



**MEMO / NOTE DE SERVICE**

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**TO: Planning and Housing Committee**

**DESTINATAIRE : Comité de la planification et du logement**

**FROM: Ryan Perrault, General  
Manager  
Emergency and Protective Services**

**Contact :  
Valérie Bietlot, Manager  
Public Policy Development Branch,  
Emergency and Protective Services  
613-580-2424 x23521  
valerie.bietlot@ottawa.ca**

**EXPÉDITEUR : Ryan Perrault,  
Directeur général  
Services de protection et d'urgence**

**Personne ressource :  
Valérie Bietlot, Gestionnaire  
Direction de l'élaboration de  
politiques publiques, Services de  
protection et d'urgences  
613-580-2424 x23521  
valerie.bietlot@ottawa.ca**

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**15 janvier 2025**

**FILE NUMBER: ACS2025-EPS-PPD-0001**

**SUBJECT: Feasibility Assessment – Development of a Renovation Licence and  
Relocation By-law**

**OBJET : Étude de faisabilité – Création d'un règlement sur le permis de  
rénovation et la relocalisation**

## EXECUTIVE SUMMARY

The purpose of this memorandum is to respond to Council's direction from May 1, 2024 ([ACS2024-OCC-CCS-0045](#)) that staff assess the feasibility of developing a renovictions by-law as well as the anticipated areas of work, cost, and timelines that would be required.

Overall, staff's feasibility assessment does not support proceeding with the development of a by-law at this time due to several factors including:

- Legislative issues: The *Ontario Helping Homebuyers, Protecting Tenants Act, 2023* (Bill 97) has made amendments to the *Residential Tenancies Act, 2006* to specifically address bad faith evictions and cover the same issues that would be addressed via a municipal renovictions by-law. However, those amendments have not yet been proclaimed into force. Once in force, any future by-law may need to be amended in order to comply with the legislation to address potential conflicts or duplication. A description of these pending amendments is contained in Document 1. Furthermore, staff note that landlord and tenant relations are a matter of provincial jurisdiction and disputes regarding evictions (including those that require vacant possession for the purposes of renovations) and rent are the sole jurisdiction of the Landlord Tenant Board (Tribunals Ontario). As a result, these by-laws are novel and the scope of a municipality's power to regulate in this area remains untested in Ontario.
- Unknown and untested municipal regulatory impacts: While by-laws addressing evictions due to renovations have recently been adopted by Hamilton, Toronto, and London, staff note that none of these by-laws have yet been implemented. Deferring consideration of a municipal renovictions by-law would be prudent following a minimum of one-year in order to learn from experiences in these other jurisdictions. This would allow for an analysis of whether greater scrutiny and enforcement of evictions for renovation may result in increased applications by landlords for evictions for personal use, limiting the effectiveness of programs that solely address renovictions. It would also be prudent to understand if the cost and conditions for landlords to obtain a renovation license could stifle necessary renovations and redevelopment, adversely impacting the quality, availability, and affordability of rental housing. This aligns with the approach adopted in the [City of Guelph](#).

- Financial considerations: There is no internal capacity currently to undertake the development of this by-law. As a result, a significant budget would be required for external consultants for research, policy development and related work as well as consultation and engagement activities to develop a municipal by-law. Additional funding would be required for its implementation and enforcement. Funding would be a combination of user fees and tax funding as there is no capacity to undertake this work within current budget and resources. For reference, Hamilton's regime is anticipated to cost approximately \$1 million annually and Toronto's \$1.8 million, with additional one-time implementation costs in both jurisdictions.

While the City continues to monitor the implementation of the renovation by-laws in the above-noted municipalities and await the progress of Ontario's legislative amendments, staff will continue to undertake key initiatives to support affordable housing options for Ottawa residents through the implementation of the City of Ottawa's 10 Year Housing & Homelessness Plan. Additionally, funding to create new affordable and supportive housing units and subsidies are outlined in the Housing Services Long Range Financial Plan 2025-2030 Update ([ACS2024-FCS-FIN-0011](#)) and the 2024 Affordable Housing Capital Strategy and Update ([ACS2024-SI-HSI-0016](#)). The City also funds tenant legal defense through established programs and funding for three paralegals through Housing Help and Action Logement. City staff did conduct a review of comparable Tenant Defence Fund Programs in Toronto and Hamilton ([ACS2023-CSS-GEN-014](#)) and will be reporting back to Council in Q4 regarding housing loss prevention strategies.

Education and resources to inform tenants of their rights and how to exercise them are vital for preventing bad-faith evictions as well as obtaining damages from and an order against the landlord if they fail respect the tenant's rights. Advocacy to the Province of Ontario to take action in the following areas may therefore be helpful:

- Proclaim into force the above-noted tenant protections in the *Residential Tenancies Act* to protect tenants and to prevent instances of illegal evictions
- Fund additional tenant education resources regarding renovations and evictions
- Provide additional funding for Provincially funded legal clinics to add resources to protect and educate tenants and to prevent instances of illegal evictions

Staff acknowledge that it is highly probable that unlawful evictions are occurring in the community, however limitations on available data on household incomes and rental rates prevent staff from drawing definitive conclusions. Staff further acknowledge the

harm caused to one's wellbeing when they are forced to leave their home for any reason, lawful or otherwise. Staff assess that increasing educational efforts and legal supports, funded by the Province, would provide the most benefit for tenants more quickly and without the added costs and risks identified in this feasibility study.

## **BACKGROUND**

On May 1, 2024, Council passed motion [ACS2024-OCC-CCS-0045](#), directing staff as follows:

That the General Manager of the Emergency and Protective Services Department, in consultation with the Community and Social Service Department, the Planning, Real Estate and Economic Development Department and Legal Services, to review the City of Hamilton's Renovation Licence and Relocation By-law and report back to the appropriate Standing Committee of Council by Q4 2024, with a preliminary assessment of the feasibility of developing a similar anti-renovictions by-law in the City of Ottawa, which should include an outline of the anticipated timelines, costs, and resource implications to do this work as well as the planned or approved projects on existing departmental work plans that would have to be deferred or postponed as a result.

The term renovictions refers to evictions that occur when a landlord undertakes renovations to a rental property and replaces the evicted tenants with those who would pay higher rents after the renovations are completed, therefore failing to meet the legislated requirements to let the tenant move back in. Often, these evictions are associated with a concern that the landlord is undertaking the eviction in bad faith and using the renovation illegally to terminate the tenancy. It should be noted that bad faith actions are not always the case as properties could require legitimate renovations after multiple years or decades of rental use, and these legitimate renovations may require vacancy. For the sake of neutrality, this memo will only use the term evictions to describe the act of displacing tenants. Evictions will be characterized as lawful or unlawful according to compliance with Ontario's *Residential Tenancies Act*.

### Provincial jurisdiction

The *Residential Tenancies Act* governs the relationship between landlords and tenants in Ontario, including when and how evictions from rental units can occur legally. The legislation authorizes evictions in situations where a landlord wishes to make repairs or renovations to a rental unit **and** the scope of the work to be done requires a building permit and vacant possession of the unit. Addressing and resolving disputes about evictions and rent are within the exclusive jurisdiction of the Landlord and Tenant Board.

In all cases, evictions must follow proper processes including a requirement for the landlord to provide a notice of termination of the tenancy to the tenant, referred to as an N13 Notice where the termination is for renovations or repairs. The landlords must provide the tenant at least 120 days' notice. When an extensive renovation or repair requires vacant possession of the unit, the tenant has legislated rights. If the Landlord does not respect these, an order may be made by the Landlord Tenant Board which may include the payment of sums to the tenant and a fine.

Where a lawful eviction has occurred due to a renovation, the tenant has the option of moving back into the renovated unit at the same rental rate (the right of first refusal), provided notice of this intent is given in writing. When a tenant moves back into a renovated unit, the rental rate must increase no more than what could lawfully have been charged if there had been no interruption to the tenancy. The tenant who wishes to reoccupy the renovated unit is also entitled to compensation while the unit is being renovated that is equal to the lesser of either several months' rent (varying amounts depending on the size of the residential building) or to the length of time during which the unit is under renovation or repair.

If a tenant declines to exercise the right of first refusal, the tenant is also entitled to either compensation of several months' rent (of varying amounts depending on the size of the building) or to a comparable rental unit.

### City of Hamilton

In April 2024, the City of Hamilton enacted its Renovation License and Relocation By-law to regulate repairs and renovations in rental units and approved significant staffing investments necessary to support the implementation and enforcement of the by-law when it goes into force on January 1, 2025. The by-law applies to all rental units and one of its main goals is to provide the City with insight into eviction notices issued to tenants in order to be able to offer tenants support where needed, minimize disruption for tenants, and mitigate displacements where possible. Hamilton staff report that the by-law cannot stop an eviction, and that the City cannot interfere with the landlord-tenant relationship or the rental process. Staff also highlighted the need for a balanced approach to avoid disincentivizing landlords from making legitimate repairs and renovations to aging housing stock.

Together with the Renovation License and Relocation By-law, the City of Hamilton is exploring or implementing related initiatives to address the availability and quality of rental housing, including regulations for short-term rentals. Hamilton is also

implementing a Safe Apartment Buildings By-law to regulate property standards in rental buildings and improve the condition of rental housing City-wide. This program requires 25 full-time positions across several City departments as well as an overall annual budget of \$3,094,350 once the program is fully implemented.

### **The eviction landscape in Hamilton**

A 2023 Hamilton staff report ([Report PED23072 – October 19, 2023](#)) explains that average market rents in the city have far outpaced inflation over recent years, with some rents for long term tenants in rent-controlled units having remained below current market levels for multiple years. This has created an economic incentive for landlords to have tenants move out so that they can increase the rents for vacated units to market levels. In 2022, 132 N13 notice applications were made according to data received from the Landlord Tenant Board, although Hamilton staff note that the number of evictions and displacements is likely higher as tenants may agree to end the tenancy in exchange for compensation without availing themselves of the formal processes for evictions and remedies under the *Residential Tenancies Act*. Staff further reported that Hamilton has an ageing housing infrastructure which contributes to potential evictions among approximately 72,000 rental households in the city.

### **Key Aspects of Hamilton’s By-law**

Under Hamilton’s Renovation License and Relocation By-law:

- A landlord must apply to the City for a renovation license within seven days after issuing an N13 Notice to tenant.
- As part of the license application process, the landlord must provide a copy of the building permit for the project as well as a report from a qualified engineer confirming that the renovation or repair work requires vacant possession of the rental unit for the work to occur. The landlord must also provide City staff with the copy of the N13 notice that was served on the tenant.
- Each tenant who has been served an N13 notice must also be provided with a copy of the City’s Tenant Rights and Entitlement Package by the landlord. This ensures that tenants receive basic information on their rights relating to the eviction and provides links to resources where the tenants can access supports if they need help.

- Confirmation is required that the landlord has provided either a temporary alternative accommodation or compensation to the tenant for the duration of the renovation when a tenant exercises their right of first refusal to reoccupy the rental unit once it has been renovated in accordance with the *Residential Tenancies Act*. Any temporary alternative accommodation must be comparable to the tenant's current unit. A landlord must advise the City of the specific arrangements that are in place for accommodations or compensation with the tenant.
- Compensation means an amount equal to the difference between the rental rate that the tenant paid for the unit under renovation and the Average Market Rent of a rental housing unit with the same number of bedrooms (as reported annually by the Canadian Mortgage and Housing Corporation).

The Hamilton by-law creates offences and penalties for non-compliance, such as failing to obtain a renovation license within the proper time frame after issuing the N13 notice to the tenant; failing to provide the tenant education package to the tenant; or failing to comply with the terms of the license, among others. Hamilton staff reported that enforcement of the by-law would primarily occur on a reactive basis since it relies on the City receiving notice of the N13 eviction notice from either the landlord or the tenant.

### **Hamilton financial model and implementation timeline**

Hamilton City Council made significant operational and capital investments in support of its Renovation License and Relocation By-law. The estimated annual cost of administering and enforcing the by-law once fully implemented in 2025 is \$942,850 broken down into following envelopes:

- \$906,000 for staffing eight new full-time equivalent City staff positions within By-law Services, Legal Services, and Housing Services
- \$26,850 operating costs of three vehicles
- \$10,000 for annual outreach, education, and communications

In addition, Council approved one-time capital cost of purchasing three vehicles in the amount of \$163,575, a one-time transition budget of \$150,000, and an initial one-time consultant budget \$100,000 to evaluate feasibility of implementing a by-law like the one in New Westminster, British Columbia.

Hamilton's fee for a renovation license will be \$715, with a \$125 yearly renewal fee should the renovation extend beyond a year. This license fee provides approximately 10 per cent cost recovery for the City's costs in implementing, administering, and enforcing the by-law. Hamilton's low-cost recovery ratio was deliberate to avoid unintended negative consequences for tenants, such as having landlords choose to sell the property rather than renovate due to the high costs of compliance or cause landlords to apply for above guideline rent increases, for example.

Readiness for implementation has been flagged as a significant effort in Hamilton, and a similar approach will likely be required in Ottawa. In Hamilton, a 12-month transition is required from the initial approval of the by-law by Council up to implementation in January 2025. A full year is required to address staff recruitment and training, undertake development of educational resources and brochures and other communications pieces, conduct outreach to affected communities, property owners, and tenants, and establishment of a payment portal, application documentation and other enforcement-related tools to begin receiving applications for licenses.

### **Risks and challenges noted in Hamilton**

Hamilton staff reported several risks and challenges in moving forward with the Renovation License and Relocation By-law. It is the first of its kind in Ontario, and second only to a similar by-law in New Westminster, British Columbia (initiated in 2019 and repealed in 2021). This approach has therefore not been widely tested in terms of efficacy, and its results in reducing illegal evictions or preserving existing rental housing stock are unknown. Hamilton staff also noted that despite substantial staffing and operational investments for the implementation of the by-law, it is not certain what the exact resourcing and staffing needs required for this new regime will ultimately be.

The *Helping Homebuyers, Protecting Tenants Act, 2023* (Bill 97) makes amendments to the *Residential Tenancies Act* which have not yet been proclaimed into force. These amendments cover the same issues and contain some of the same features as the Renovation License and Relocation By-law passed in Hamilton. The staff report in Hamilton noted that once the provincial legislation is proclaimed into force, it is likely that several duplicate and potential contradictory provisions in the Hamilton by-law would need to be amended or repealed to avoid any conflict with provincial legislation. As a mitigation measure, staff in Hamilton proposed an alternative approach whereby Council pause work on the by-law and report back with a recommended approach once the above-noted Provincial amendments to the *Residential Tenancies Act* are proclaimed into force, however Hamilton City Council chose to proceed with the



implementation of the by-law, given the uncertainty around when the new provincial regulations will be implemented.

### **Concurrent Hamilton Tenant Support Program**

The Renovation License and Relocation By-law forms part of a larger tenant support program in Hamilton, which includes improvements and expansions of the following initiatives:

1. An expansion of the tenant defence program/legal defence fund through a community legal aid partner to support tenants through the eviction and other processes at the Landlord Tenant Board.
2. Increasing community organizational capacity for tenant groups through the creation of two positions within community partner agencies to support tenant outreach and the coordination of tenant legal defence cases.
3. The creation of comprehensive array of tenant and landlord education materials and supports to be distributed in a variety of ways in the community.
4. The creation of a Community Research Table to be co-led by City of Hamilton housing staff and community partners to develop greater coordination and integration of tenant supports, to plan and implement direct tenant engagement activities, and to report back on future needs, among other functions.

The above initiatives have required investments of \$1.314 million annually, including six permanent full-time positions in various City departments, with an additional one-time capital expense \$50,000 for the purchase of one vehicle.

### New Westminster, British Columbia – Business Regulations and Licensing (Rental Units) By-law

Hamilton staff explored a by-law approach similar to that previously enacted and now repealed in New Westminster, British Columbia, for the regulation of rental units ([Report PED23072 Hamilton](#)). The New Westminster Business Regulations and Licensing (Rental Units) By-law created a licensing requirement for rental units together with a requirement that tenants be allowed to reside within their units or within the same building during renovations, among other provisions. It is noted that this by-law was repealed by New Westminster in 2021 because the BC government included more robust protections for tenants within its own provincial legislation. The City of New

Westminster is currently reviewing the new provisions in the provincial legislation to determine what next steps, if any, are needed.

The approach taken in the former New Westminster by-law relied on the Community Charter and the BC *Residential Tenancy Act*, which together provide specific powers for the municipality to regulate rental units and residential properties. Such powers do not apply in Ontario, since matters related to residential tenancies are the exclusive jurisdiction of the province and regulated under the *Residential Tenancies Act*, and disputes regarding landlord and tenant matters fall under the Landlord Tenant Board. As a result, any municipal by-law in Ontario that interferes with residential tenancies may be subject to legal challenge for lack of jurisdiction.

#### City of Toronto Rental Renovation Licence By-law

On October 30, 2024, the City of Toronto's Planning and Housing Committee recommended a Rental Renovation Licence By-law to Toronto City Council ([Report 2024.PH16.4](#)). The recommended Toronto model is similar to Hamilton's, with a proposed implementation date of July 31, 2025. The recommended license fee is \$700, adjusted yearly with inflation. This fee is anticipated to provide six per cent cost recovery for a program budget of \$2.08 million (in 2026). These costs include 14 staff positions and \$300,000 annually for tenant education and communications. An additional \$200,000 has been recommended for the development of initial communication and education products, to be produced in multiple languages. The Toronto report will be considered by Toronto City Council on November 13, 2024. The Planning and Housing Committee further directed staff to recommend interim protection measures that could be implemented immediately, also for consideration at the November 13 Council meeting.

#### City of London Rental Unit Repair Licence

The City of London adopted a Rental Unit Repair Licence on September 24, 2024. The by-law requires landlords to apply for a Rental Unit Repair Licence within seven calendar days of giving an N13 notice to a tenant. A license costs \$600 and requires a report from either a licensed architect or engineer verifying vacancy is required to complete the renovations.

The initial estimate for the cost of this program was \$581,000 per year for six staff. This was subsequently reduced to the approved amount of three staff at a cost of \$300,000.

Unlike the Hamilton model, the London model does not impose requirements on landlords for rent top-ups or the provision of alternative accommodations. The exclusion of these measures has been met with strong opposition from tenant and poverty advocates.

### Review of relevant legislation, programs, and initiatives

Document 1 provides a preliminary list of legislation, programs, and services related to rental housing. Included in more detail are the City's 10 Year Housing and Homelessness Plan, initiatives for landlord and tenant education, and Tenant Defence Funding. Preliminary data is also included on the 2023 Population and average rental prices in VECTOM cities (Vancouver, Edmonton, Calgary, Toronto, Ottawa, Montreal) as well as Hamilton and New Westminster. Staff note that this list and rental data would need to be reviewed, updated, and considered should Council proceed to develop an eviction protection by-law.

## **DISCUSSION**

If Council chooses to conduct a full by-law review to address unlawful eviction related to renovation, a significant budget is needed and the duration of the analysis is estimated to be 12 months, which includes research, consultation and engagement work, policy development, and drafting regulations as further described below. There currently is no capacity at the staff level to undertake this new work without the assistance of a consultant, and even then, staff oversight by the Emergency and Protective Services Department must be provided and multiple departments will need to be involved.

The by-law review would also determine the cost to implement the new by-law in Ottawa, which could be in the millions of dollars based on Hamilton's forecast. Hamilton is anticipating an implementation cost of \$942,850 annually, including eight new full-time staff. In terms of proportionality, Ottawa has 1.8 times the population and 1.9 times the number of rental units as Hamilton (source: 2023 Census data). Ottawa also has 2.5 times the geographic area. Broadly speaking, this suggests that a similar program for Ottawa would require 12-15 new FTEs, and an estimated program implementation cost of \$1.8 million to \$2.2 million annually. Since this program is not related to new growth, the funding source will need to come from the tax base or service fees rather than development charges.

Staff's feasibility assessment does not support proceeding with a by-law until staff have had the opportunity to evaluate the efficacy of the various municipal frameworks with a

minimum of one year of data, in order to learn from their experience and to resolve any conflicts arising from the amended provincial framework.

As noted above, the Province's pending amendments to the *Residential Tenancies Act* potentially cover the same issues and contain some of the same features as the Renovation License and Relocation By-law in Hamilton. These new measures are aimed at preventing bad-faith evictions for **both** personal use (N12) and for completing renovations (N13), including the requirement for a report from a qualified engineer confirming that the renovation or repair work requires vacant possession of the rental unit, as required in Hamilton. This legislation also aims to curb abuse of the N12 process for evictions for personal use. Under the proposed changes, if the prescribed family member does not move into and occupy the residence within a set period, the eviction will be deemed to have been in bad faith, entitling the former tenant to compensation and placing the owner at risk of fines. Fines for unlawful evictions under both N12 and N13 processes have been doubled under this legislation, from \$50,000 to \$100,000 for individuals and from \$250,000 to \$500,000 for corporations.

Additional risks to proceeding with the by-law review now include:

- Greater scrutiny and enforcement of evictions for renovation may result in increased applications by landlords for evictions for personal use, limiting the effectiveness of programs that solely address renovations.
- Should a renovation license approach be chosen, as is the case in Hamilton, the cost and conditions for landlords to obtain the license could stifle necessary renovations and redevelopment, adversely impacting the quality, availability, and affordability of rental housing.
- There is currently some uncertainty around new provincial requirements for which professions can independently certify that the landlord's proposed renovations require vacant possession of the rental unit, and amendments to provincial legislation are pending in this regard as noted above. Any future by-law may therefore need to be amended to comply with provincial legislation.

#### Developing an eviction protection by-law for Ottawa – Scope of work

The development of a by-law to protect tenants from evictions due to renovations would include, but not be limited to, the following major tasks:

- Reviewing the legal authority for City Council to enact components of an anti-renovictions regime. This would include consideration of any potential conflicts with provincial legislation and a review of what, if any, limits may apply to Council’s authority to legislate in this area.
- Understanding the number and nature of evictions to help develop an effective regulatory framework and to evaluate the likely demand for enforcement services and supporting programs, as well as community impacts and benefits. Historical data was obtained from the Landlord Tenant Board through an access to information request for the issuance of N5, N12, N13, and L5s in the City of Ottawa for the period of 2010-2023. This data will be reported in the Council Member Inquiry Form titled Issuance of N5, N12, N13, and AGIs at the Landlord Tenant Board in Ottawa being issued in conjunction with this report. The data provided the following:
  - Eviction Moratorium - Between March 19, 2020 and September 14, 2020, and April 8, 2021 and June 2, 2021, a moratorium was placed on the enforcement of all residential evictions in recognition that housing loss was a risk factor for contracting COVID-19.
  - Rent Freeze - In addition to the moratorium there was also a province-wide rent freeze introduced for January 1, 2021 until December 31, 2021.
  - Increase in all notices - The number of reported N5 and L5 notices decreased in 2020 during the COVID-19 pandemic and the legislated rent freeze, but the number of all notices dramatically increased following that year. The below tables will show the total increase and annualized increase of issuance.

**Table 1 Notice issuance 2010 - 2023**

<b>Type of notice or application</b>	<b>2010 total</b>	<b>2023 total</b>	<b>Average annualized increase (2010 – 2023)</b>
N5	394	804	8 per cent
N12	107	505	29 per cent
N13	7	104	107 per cent

Type of notice or application	2010 total	2023 total	Average annualized increase (2010 – 2023)
L5 (AGI)	0	187	88 per cent

*Table 2 Notice issuance 2020 - 2023*

Type of Notice or application	2020 Total	2023 Total	Average annualized increase (2020 – 2023)
N5	553	804	15 per cent
N12	277	505	27 per cent
N13	41	104	51 per cent
L5 (AGI)	35	187	156 per cent

Glossary:

N5 = Eviction for interfering with others, damage or overcrowding

N12 = Eviction for personal use of the landlord

N13 = Eviction for renovation or demolition

L5 = Above Guideline Rent Increase

Staff recognize that while the above noted data reflects increases in the issuance of eviction notices and above-guideline rent increases, since available Landlord Tenant Board data does not include household incomes or rental rates it prevents staff from drawing definitive conclusions. Combined with the well-documented post-pandemic economic factors of high inflation, rising interest rates, significant increase in private market rents and the eviction moratorium, there are many factors that could be driving the current rates of eviction notices. Staff acknowledge that it is highly probable that unlawful evictions, under the pretext of renovation, are occurring in the community.

- Researching Ottawa’s real estate market, housing inventory, and development environment will inform the scope of the by-law in Ottawa and identify possible

policy levers to address root causes and conditions of unlawful evictions for renovations locally:

- The updated Housing Needs Assessment, anticipated in Q1 2025, will provide key metrics for housing inventory.
- Understanding root causes and conditions of unlawful evictions locally through engagement with tenants and landlords.
- Consultant expertise in commercial real estate will be required to provide advice and data concerning Ottawa's real estate market, particularly in relation to rental housing investments.
- Identifying differences in municipal regulations and services across Ontario and measuring their impacts will help identify promising practices in both preventing and addressing unlawful evictions for renovations and may also point to opportunities to address gaps in Ottawa's rental housing regime overall.
- Assessing the legislation, by-laws, and programs and services that are already in place or in development at the federal, provincial, and municipal levels to understand how they might intersect or complement a renovation protection by-law.
- Determining the number of purpose-built rental buildings with five or more units will also be critical, given that this threshold distinguishes the rights afforded to an evicted tenant under the *Residential Tenancies Act*.
- Reviewing current and planned development as well as the possible benefits or potential unintended consequences of proposed regulations.
- Reviewing accessibility impacts and supports. This phase of the work would explore how residents living with disability may be disproportionately affected by unlawful eviction. Staff note that there is a shortage of accessible rental housing units in the private housing inventory, causing increased reliance on community housing to provide suitable accommodations.
- Consultation and engagement with the following unique groups:
  - Tenants and landlords, including associations and advocacy groups
  - Housing and social services agencies, including Community Health Centres and youth-serving organizations

- Building owners, managers, developers, and real estate sector
- Engineers and other professions who can certify that vacant possession is required for the renovations
- Indigenous community
- Equity seeking groups (Accessibility Advisory Committee, Ottawa Disability Coalition, Ottawa Council on Aging, and other advocacy organizations)
- Community associations including Federation of Citizens Association of Ottawa
- Consulting and coordinating with various City departments: Community and Social Services; Emergency and Protective Services; Strategic Initiatives; Planning, Development and Building Services; Finance and Corporate Services (Service Ottawa and Information Technology Services); and Legal Services
- Developing financial model for implementation: determining investments and resources needed to administer, manage, and enforce the new by-law and all related non-regulatory supports
- Drafting by-law & development of supporting programs and processes

#### Option of using external consultant - Projected budget and timeline

To estimate the budget and timeline for this potential by-law review, Staff considered the previous Rental Accommodation Study undertaken in 2018 – 2019, which included two consultants and was comprised of research, data gathering and analysis, public and internal consultations and engagement, and reporting on recommendations, and cost \$300,000. Staff estimate that this potential by-law review would require a significant budget, excluding the cost of staff labour. This includes:

- **Professional Services** for research and analysis of Ottawa's rental housing market and real estate market, jurisdictional scan, legal research and opinions, and the development & drafting of the by-law and alternative policy options
- **Public Consultations logistical costs** including simultaneous translation and sign language interpretation



- **Communications** including multilingual outreach (translations, graphic design, paid promotion)

The estimated timeline for this work is 12 months.

Staff note that even if Council proceeds to develop the by-law by means of consultants, internal staff capacity from the Emergency and Protective Services Department would be required to oversee the consultants and professional service contracts, and to draft one or more reports to Committee and Council, among other project tasks. This internal support will likely require displacing a by-law review from the 2023-2026 By-law Review Work Plan until next term of Council.

#### Option of internal development of the by-law - Project budget and timelines

Should Council direct City staff to undertake this by-law review internally, Emergency and Protective Services would lead the by-law review with support from the Community and Social Services and Planning, Development and Building Services departments. This work would affect two Emergency and Protective Services by-law review projects that are currently on the 2023-2026 By-law Review Work Plan, as those reviews would have to be delayed until next term of Council.

An estimated project budget for this internal by-law review would be required as follows:

- **Consultant costs** (\$140,000 - \$150,000) to obtain rental market information and analysis that is not already contained in the ongoing Housing Needs Assessment
- **Public Consultations logistical costs** (\$65,000), including simultaneous translation and sign language interpretation.
- **Communications** (\$35,000), including multilingual outreach (translations, graphic design, paid promotion)

The estimated timeline for this work is 12 months.

#### Assessing and mitigating risks of an Ottawa approach

A preliminary assessment of Hamilton's regime has identified several risks that would likely be present if such a by-law was to be developed in Ottawa, as follows:

- The requirement to have an independent review of renovation plans to confirm that vacant possession of the rental unit is challenging.

- The Province, under its pending amendments to the *Residential Tenancies Act*, has not yet determined which professions will be able to offer this assessment and under what terms. Until this determination is made, staff cannot assess the cost and availability of these services in Ottawa and the likely impacts of this requirement on legitimate renovations and redevelopment.
- The City of Ottawa cannot undertake the review of construction or renovation plans due to limits on municipal authority under the *Planning Act*. These assessments must be conducted independently.
- Increased scrutiny and enforcement of N13 evictions (for renovation) may result in increased applications by landlords for N12 evictions (for personal use). There is early evidence that this has occurred as the result of new measures passed in British Columbia, as indicated in staff discussions with the cities of Vancouver and Victoria.
- A CBC article from July 29, 2024, indicates that applications for evictions for personal use have increased by 86 per cent in Ontario since 2020. While staff have yet to assess the number of personal use evictions in Ottawa, it is noted that the Hamilton model does not address this issue. While the Province of Ontario has introduced new requirements for landlords seeking to evict tenants for personal use, the regulations are not yet in force and their effectiveness cannot be determined.
- There is a risk that the cost and conditions of compliance with obtaining a renovation license could stifle necessary renovations and redevelopment. This could adversely impact the quality, availability, and affordability of rental housing.

## **CONCLUSION**

Overall, staff's feasibility analysis does not support proceeding with a by-law at this time due to the risks described. Should the by-law work be undertaken during this Term of Council, the above-noted budgets would be required. There is no internal capacity within departments to conduct this work currently, and therefore external professional services would be required. Furthermore, due to the need to provide oversight of the consultant's work and internal coordination, adjustments to various department work plans will be needed if this initiative was to be prioritized over other current work plans. The extent of these adjustments will only be known once the consultant's work program is fully defined. Should Council direct City staff to conduct this by-law review, it is

estimated that multiple departments would be engaged and existing projects would be deferred or displaced.

Staff note that initial focus of municipal efforts to address unlawful evictions from renovations would be better placed on advocating for enhanced Provincial funding for development of tenant education material and outreach approaches as well as increasing funding for tenant legal defence through Housing Help and Action Logement, as discussed above.

Staff recognize that while there are increases in the issuance of eviction notices and above-guideline rent increases, since available Landlord Tenant Board data does not include household incomes or rental rates it prevents staff from drawing definitive conclusions. Combined with the well-documented post-pandemic economic factors of high inflation, rising interest rates, significant increase in private market rents and the eviction moratorium, there are many factors that could be driving the current rates of eviction notices.

Staff acknowledge that it is highly probable that unlawful evictions, under the pretext of renovation, are occurring in the community. Staff further acknowledge the harm caused to one's wellbeing when they are forced to leave their home for any reason, lawful or otherwise. Staff assess that increasing educational efforts and legal supports would provide the most benefit for tenants more quickly and without the added costs and risks identified in this feasibility study.

Staff further note that the City is now participating in a Municipal Roundtable on eviction policies, along with staff from Toronto, Hamilton, London, and Mississauga, may support the development or assessment of additional policy options to address unlawful evictions.

Ryan Perrault  
General Manager  
Emergency and Protective Services

CC: Senior Leadership Team

## **SUPPORTING DOCUMENTATION**

Document 1 – Rental housing legislative scan