sustainable. In addition, funds need to be made available to ensure these programs more fair and accessible and any changes made need to be done in consultation with social assistance recipients.

7) Build a centralized data system for housing indicators in Ontario

Progress on housing outcomes is often stymied by significant data gaps on critical topics such as formal and informal evictions (and what notices tenants receive), stock of

³¹ https://www.thestar.com/opinion/contributors/welfare-rates-now-200-a-month-below-the-harris-cuts-of-1995/article_06db734a-ab33-11ee-ab89-23211679736c.html

³² https://www.thestar.com/opinion/contributors/welfare-rates-now-200-a-month-below-the-harris-cuts-of-1995/article_06db734a-ab33-11ee-ab89-23211679736c.html

³³ https://www.thestar.com/news/gta/roommate-households-the-fastest-growing-living-arrangement-in-canada-census-shows/article_68131f5e-2924-50a5-8bf8-fca923dff879.html

³⁴ <https://www.cbc.ca/news/canada/ottawa/homelessness-shelters-buses-storage-locker-housing-ottawa-1.7073506>

affordable rental units, and rent levels. We need a centralized system that collects disaggregated data and uses timely data to identify and support communities most affected by housing needs. In order to develop this data system, Ontario could access support from the Innovation and Research fund of the National Housing Strategy.

We are also still waiting for a publically available and searchable beneficial ownership registry which would provide invaluable insight into our primary purpose-built as well as secondary rental supply — highlighting regulatory gaps.

8) Address the needs of victim-survivors of gender based violence (GBV)

Utilizing results from a recent research project to identify barriers that victim-survivors of gender based violence (GBV) face when trying to obtain and stabilize housing, ACTO is currently piloting a provincial program to address these gaps. This program is supported and funded by the Department of Justice, where over the next four years ACTO and eight partner clinics will develop and provide legal education, advice, representation, and holistic services for victim-survivors. We offer the following recommendations to better address the needs of victim-survivors of gender based violence.

- Increase funding to expand access to non-market housing.
 - Transitional housing: In 1995, the provincial government cut funding for transitional housing and that funding was never reinstated. Transitional housing does not receive any core funding and instead relies on grants. Transitional housing has been described by participants with lived experience as a lifeline, as it allows for extra time after they leave the shelter system to find stable permanent housing, as well as provides additional specialized supportive services. There is a discrepancy in the length of shelter stay (whether emergency or transitional shelter) and the

time it takes to receive a subsidized housing offer through Special Priority housing. Expanding funding would ensure clients are not evicted into precarious housing while awaiting permanent housing.

- Supportive and social housing. Most survivors can only afford social housing, and many need additional supports to remain stably housed. Therefore we need more social and supportive housing readily available for households in housing need, especially GBV victim-survivors. At present many are on long wait lists and may qualify for the Canada Ontario Housing Benefit (COHB) for private rental market housing before a vacancy in non-market housing opens up. Currently the practice of diverting households from social housing waiting lists into private market housing with COHB is not effective. The COHB subsidy is capped and has not kept pace with the actual costs of private market rental housing. And unless there is a renewal of the COHB agreement, this program will be ending soon.
- Create a GBV victim-survivors support fund, which could cover first and last month's rent, rental damages, storage costs, and moving costs. The fund should also cover hotel stay costs for victim-survivors who are unable to access shelters. Lived experience participants have reported that the costs associated with moving act as a major barrier to stabilizing housing. The high cost associated with moving restricts victim-survivors ability to leave, and can force them to remain in unsafe situations for longer.
- Allocate funding to develop a provincial GBV strategy. Currently, the Ministry of Children, Community and Social Services (MCSS) has developed an Anti-Human Trafficking strategy, but does not include a broad based GBV strategy. The development of a provincial GBV strategy that expands beyond the criminal

context, will enhance the provinces ability to prevent GBV, allocate funding, and support the federal government's National Action Plan to End Gender-Based Violence.

9) Mitigating Heat Related Deaths in Ontario with a Municipal Maximum heat Bylaw³⁵

There is currently no legal standard created to protect the health of vulnerable tenants. We call for legislation that would permit municipalities to enact a maximum heat municipal bylaw which would require landlords to maintain a maximum temperature of 26°C in rental units. The recommendation accounts for the worsening climate crisis and the disproportionate impact of extreme heat on vulnerable populations including the elderly, those with chronic illnesses and mobility challenges, and those that are socially and materially disadvantaged.

Targeted federal and provincial programs should be created to assist landlords with meeting the requirements of the by-law. Provincial and federal funding for energy retrofit programs should explicitly include building upgrades to provide cooling. Currently, there are a number of programs available to assist the owners of large buildings with energy retrofits. Those programs should be widened and targeted to low-income rental properties. The programs should explicitly include funding for retrofits to allow for cooling as a critical climate adaptation measure.

The Ontario Electricity Support Program (OESP) should account for any increase in costs to tenants from cooling. The OESP on-bill credit amounts need to be increased so as to reflect any higher electricity usage to adequately cool dwelling units during the summer months.

³⁵ Model bylaw: https://www.acto.ca/production/wp-content/uploads/2023/01/1488-Extreme_Heat_and_Rental_Housing_Recommendations.pdf

We were pleased with the recent announcement of the “Save on Energy – Energy Affordability Program,” providing free heat pumps to qualifying households. We recommend that this program be expanded to include all income-eligible households, to residents living in all building types (only those living in detached, semi-detached, duplex, triplex, townhouse or social housing buildings under three stories can apply) and to households living with low-incomes that currently rely on natural gas, propane, oil and wood as energy sources.³⁶

10) Enshrining a Rights Based Approach to Encampments

One of the outcomes of our prolonged housing crisis is that more and more Ontarians continue to be pushed into homelessness. Without sufficient mechanisms to prevent this, and lacking available adequate housing choices, individuals and households are forced to self-resolve their own housing crises through encampments. We need a provincial encampment protocol that ensures human rights are upheld³⁷ when municipalities develop responses to this issue.³⁸ This means Ontarians living in encampments should be treated with dignity and not be criminalized nor discriminated against.

Any decisions municipalities make regarding encampments need to be in consideration of the perspectives of people living in encampments, who need to be part of these decision making processes and should be provided legal and any other additional supports required. Those living in encampments should have all basic needs met (i.e. safe drinking water, sanitation/waste management, social/healthcare services, personal

³⁶ <https://cela.ca/ontario-to-provide-free-heat-pumps/>

³⁷ <https://www.make-the-shift.org/wp-content/uploads/2020/12/21-11-12-THESHIFT-Tent-Encampment-Protocol-Handout.pdf>

³⁸ <https://make-the-shift.org/wp-content/uploads/2020/04/A-National-Protocol-for-Homeless-Encampments-in-Canada.pdf>

safety, fire and food safety, harm reduction, and pest prevention/management). As well, governments are obliged to respect self-determination of Indigenous encampment residents and consultation must take place to ensure consent before any actions that would impact residents are taken. To prevent human rights violations, residents cannot be removed from encampments without meaningful consultation, without legal supports, and without adequate housing choices. In the case where all alternatives are exhausted and, if relocation is necessary, residents must be provided with long-term adequate housing choices.^{37 38}

To ensure that all of the above are put in place, the province and municipalities should seek court permission as a prerequisite for eviction so that any actions taken are Charter and human rights compliant.

11) Establishing a Registry for Short Term Rentals

Short term rentals (STRs) account for approximately 4.9% of rental stock – contributing to escalating rents and lower vacancy rates in areas where STRs are prevalent.³⁹ Cities like Toronto, Milton, and Ottawa require hosts renting for 28 days or less to be licensed. However, hosts can extend stays to 29 days or over to make their property exempt. Many hosts even continue unlicensed as platforms do not screen for valid permits. Where municipal data sharing agreements are in place, there is a time lag as this is typically only done quarterly and the process is often manual.

These issues can be addressed by creating a province-wide registry where owners register their properties through their principal residence to obtain a license.⁴⁰ To ensure the effectiveness of a registry, penalties need to be effective deterrents and hosting

³⁹ <https://www.desjardins.com/content/dam/pdf/en/personal/savings-investment/economic-studies/short-term-rentals-dec-4-2023.pdf>

⁴⁰ <https://www.theglobeandmail.com/business/commentary/article-airbnb-canada-housing-crisis/>

platforms need to be held accountable to prevent the promotion of illegal STRs with data transparency required.⁴¹

12) Make meaningful reforms to the Landlord and Tenant Board (LTB)

Ontarians have voiced their concerns to their local legal clinics, the Ombudsman's Office, the Ontario Human Rights Commission, the Ontario Bar Association, and other justice sector partners have shared their concerns with how the LTB administers justice in Ontario. These concerns include unprecedented wait times and the creation of additional barriers for Ontarians when it moved to a remote service model.

Multiple studies have confirmed the challenges that many Ontarians experience when forced to attend a full day digital hearing to assert their rights at the LTB. The remote hearing model has also unnecessarily lengthened hearing blocks due to the confusion of the parties at the start of the hearings. Further, there are more disputes that proceed to merit hearings compared to the in-person hearing process. The inefficiency of removing in-person services is set out in the Board's annual report on its backlog. When in-person services were removed in 2020, the backlog was 22,803 and three years later it has ballooned to 53,057 cases.^{42 43}

In addition, it has been demonstrated that higher filing fees seem to motivate landlords to work with their tenants instead of immediately applying to the courts.⁴⁴ In fact, increasing fees by \$100 in the United States has been found to reduce eviction filing rates by 2.25 percentage points — which is the equivalent of reducing eviction rates by

⁴¹ <https://www.desjardins.com/content/dam/pdf/en/personal/savings-investment/economic-studies/short-term-rentals-dec-4-2023.pdf>

⁴² 2019-2020 Annual Report: https://tribunalsontario.ca/documents/TO/Tribunals_Ontario_2019-2020_Annual_Report_EN.html#ltb.

⁴³ 2022-2023 Annual Report: https://tribunalsontario.ca/documents/TO/Tribunals_Ontario_2022-2023_Annual_Report.html.

⁴⁴ <https://evictionlab.org/tenants-pay-for-cheap-evictions/>

raising renter incomes by tens of thousands of dollars.⁴⁴ Further, the effects of lowered eviction rates are largest for tenants in majority-Black neighborhoods.⁴⁵ Therefore we recommend increasing eviction filing fees by \$134.⁴⁶

Using the same logic of motivating change to promote landlords working with tenants versus immediately turning to the courts,⁴⁴ minimum thresholds are worth reconsidering, especially given the current backlog. At present the minimum amount required for an eviction application is 5 dollars. We recommend adjusting this minimum amount to reflect one month of rent. Specifically, \$1000 for suites built or first occupied for residential purposes before November 15, 2018 and \$2000 for suites built or first occupied for residential purposes after November 15, 2018.

The LTB has had a 20 year history of providing quality, efficient adjudication when hearings were conducted in person before it moved to a remote service model. That high standard was achieved by providing regional in person services and offering barrier free access to its many users.

Solutions to tackle the delays and access to justice issues must include:

- 1) Providing parties a choice to have an in person hearing.
- 2) Schedule hearings regionally so that multiple applications for the same address are not scheduled in multiple hearing blocks. Scheduling provincially by matter is wasteful and leads to delays that cause an inefficient dispute resolution process.
- 3) Return in person counter service to the Tribunals Ontario offices.
- 4) Increase eviction filing fees by \$134.
- 5) Increase minimum arears necessary to file an application: \$1000 for suites built/first occupied for residential purposes before November 15, 2018 and \$2000 for suites built post November 15, 2018.

⁴⁵ Gomory et al. 2023. The Racially Disparate Influence of Filing Fees on Eviction Rates. Housing Policy Debate (6): 1463-1483. <https://www.tandfonline.com/doi/abs/10.1080/10511482.2023.2212662>

⁴⁶ Accounting for the currency exchange of \$100 US.

13) Restore funding to Legal Aid Ontario to ensure access to justice for low-income Ontarians

The 2019 provincial budget included a 30% reduction of Ontario's contribution to Legal Aid Ontario, which has had a long lasting impact on its services for low-income Ontarians. Ontarians rely on a strong legal aid system to ensure there is access to justice for our most vulnerable residents. With fewer resources, courts and tribunals slow to a halt because there are more self-represented parties.

The issue of unrepresented litigants is also prevalent before the provincial tribunals that address poverty-related issues, such as the LTB and the Social Benefits Tribunal. Without investment in legal aid, individuals will continue to be unrepresented and struggle to present their cases or even attend their hearings due to a lack of advocacy skills and financial resources. When the stakes are as high as the loss of basic shelter and income support, the spill-over costs to society are great. Poor households, the elderly, disabled persons, women, children, and youth are hit the hardest.

Besides greater efficiency in the legal system, legal aid investments also produces economic, social and health benefits for society and those using the system. Research has demonstrated (Investing in Justice: A Literature Review in Support of the Case for Improved Access Report⁴⁷) that for every \$1 invested on legal aid there is a saving of \$9 to \$16 in justice services and programs. The budget of Legal Aid Ontario should be restored to at least its pre-2019 level to guarantee access to justice and ensure our courts processes run efficiently for low-income people across Ontario

⁴⁷ <https://cfcj-fcj.org/wp-content/uploads/Investing-in-Justice-A-Literature-Review-in-Support-of-the-Case-for-Improved-Access-by-Lisa-Moore-and-Trevor-C-W-Farrow.pdf>

Ensuring that everyone has a safe and secure home is a critical step to a thriving economy and a bright future. We ask you to use the budget process to move us closer to that worthy goal.

Thank you for your consideration of our submission.

Yours very truly,

Advocacy Centre for Tenants Ontario

per:



Douglas Kwan

Director of Advocacy and Legal Services

c.c. Honourable Paul Calandra, Minister of Municipal Affairs and Housing

c.c. Honourable Doug Downey, Attorney General for Ontario

c.c. Standing Committee on Finance and Economic Affairs