



Notice

Number: 07-02

APPLICABLE TO:**DATE: March 26, 2007**

<input checked="" type="checkbox"/>	Municipal & Private Non Profit
<input type="checkbox"/>	Co-operatives
<input checked="" type="checkbox"/>	Federal Non Profits
<input type="checkbox"/>	OCHAP/CSHP
<input checked="" type="checkbox"/>	Rent Supplement

<input checked="" type="checkbox"/>	Mandatory
<input type="checkbox"/>	For Information

SUBJECT: Residential Tenancies Act**BACKGROUND**

On June 22, 2006, the *Residential Tenancies Act* (RTA) was given Royal Assent and on January 31, 2007 was proclaimed into law. The Ontario Rental Housing Tribunal also became the Landlord and Tenant Board on the date of proclamation.

This new legislation governing the relationship between landlords and tenants in Ontario replaces the Tenant Protection Act (TPA). Although the new Act replaces the TPA, many of the existing provisions of the TPA will continue in the new legislation. The government's intent with this new legislation is to create a fair and balanced legislation that works for both landlords and tenants.

Rent Reform consultation included sessions in over 10 cities with over 5,000 submissions including those from the Ontario Non-Profit Housing Association, Co-operative Housing Federation and the Social Housing Services Corporation.

Key Areas for Change

There are four key areas addressed through the proclamation of the RTA, as detailed in Appendix A to the report. Please note that the sections of the RTA dealing with smart meters and ratio billing were not proclaimed with the rest of the act due to a number of outstanding issues. The RTA rules for smart metering and ratio billing are expected to be in place in time to meet the commitment to smart meter all homes and businesses by 2010.

Exclusions for Social Housing

Social housing units are exempt from rent rules and subletting/assignment of unit rules. The Landlord and Tenant Board will not be permitted to adjudicate rent-geared-to-income subsidies or other forms of assistance, where the calculation is contained in other legislation such as the *Social Housing Reform Act, 2000* (SHRA).

Investigation and Enforcement Unit

The investigation and enforcement unit (IEU) is part of the Ministry of Municipal Affairs and Housing. However, it is a separate unit from the Landlord and Tenant Board. The IEU is responsible to monitor compliance of the RTA as well as investigate alleged failure to comply with RTA. The IEU has the authority, where warranted, to start prosecution proceedings. The maximum penalty for an offence under the Act has been increased to \$25,000 for individuals and \$100,000 for corporations. In order to facilitate outreach and education, the IEU has launched a website and will offer public education sessions to interested tenants and landlords.

Implementation

As of February 1, 2007, business practices must be amended to align with the Residential Tenancies Act and related regulations.

Service Manager's Role

Niagara Regional Housing will review provider compliance with the Residential Tenancies Act during the operational review process.

Housing Provider's Role

Housing providers should be aware of their rights and responsibilities under the RTA. For more information on the RTA, please visit the following websites:

1. Landlord Tenant Board - www.ltb.gov.on.ca
2. Investigation and Enforcement Unit - www.mah.gov.on.ca/userfiles/HTML/nts_1_28146_1.html

Landlords are required to give all new tenants, after January 31, 2007, the Information for New Tenants form, developed by the Landlord and Tenant Board in accordance with section 11 of the RTA (see Appendix B). You may wish to distribute this form to your existing tenants for their information.

Tenancy agreements, for new tenants must be amended to comply with the RTA while remaining compliant with the SHRA. Training and a sample lease can be obtained through the Ontario Non-Profit Housing Association.

If you have questions or concerns please contact your Housing Administrator at (905) 682-9201.

(Original signed by Lora Beckwith)

Lora Beckwith, General Manager

Enclosures: Appendix "A" – Residential Tenancies Act – Key Changes
Appendix "B" – Information for New Tenants

Appendix A

Residential Tenancies Act - Key Changes

Process

- The default process has been eliminated. This means that every tenant facing eviction will have access to a hearing or mediation. They will not have to file a written dispute to get a hearing.
- The eviction process for problem tenants will be fast-tracked. If a tenant is purposely causing willful and/or excessive damage in a unit or building, the landlord will have more effective remedies that will cut the eviction process in half, from 20 days to 10 days. Where a tenant has caused excessive damage, the Board will be able to order the tenant to be evicted immediately. (e.g. drug grow ops)
- The tenant's circumstances are reviewed prior to issuing an order for eviction. The Board will automatically consider the tenant's situation. For example, if the tenant is in the hospital and could not pay the rent.
- Tenants are now able to raise issues at a hearing for arrears or evictions based on rent arrears. The Board will consider all issues raised by the tenant (e.g. poor maintenance) and order any available remedies to resolve these issues.
- Landlords must retain the property of an evicted tenant for 72 hours and the landlord will be required to make this property available between 8 a.m. and 8 p.m.
- The definition of a tenant has been expanded. If a tenant of a rental unit dies and the rental unit is the principal residence of the spouse of that tenant, the spouse is now included in the definition of tenant. Please note this does not apply to units that fall within the *Social Housing Reform Act, 2000*.
- Landlords must now give new tenants information on the responsibilities of landlords and tenants as well as the role of the Board and contact details.

Rents

- After January 31, 2007, the interest to be paid on a rent deposit is the same as the rent increase guideline. (Exception: for the first interest payment the landlord has to give the tenant a 6% interest rate for the months up to January 31, 2007).
- Current non-profit exemptions regarding rent rules have been extended to new affordable housing. Exemptions for social housing in the area of rents and subletting/assignment of units will be extended to include subsidized units in the new affordable rental housing program.
- The Landlord and Tenant Board is not to consider rent-geared-to-income subsidies including the calculation or withdrawal of subsidy.

- Tenants will be able to ‘pay and stay’ until the eviction is enforced. Tenants will be allowed to void an eviction order by paying outstanding rent and landlord costs to the Board up until the Sheriff enforces the eviction order. This provision will be allowed one time during a tenancy.

Note: This is in addition to current provisions that a tenant can pay the rent arrears and avoid eviction, in most cases, up until 10 days after the eviction order is issued. There is no limit to the number of times this current provision can be used to avoid eviction during a tenancy.

- Landlords and tenants will be able to work out their own repayment schedule for outstanding rent without a Board mediator and have the details of their agreement made official by the Board. If the agreement is broken, a hearing would be scheduled.

Maintenance

- There are new remedies for serious maintenance issues. If a unit or building has serious maintenance issues or serious outstanding work orders, a tenant can apply to the Landlord and Tenant Board to stop all rent increases, including annual rent increases until all serious maintenance issues are resolved. In special circumstances, the Board could allow tenants to pay some or all the rent to the Board, instead of the landlord, until maintenance issues are resolved.
- Landlords can inspect for maintenance on 24 hours written notice. In order to help landlords fix maintenance issues before they become serious, landlords can now give notice to inspect for maintenance problems.
- The procedures for informing tenants of capital works have been clearly outlined. The notice must describe the nature, impact and expected duration of the work. Landlords must provide updates to tenants when circumstances change, and inform prospective tenants of the proposed work before they move in.

Maintaining a Healthy Industry

- *Market rents for vacant units:* Landlord and new tenants can negotiate starting rents. In order to encourage rent-up of units, landlords will be allowed to offer up to three months’ free rent or provide a discount of up to 2% for prompt payment of rent.
- *Exemptions retained for buildings after 1991:* Rental units built after 1991 would remain exempt from the annual rent increase guideline.