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Proposed New Legislation Affects Owners of Rental Buildings in the City of Toronto

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Owners of property containing rental housing units in the City of Toronto should take immediate note of a by-law that has been proposed by the City of Toronto. If passed, it will significantly limit a property owner's ability to demolish, alter, or convert buildings containing six or more rental units.

The proposed by-law, which is authorized under the new *City of Toronto Act, 2006*, would prohibit the demolition or conversion of residential rental property unless an owner has applied for and received a permit from the City. A permit, which could be subject to terms and conditions, would be issued at the discretion of City Council or its delegate. The by-law would require an applicant to apply for a permit if the applicant submits a "related application", such as an application for a building permit, a demolition permit, a condominium approval, or an application under the *Planning Act*. Moreover, an applicant would be required to provide written notice to the applicable approval authority, or in the case of an appeal or referral, to the Ontario Municipal Board or a Court, stating that the demolition or conversion is not permitted unless and until a permit has been issued by the City under the proposed by-law.

As a practical result, the proposed by-law would give the City the ability to circumvent the authority of the Ontario Municipal Board to approve planning applications involving the demolition or

conversion of residential rental housing units (such as condominium conversions) in the City. The most significant component of the proposed by-law in its current form is that it does not provide any right of appeal, to the Ontario Municipal Board or otherwise, of the City of Toronto's refusal to issue a permit.

The proposed by-law, as currently drafted, would apply not only to those applications made after its passing — it would also apply retroactively to any proposal for demolition or conversion of residential rental property made on or after January 1, 2007, with certain limited exceptions.

A City Planning Division staff report is recommending that this by-law be passed by Council to provide for the protection of existing rental housing. The staff report recommending enactment of this by-law is being considered by City Council's Planning and Growth Management Committee on June 28, 2007. If the Committee adopts the recommendation for enactment of the by-law in its proposed draft form, it could be approved by City Council as early as July 16, 2007.

For more information on how the proposed by-law could impact your property or future development interests, contact Barnet Kussner or Blake Hurley of our Municipal Practice Group.



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