

BRIEFING NOTE:

Proposed 2011 Budget for Tenant Defence Fund and Tenant Services

Background

- The Budget Committee review of the 2011 operating budget submission of Shelter, Support and Housing Administration (SSHA) was held on January 11, 2011. Budget Sub-Committee meetings were held on January 19 and 20, 2011 at which questions were raised concerning the proposed budget for the Tenant Defence Fund and Tenant Services. This briefing note responds to those questions.

Issue

- The 2010 amount budgeted for grants for the Tenant Defence Fund (TDF) and Tenant Services was \$521,800, and the proposed budget for 2011 is \$421,800, a reduction of \$100,000.
- The proposal, if approved, would:
 - (1) reduce grants available to tenant organizations by \$25,000 to \$50,000, and
 - (2) reduce the grant provided for tenant services delivered by the Federation of Metro Tenants' Association (FMTA) by \$75,000 to \$371,760.
- The services provided by FMTA help implement the City's TDF program and provide information, outreach and education services to tenants.
- Minor service impacts include the potential reduction in education and information services. The reduction in the grant fund represents a refocusing to the core business of the by-law.

Tenant Defence Fund

- The Tenant Defence Fund provides grants to tenant organizations to help protect the City's affordable rental housing supply and help tenants maintain their accommodation in rental properties. Eligible tenant groups wishing to challenge their landlord's application to increase their rent above the guideline percentage set by the province, to demolish their rental building or to convert it to a condominium may apply for a grant to assist them with legal and other related costs.
- The grant program has been in effect since 2000 and is governed by a municipal by-law (48-2000 as amended by 838-2000). Maximum grants are up to \$6,000 to dispute an Above

Guideline application before the Landlord and Tenant Board, \$10,000 to address appeals or judicial reviews regarding an Above Guideline application before the Divisional Court, and \$15,000 for rental demolition and conversion applications before the Ontario Municipal Board.

- From time to time Council also approves special grants to tenant groups for other purposes in the municipal interest. For example, in 2009 Council approved up to \$25,000 to support tenant dispute applications, in partnership with Toronto community legal clinic(s), on issues related to sub-metering of residential rental properties (to remove electricity as a service included in the rent).
- Since 2001, 470 grants have been given to tenant groups under the by-law, and 19 special grants were approved by Council.
- The proposed budget would reduce funds available for grants from \$75,000 to \$50,000. As outlined in Attachment 1, in the last six years the total amount of grants paid out under the by-law and for special grants approved by Council has been at or less than \$50,000. Focusing on grants permitted under the by-law, the average annual allocation has been in the range of \$40,000 over the past few years.
- Given historical trends, the proposed reduction is expected to have no service impact. Although \$50,000 has been sufficient in the past to fund both by-law and special grants, in the event that a special grant is required beyond the funds available in the TDF, an alternate funding source would need to be identified.

Services Provided by Federation of Metro Tenants' Association

FMTA provides two primary services for tenants in the City of Toronto:

Outreach and Organizing

- FMTA has been funded by the City through a purchase of service agreement to provide their Outreach and Organizing Program, which helps tenant groups to organize and submit applications for Tenant Defence Fund grants to City staff for review and approval, and to provide other assistance as needed to the groups managing their legal dispute. On average, FMTA works with tenants in 100 buildings each year.
- Typically FMTA attends or hosts about 40 tenant education workshops annually and is proactive in engaging with vulnerable tenant groups throughout the City. In addition, FMTA publishes the Tenant Survival Guide in 14 languages.
- At its meeting of June 26, 27 and 28, 2001, Council directed that the Outreach and Organizing program be continued as an annual program and that the service agreement with the FMTA be renewed annually at the option of the City.

Tenant Hotline

- In addition to the Outreach and Organizing program, since 1996 FMTA has been funded by the City for the Tenant Hotline.
- The Tenant Hotline provides information to tenants about their rights and responsibilities under the provincial Residential Tenancies Act and on other landlord and tenant matters such as City by-laws (for example, property standards) and referrals to legal services. Service is provided by phone (multi-lingual) and online. The Tenant Hotline assists the City in delivering the provincial mandated landlord and tenant notification program for property tax decreases and rent reductions by responding to tenant inquiries.
- Typically FMTA responds to 9,500 hotline calls annually.
- While a number of other government and community programs provide similar information to tenants, the Tenant Hotline is unique in that it helps tenants work through the complex interactions between the various laws and programs for their specific situation and provides detailed information about Toronto's services and rental market.

Minor Service Impacts

- FMTA was budgeted for \$446,760 in 2009 and again in 2010 for both the Tenant Hotline and Outreach and Organizing related to the TDF, as shown in Attachment 2.
- The proposal for 2011 is to reduce funding by \$75,000 to \$371,760. As the bulk of FMTA's current funding allocation is for staffing, the impact is likely to be a reduction in the number of staff available to respond to phone-calls, attend tenant workshops, and meet with tenant groups who are disputing above guideline rent increases.
- The impact on FMTA's Outreach and Organizing program will be minimized by refocusing on the core business of the by-law. This should reduce work related to special grants requests.
- If the budget proposal is approved, staff will work with FMTA and other government and community organizations that provide information to tenants to help minimize the impact.

Prepared by:

Katherine Chislett, Director Housing, Homelessness Supports and Initiatives
416-397-0260, kchisle@toronto.ca

Further information:

Phil Brown, General Manager, Shelter, Support and Housing Administration
416-392-7885, pbrown1@toronto.ca

TENANT DEFENCE FUND

Year	Budget	Actual	Number of Grants		
			Grants Approved under By-Law	Special Grants Approved by Council	Total
2001	150,000	162,405	62	2	64
2002	150,000	153,650	114	0	114
2003	175,000	192,292	56	5	61
2004	105,000	(144,932)*	28	2	30
2005	125,000	48,859	22	2	24
2006	125,000	26,778	41	2	43
2007	67,000	10,174	32	1	33
2008	67,000	41,322	42	1	43
2009	75,000	51,000	36	2	38
2010	75,000	48,846	37	2	39
Total	1,114,000	590,364	470	19	489
2011 Proposed	50,000	N/A	N/A	N/A	N/A

* This number reflects adjustment to accrual processing; actual payments in 2004 totalled \$87,000,

ATTACHMENT 2

**PURCHASE OF SERVICE AGREEMENT WITH
FEDERATION OF METRO TENANTS' ASSOCIATION (FMTA)**

Year	Tenant Hotline		Outreach and Organizing		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
2001	175,000	143,630	150,000	149,089	325,000	292,719
2002	175,000	175,000	150,000	150,000	325,000	325,000
2003	175,000	175,000	150,000	93,750	325,000	268,750
2004	175,000	175,000	220,000	220,000	395,000	395,000
2005	175,000	175,000	200,000	200,000	375,000	375,000
2006	175,000	175,000	200,000	200,000	375,000	375,000
2007	180,000	180,000	258,000*	258,000	438,000	438,000
2008	183,000	183,000	255,000	255,000	438,000	438,000
2009	186,660	191,644**	260,100	260,100	446,760	451,744
2010	186,660	191,667**	260,100	260,100	446,760	451,767
2011 Proposed***					371,760	

* Includes the addition of a Tenant Education Project

** Please note that the actual amount of funding allocated in 2009 and 2010 is slightly higher to reflect one time funds for additional phone support for the landlord and tenant notification program. These allocations were due to the very large increase in notices sent out late in 2009 (\$4,984 and \$5,007 for 2009 and 2010, respectively). Service volumes have since decreased.

*** 2011 project allocations to be determined after City Operating budget approved.