



Update on Tenant Led Improvements in Basement Spaces

Item 7

February 17, 2023

Tenant Services Committee

Report: TSC:2023-05

To: Tenant Service Committee (“TSC”)

From: Vice President, Facilities Management

Date: January 16, 2023

PURPOSE:

The purpose of this report is to provide the Tenant Services Committee (“TSC”) with an update on tenant led improvements in basement spaces.

RECOMMENDATION:

It is recommended that the TSC receive this report for information.

BACKGROUND:

Decision History:

At its March 29, 2022 meeting, the Tenant Services Committee received a report on Tenant Led Improvements in Basement Spaces in response to inquiries from a Committee member related to the proposal that TCHC should allow tenants in single family homes (detached, semi-detached, row houses and townhouses) to make alterations to basement spaces to make the space more usable by household members, with special consideration to alterations that would create spaces for children to play safely. The report indicated that, following consultation by TCHC’s Facilities Management Division with Legal Services, Risk and Insurance, and Regional Staff, TCHC proposed to permit tenants to complete the following improvements to basement spaces:

- Painting of existing ceilings or walls;

- Installation of drapes or window covering;
- Installation of loose flooring/area rugs;
- General decorating; and
- Placement of furniture required to permit virtual learning, work from home or other activities.

Upon receipt of the report, the TSC directed staff undertake a further review of the proposal and to report to the Board on a process through which tenants could work with TCHC in order to effect physical improvements to basements in townhouses owned by TCHC, at a tenant's expense.

[TSC Meeting of March 29, 2022 – Report TSC:2022-22 “Tenant Led Improvements in Basement Spaces”](#)

At its September 20, 2022 meeting, the Tenant Services Committee considered a further report, responding to the direction given at the March 29, 2022 meeting. This report reiterated the recommendation contained in the earlier report to the Committee.

Upon receipt of this updated report, the TSC requested that TCHC management report back to the TSC on possible options for non-structural improvements such as temporary modular or movable room divisions, and the impact of these improvements on the rental relationship.

[TSC Meeting of September 20, 2022 – Report TSC:2022-48 “Update on Tenant Led Improvements in Basement Spaces”](#)

UPDATE:

In accordance with the direction from the Tenant Services Committee at its meeting of September 20, 2022, Facilities Management engaged the services of a third party consultant, Taylor Smyth Architects (“Taylor Smyth”) to review basement renovations in TCHC buildings. Taylor Smyth have confirmed the advice previously received from Toronto Building staff that, with the exception of:

- Painting of existing ceilings or walls;
- Installation of drapes or window covering;
- Installation of loose flooring/area rugs;
- General decorating; and
- Placement of furniture required to permit virtual learning, work from home or other activities;

renovations to basement spaces in TCHC buildings would require a building permit in order to ensure compliance with the *Building Code* and the *Fire Code* in connection with the work. The installation of an accordion wall would require a building permit. However, Taylor Smyth did recommend specifically that foldable, portable room screens would be included in the definition of furniture to ensure everyone was aware this option existed. TCHC has no concerns including this additional wording.

Facilities Management also determined that there are approximately 6,000 basement spaces in the TCHC portfolio. As noted in prior reports related to this matter, TCHC would be required, as the building owner, to ensure that basement renovations requiring a building permit were undertaken in a manner that was compliant with applicable legislation. Compliance with these requirements will constitute an unbudgeted cost to TCHC, subject to its ability to pass these costs on to the tenant who is instigating the renovation process. As the building owner, TCHC will be responsible for the failure by any tenant to secure a building permit, when one is required, for a basement renovation. It will also be exposed to liability pursuant to the *Construction Act* to any contractors retained to perform the work, should the tenant fail to meet their payment obligations. Finally, TCHC is party to collective agreements with construction trades who may claim jurisdiction over the work undertaken through a tenant led renovation. In the event that the tenant failed to properly engage those construction trades in the performance of this work, TCHC may be exposed to liability in the form of damages to the union arising from the failure to properly assign the work.

TCHC Facilities Management, Operations, Legal Services, and Risk and Insurance staff and TCHC's external consultant, Taylor Smyth, are all of the opinion that tenant led basement renovations requiring a building permit should not be permitted in the absence of the introduction of operational controls, and the addition of necessary staff, to ensure that such renovations are conducted in a manner that complies with TCHC's legislative, regulatory and collective agreement obligations. The absence of additional staff hires to support the oversight of these renovations would have the potential to become an additional pressure in relation to TCHC's ability to manage the other capital works obligations that it currently maintains. Options already presented enable tenants to make basement spaces into usable, safe spaces for children or other household members, where a building permit is not required.

If TSC direction to TCHC management is to allow tenants to complete basement renovations that require a building permit, which is not recommended by TCHC management, it is recommended that tenants be required to prove they have a minimum of \$30,000 in available funds (e.g. in a bank account, through a borrowing vehicle etc.) prior to a project being undertaken. These funds would be required to retain the services of a qualified consultant and for estimated construction costs. An appropriate agreement between TCHC and the tenant, governing the performance of the renovation work, would be required.

Once available funding is confirmed and the appropriate agreement executed, a TCHC approved architect would need to be hired, and provided a retainer for their services, to scope and design the project and provide a cost estimate. The tenant would then need to demonstrate that sufficient funds were available to undertake the project prior to an application for permit. Once the permit was obtained, a TCHC approved contractor, bound to the appropriate construction trades, would be required to complete the work.

As stated, TCHC does not support nor recommend this approach.

IMPLICATIONS AND RISKS:

Facilities Management staff have revisited and reviewed the request to broaden the scope of the proposed changes and received additional feedback from a third party consultant, which supports the advice previously received by Toronto Building staff.

The additional input from Taylor Smyth supports the advice originally provided to the Tenant Services Committee that TCHC would be taking on unacceptable liability and risk if it were to offer any expanded scope of work other than what was contained in the original recommendations for the proposed permitted changes.

SIGNATURE:

“Allen Murray”

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