

'Best Practices for Healthy Housing Quality in Toronto'

Summary Report August 2020

Introduction:

The Wellesley Institute was funded by the National Housing Strategy to address issues with disrepair in older buildings in Toronto's private rental sector. Many tenants indicate problems with their rental accommodation, problems that include pests, mould, elevators out of service, overcrowding and difficulties to obtain satisfactory or timely repair of windows, doors, appliances, etc. These issues not only impact the health and well-being of tenants, particularly those in lower-income communities, but also the state of the 'health' of the building itself. Without adequate maintenance and repair, over time buildings can suffer, and if the buildings are in crisis, then so too will be the tenants who live in them.

This report is a summary of the key proposals developed by the project's culminating report as *Healthy Housing Quality: A Way Forward for Rental Apartments in Toronto* and is the final report of six documents created over the course of the project. Already completed are three detailed report outs on the solutions labs, the road map to implement the proposed solutions, and two resource documents for lab participants. The latter includes a framing paper of the issues of apartment rental in Toronto and an international review explaining how other selected jurisdictions have addressed disrepair in rental housing. For more detailed information on the background papers, solutions and the roadmap please see www.wellesleyinstitute.com/healthy-housing-quality-lab.

Beginning in 2019 and through 2020, Wellesley worked with SHS Consulting who brought related expertise in housing policy research and the solutions lab process. This process, using co-design principles, brought together a formal project advisory group, and other interested stakeholders, tenants, building owners, municipal government representatives and others to collaboratively address some of the long-standing rental repair issues facing private sector apartment buildings in Toronto. *(For a complete list of organizations and participants, please see Appendix 1)*

The core design group proposed the following solutions to the problem of disrepair:

Solution 1 Standards and Enforcement	Emphasize a coordinated, data-driven and a health best practices approach to standards and enforcement to provide a system-wide definition of 'healthy housing quality' and bring the worst performing buildings to a healthy state.
Solution 2 Investment and Funding	Establish a centralized "one-stop shop" of funding and loans to conduct renovations and deep retrofits with criteria to ensure healthy housing quality and affordability.
Solution 3 Healthy Housing Quality Tenant Hub	Support tenants in healthy housing quality issues through the creation of place-based hubs and a central tenant network. The place-based hubs deliver on-the-ground supports for tenants at a neighbourhood level, while a central tenant network connects local issues to systemic opportunities.

Solution 4 Acquisition	Implement mechanisms to acquire aging and/or “distressed” housing stock from building owners unable or unwilling to provide healthy housing quality to ensure adequate repair and ongoing affordability.
Solution 5 System-Level Housing Collaborative	Establish a permanent collaborative multi-sectoral committee dedicated to cross-system dialogue on healthy housing quality for the preservation of quality affordable rental housing in Toronto and further the solutions emerging from the Healthy Housing Quality Solutions Lab.

The remainder of the paper describes how these solutions came about through the solutions lab process, how they relate to healthy housing quality, to what extent they are integrated within a full suite of other solutions and finally, the suggested means to implement them.

METHODOLOGY

The overarching design challenge for this Lab was :

“How might a healthy housing initiative for older private rental apartment buildings ensure good repair and quality of housing in Toronto by identifying best practices and introducing new regulatory or program interventions?”

The project began by attempting to understand what the term ‘healthy housing’ meant and by reaffirming the need to recognize housing as a human right. Participants used information from the framing paper, written as a background paper for this project, to come to a general understanding of the former.

The approach for this Lab included fifteen key Lab events, including expert interviews, small focus groups, several meetings of the project advisory group, a full-day housing forum and six labs.

Over the course of fall and winter 2019 and into spring 2020, the Lab process guided participants with reference material and then within a lab setting asked questions for them to effectively answer the design challenge of to ensure good repair and quality housing, gather new information from participants experiences and expertise, then synthesize this information and look for patterns of consensus, always using co-design and collaborative principles.

Early on in the process, Lab participants identified eight potential interventions. Using set criteria, Lab participants selected four primary solutions to build out further. (Please see Appendix 1 for more information on the additional potential interventions.) This included a prioritization process to evaluate the ideas based on the desirability and feasibility of the solution. (see *Healthy Housing Quality: A Way Forward for Rental Apartments in Toronto page 27* for more details,) Finally, the idea of a permanent systems level housing collaborative was identified throughout all stages of the project which forms the fifth and final solution.

Finally, the project advisory group offered advice and information on solution implementation and selected experts were asked for their input and validation.

Intersections of Housing and Health

From the beginning of the project there was discussion of what makes for healthy housing and how best to collectively understand it. The framing paper ensured that participants were aware that housing is a key social determinant of health – the conditions of life that make for better or worse health and well-being. Housing that is affordable and of decent quality fosters good health. Disadvantaged groups are more likely to face housing conditions that negatively affect health, contributing to inequities in health. Groups most affected include people with low incomes, single parents, racialized groups, newcomers to Canada, and persons with age-related, mental health, or other disabilities. Housing affordability and space also affects health. When housing is hard to afford, people crowd into smaller spaces, which raises the risk of infectious disease. ‘Healthy housing’ also speaks to wider issues than health related matters. Living in poor-quality housing can be rooted in broader issues of old buildings, financial barriers, weak standards, few lower-rent options, or too little housing available.

This information led to the development of a framework to help inform participants thinking about problems and solutions. Four levels to achieve the entire spectrum of healthy housing were identified: healthy people, healthy buildings, healthy communities, and healthy systems. It became crucial that all of the solutions connected to the framework in some way. It also became evident as the project went on that all of the proposed solutions related in some way to each other.

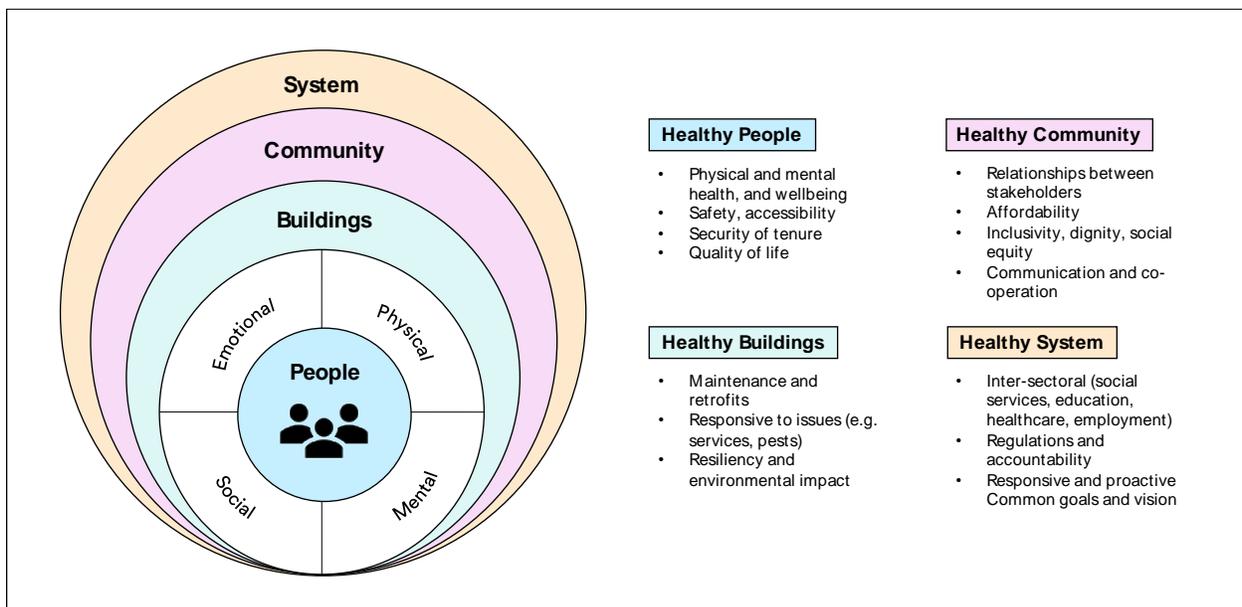


Figure 1: Healthy Housing Framework as developed by SHS Consulting 2020

Healthy People

This level, which is first in priority, explores how people’s physical and mental health, safety, and quality of life are impacted by the health of the buildings in which they live. Lab participants reinforced the importance of providing tenants with a place that is affordable, comfortable, safe, and clean, where they can have pride in their home.

Solution #1: Standards and Enforcement was identified as the most important to support the first level.

This initiative will help move policy recommendations forward to support healthy housing quality by providing accepted definitions for what healthy quality housing looks like. They should be based on best practices and evidence, to fill in gaps to the existing standards and bring the worst performing buildings to a healthy state. This will result in clarity, coordination and ease of access for existing standards and regulations related to property standards, building codes, climate change, and codes for safety, especially to focus on the most high-risk buildings.

Lab participants expressed that the existing tools such as RentSafeTO inspections are not addressing all issues, likely because resources remain modest, compared to the scale of the problem. There is yet to be widespread and complete implementation of building condition audits, evidence of multi-year capital plans at the building or portfolio level, or related City requirements and monitoring.

Components of the Solution

The following table provides an outline of some of the components of this standards and enforcement solution and how it specifically relates to the levels of the healthy housing framework and is integrated with other solutions.

Component	Additional Details and Implications
<p>Define healthy housing quality through the Framework for Healthy Housing Quality</p>	<p>This framework can support policymakers, landlords, and tenants with the following:</p> <ul style="list-style-type: none"> • Increasing ease of identifying and filling gaps in current standards • Creating new evaluation metrics introducing human-centred needs, community needs, and a systems view • Evaluating existing metrics provided by RentSafeTO and others to ensure they are encompassing health evidence and best practices • Connecting regulatory change to climate change and resilience • Assisting municipal departments to work together to promote and enforce healthy housing quality, by drawing more connections between housing, health, community resilience, and infrastructure.
<p>Establish and communicate the best practices of successful buildings</p>	<p>This component of the solution will help communicate what “success” looks like, especially those landlords who provide already healthy housing quality Landlords doing exceptional work related to resiliency, environmental impact, and climate change goals should be featured.</p> <p>This solution will also highlight promising initiatives such as those that involve working with residents or motivating them to work together towards ensuring standards are being met in their building, beyond what is evaluated by RentSafeTO (providing a potential link to Solution 3: Healthy Housing Tenant Hub).</p>
<p>Identify buildings at high risk of catastrophic failure</p>	<p>Existing risk assessment tools, such as the data provided by RentSafeTO, the Electrical Safety Authority Risk Assessment Tool, and the checklists provided by other organizations, can help identify whether a building is at risk for catastrophic failure or is a detriment to community well-being.</p> <p>This solution could expand the scope of “high risk” to include a subset of buildings This evaluation would be a necessary component to Solution 4: Acquisition.</p>

Component	Additional Details and Implications
<p>Identify the gaps in standards</p>	<p>Lab participants shared some potential gaps in standards based on the broader scope of healthy housing quality. These included:</p> <ul style="list-style-type: none"> • Requiring building owners to maintain a capital reserve fund, capital repair plans, and conduct building condition assessments on a regular basis • Introducing property standards related to risk and quality of life for tenants • Mandating that landlords and tenants both have insurance • Introducing a national building code for retrofits, phased in over time • Introducing national legislation on healthy housing quality that adopts this holistic definition • Incorporating work environment standards for employees, training for building staff, and other human resources considerations • Incorporating risk management protocols • Standards for improving the resident experience, such as processes for submitting and tracking maintenance requests • Mandatory education and certification for property managers. <p>These standards and enforcement mechanisms would be designed to ensure the worst-performing landlords move towards healthy housing quality and that other landlords maintain their appropriate standards.</p>
<p>Identify the gaps in enforcement mechanisms</p>	<p>Lab participants identified potential gaps in enforcement, based on this broader definition of healthy housing quality. These included:</p> <ul style="list-style-type: none"> • Improving the quality of RentSafeTO inspections and enforcement • Increasing proactive oversight of buildings • Increase penalties for landlords overall • Introducing new ways to monitor and enforce standards by involving tenants, such as self-assessment by landlords with tenant sign-off.

The standards and enforcement solution would bring a collaborative group together to establish the “healthy housing quality checklist”. The lab participant group involving landlords, tenants, City of Toronto, including Municipal Licensing and Standard and Public Health staff members and other stakeholders is starting point in terms of group composition. Professionals such as structural engineers and others with technical knowledge of building functions and management should be involved.

Healthy Buildings

This level of intersection relates to short and long-term maintenance and the sustainability of the building. For Lab participants, this often comes in the form of the timeliness, consistency, and quality to which issues such as safe infrastructure, vital services, physical structure, pests, heat, elevator repair and other common quality concerns are dealt with. Within the City of Toronto, a healthy building also includes the ability to reduce a building’s environmental impact and increase its resiliency over time in

the face of climate change. Problems related to heat are top-of-mind for the City, as power outages and more days of extreme heat become a reality for Torontonians.

Solutions #1, #2 and #4 speak directly to this level. The intentions of these solutions is to ensure the building is well-maintained with timely repairs, is structurally sound and resilient to environmental changes. With funding supports and city involvement, then the health of these buildings will be improved and sustained.

Solution #2 Investment and Funding consists of a centralized “one-stop shop” of funding and loans to conduct renovations and extensive retrofits with criteria to ensure healthy housing quality and affordability. This solution could help convene funds from non-traditional sources or partners who may have an interest in ensuring healthy housing quality in Toronto.

It could offer new funding models such as shared or more collaborative approaches.

This solution would allow all funding for building renovations and retrofits to be centrally located, in a “one-stop-shop” for ease of access by building owners.

The one-stop-shop must establish criteria for obtaining grants and loans. This could include:

- Appropriate benchmarks that building owners must achieve and maintain
- Assessment by engineers to determine benchmark and recommended improvements.
- Incentives, such as loan forgiveness for extensive retrofits
- For tax purposes, the cost of deep retrofits could be ‘written off’ (not considered as only an “improvement”), meaning renovated units will not be considered “new units”.

The criteria for obtaining grants and loans imposed by this one-stop-shop must include mechanisms to ensure affordability is maintained.

Solution #4 City Acquisition of the unhealthiest and most at-risk buildings creates a last-resort option to acquire private rental buildings from persistent problem landlords that are unable or unwilling to provide quality housing to tenants; and it puts the buildings into the hands of housing providers, especially non-profits, who can maintain affordable and healthy quality rental housing.

Healthy Communities

The third level of intersection identified by Lab participants was the lens of community. This is related to the relationships between tenants, building owners and City staff. These intersections are impacted by the affordability of someone’s home (and potential threats to that affordability), security of tenure, inclusivity and dignity, and social equity in the housing system. Standards and enforcement, funding for repairs and purchase of at-risk buildings all relate to ensuring the health of communities, but at the heart of the problem is a lack of a tenant voice within policy development, implementation and enforcement. **Solution #3, the Establishment of Tenant Hubs** to ensure appropriate resources for tenants and a means to connect with other tenants across the city, connects directly with this level, offering local tenant support through education and community resources. This solution supports tenants to find solutions to healthy housing quality issues through the creation of place-based hubs and a central tenant network.

The place-based hubs deliver on-the-ground supports for tenants at a neighbourhood level, while the central tenant network connects local issues to systemic opportunities. This would mean new community spaces where tenants and other stakeholders can discuss and, through mediated collaboration, work on solutions to local problems. Tenant conversations across the city would keep healthy housing quality issues as a political priority. Additional knowledge about rental repair issues, healthy housing quality, and legislation for tenants would be available. And most importantly it would complement and strengthen the existing work of community legal clinics and other organizations currently working to support tenants, such as the Federation of Metro Toronto Apartments and ACORN.

Healthy Systems

Finally, conversations in the Lab events revealed the need for a systems-level lens on healthy housing quality issues. Municipal, provincial nor federal legislation intentionally link issues of healthy housing quality to health evidence – safety, yes, but health evidence no. This calls for a more evidence-based approach to dealing with healthy systems issues.

Key to this is to **Solution 5, a System-Level Housing Collaborative**, a permanent committee of housing stakeholders, including government, tenants and building owners dedicated to maintain a cross-system dialogue on healthy housing quality. The goal would be to preserve quality affordable rental housing in Toronto and to further the solutions emerging from the Healthy Housing Quality Solutions Lab to ensure healthy, which includes ‘affordable’ housing in Toronto. (For more detailed information about the proposed function of the collaborative, please see Appendix 2.)

The Health Housing Quality Collaborative could provide leadership as a convening body focused on creating space for diverse perspectives, difficult conversations, and uniting work across stakeholder groups that do not otherwise converge. This emphasis would establish the Collaborative’s role as an anchor body in the housing system, building trust and new relationships across interests.

Additional objectives of this solution are:

- To continue to refine the collective definition and understanding of what holistic healthy housing quality should look like in Toronto and beyond
- To establish an anti-racist, equity- and justice-seeking agenda for the implementation of the solutions emerging from the Healthy Housing Quality Lab
- To expand the role of stakeholders who may currently be considered as periphery to the issues (e.g., Toronto Public Health)
- To improve sharing of information and data related to healthy housing quality across all stakeholder groups and City divisions.

The Ecosystem of Healthy Housing Quality Solutions

The map on the next page outlines how the healthy housing framework and the solutions the healthy housing quality solutions developed through this Lab connect and are dependent upon each other.

Solution #1: Standards and Enforcement and **Solution #2: Investment and Funding** work together to help promote a system of healthy housing. The holistic set of building standards and mechanisms to enforce those standards proposed by **Solution #1** intend to support the City in its role as a regulator and to support landlords by setting out clear requirements for rental housing in Toronto.

Should landlords have difficulty funding or financing the required repairs or retrofits to meet the standards, **Solution #2** offers easier access to existing and potentially new sources of funds to upgrade the buildings to meet the standards.

In addition to this dynamic, **Solution #3: Healthy Housing Tenant Hub** can provide information and accountability to the standards and enforcement mechanisms in **Solution #1**. This solution sets tenants up to participate actively in the healthy housing system by equipping them with more knowledge and tools for advocacy.

When this interaction between **Solutions #1, #2, and #3** is not effective, **Solution #4: Acquisition** acts as a last resort to reduce the instances of buildings in persistent distress from either being neglected further or from being sold to another private landlord who may increase rents to undertake repairs. This solution encourages the municipal government to acquire, renovate, and turn buildings over to non-profit ownership to preserve affordability while ensuring healthy housing quality.

And finally, **Solution #5, Healthy Housing Collaborative** is the surrounding and supporting envelope, ensuring the means that the other solutions are resourced and work together.

A path to 'solutions uptake'

The first steps to implement each of the solutions is to provide a 'real-world' demonstration, or a pilot phase for testing outside of the lab environment. These demonstrations must begin with a leading organization to initiate a roundtable, with similar membership of the core design team of this solutions lab project. This roundtable is expected to evolve into the Healthy Housing Collaborative which will have responsibility to begin working on implementing the solutions.

Additional sharing of the results of the solutions lab and the rationale for the solutions lab must occur. This will lead to more interest and an introduction of more ideas and resources to improve the quality of the solutions.

After the establishment of the collaborative round table, the primary solution, **Solution #1, Standards and Enforcement**, will be the foundation to move the others forward. For this solution, the real-world demonstration involves establishing an initial Healthy Housing Checklist, then evaluating one small set of buildings against the standards and enforcement mechanisms. The first pilot phase leads into further refinement and testing before widespread implementation.

Solution #2, Funding and Investment involves taking a small group of landlords through the process of accessing existing grants or loans through the one-stop shop. The second stage of the pilot involves introducing new grants and loans accessible to landlords through the one-stop-shop. There are several dependencies with other Solutions, for example, the criteria for eligibility should be linked to the criteria in Solution 1: Standards and Enforcement and the Healthy Housing Collaborative and Solution 3: Healthy Housing Tenant Hub could support by making the one-stop-shop information available.

In **Solution #3, Tenant Hubs** the real-world demonstration involves launching the online Central Tenant Network and preparing the plans for one place-based Tenant Hub. The end goal of this solution is to establish place-based hubs in communities across the city and ensure effective communication between tenants, governments and stakeholders.

The pilot phase of **Solution #4, Acquisitions** means identifying one distressed building for acquisition and moving the building through the entire process of acquisition, renovation, and sale to a non-profit landlord. Meanwhile, a list of additional buildings for potential acquisition can be developed. There are risks to this solution that must be addressed, such as public or landlord backlash as the government becomes involved with the private sector. However, there are also potential alignments with similar initiatives undertaken by the Federation of Canadian Municipalities, Canadian Housing and Renewal Association, and others working in the realms of COVID-19 recovery and addressing the financialization of housing in Canada.

Appendix 1

Potential Interventions

Lab participants identified four additional intervention areas.

Property Tax Incentives

This solution proposes property tax changes to promote repairs, renovations, and/or retrofits to bring buildings up to a healthy quality standard. This could include reducing property taxes on older buildings or deferral or relief of property taxes for landlords who conduct repairs and guarantee affordability.

Other proposed ideas include:

- Linking these incentives to other revenue-generating policies at the City, such as the empty homes tax; and
- Introducing property tax class equalization across building types to reduce rents.

Operating Cost Savings

This solution is an initiative to promote operational cost savings, initiated by and beneficial to both landlords and tenants. This initiative would create healthy housing by directing these cost savings to repairs and retrofits and by creating a sense of collaboration between landlords and tenants working towards a common goal for their building. This initiative could include practices such as:

- Reducing utility costs by repairing or replacing inefficient windows;
- Reducing waste removal costs by implementing proper waste management procedures;
- Providing incentives or rewards to tenants for reducing their energy and/or water use; and
- Passing utility costs on to tenants when energy efficiency retrofits have taken place.

Industry Capacity

This solution is an initiative to foster a sustainable and thriving industry around retrofits and repairs for healthy buildings. This new initiative might include:

- Partnerships with colleges and trades to build the industry capacity for repairs and retrofits of high-rise rental buildings; and
- A “buying collective” or single-purchaser system for contracting to undertake renovations and retrofits.

This solution could leverage corporate social responsibility initiatives among private sector organizations, public funding to improve and transform the retrofit market, and tenant participation in maintenance activities.

Data and Evidence

This solution is a data-sharing platform to support and strengthen evidence-based policies and programs for healthy housing. The platform could deliver impact by increasing transparency of issues across all stakeholders, allow various organizations to implement consistent evaluation metrics, and identify areas for further research. The new platform could include:

- A source of more usable data (e.g. interactive data) through open and accessible channels;

- An emphasis on health best practices as they relate to healthy housing
- A place to find new information for landlords and frontline staff to support tenants;
- A tracking system for building condition evaluations (maintenance orders, ongoing repairs, capital plans, etc.); and
- A system for convening data from a wide range of publicly available sources (e.g. MLS, CMHC, Statistics Canada, etc.) for the entire housing stock.

Role for the Healthy Housing Quality Collaborative	
Solution 1 Standards and Enforcement	<ul style="list-style-type: none"> • Help establish the working group to lead the pilot phase of this solution. • Act as the central online presence, directing landlords to the Healthy Housing Checklist. • Support collecting the existing standards and enforcement checklists in use by stakeholders across the system (e.g. landlords’ checklists, City of Toronto checklists). • Support the working group to secure ongoing funding for the solution.
Solution 2 Investment and Funding	<ul style="list-style-type: none"> • Help establish the working group to lead the pilot phase of this solution. • Act as the central online presence, directing interested landlords to the one-stop-shop. • Support the working group to make connections with other stakeholders who currently offer or may be willing to offer grants and loans as part of the one-stop-shop. • Support the working group to recruit landlords to pilot the solution. • Support the working group to test the usability of the one-stop-shop. • Support the working group to secure ongoing funding for the solution.
Solution 3 Healthy Housing Quality Hub	<ul style="list-style-type: none"> • Help establish the working group to lead the pilot phase of this solution. • Act as the central online presence, directing interested tenants to the Central Platform and information about the Hubs. • Open the Hub up to multi-stakeholder conversations around select topics. • Connect with the Central Tenant Network to continue the dialogue with tenant leaders and other interested participants. • Support the working group to secure ongoing funding for the solution.
Solution 4 Acquisition	<ul style="list-style-type: none"> • Help establish the working group to lead the pilot phase of this solution. • Support the working group to finalize the definition of a “distressed building”. • Act as a source of information, best practice, and data on healthy housing metrics and emerging trends in the sector. • Support the working group to secure ongoing funding for the solution.