



## Update on Tenant Led Improvements in Basement Spaces

Item 8

September 20, 2022

Tenant Services Committee

**Report: TSC:2022-48**

**To:** Tenant Services Committee (“TSC”)

**From:** Vice President, Facilities Management

**Date:** September 1, 2022

### **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:**

At the March 29, 2022, TSC meeting, a report on Tenant Led Improvements in Basement Spaces was presented in response to inquiries from a TSC member to 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, specifically as a place for children to play safely. The report indicated that TCHC would implement a policy that would 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 or work from home activities.

Prior to proceeding, tenants would be required to advise and receive approval from TCHC Building Staff to complete these improvements. TCHC Building Staff will review the request to ensure that they fit within the allowable changes and do not pose any health and safety risks.

Any improvements are for the exclusive use of occupants who are named on the lease.

After review of the proposed policy, TSC was of the opinion that this policy was too restrictive and did not adequately address the initial request. TCHC was asked to complete a further review.

**UPDATE:**

Facilities Management, Legal, Risk and Insurance and Regional Staff reviewed the proposed policy again to determine if it could be broadened.

In this context, TCHC management contacted Toronto Building staff in order to discuss the manner in which the *Building Code* would require any party pursuing basement renovations to secure a building permit as a pre-condition to commencing the work. Part 11 of the Building Code applies to Renovations. Pursuant to Part 11 of the Building Code, some basement renovations will require building permit approval by the City of Toronto.

In part, the need to secure building permit approval is driven by concerns that renovated basement space may be used as sleeping space. This gives rise to the need to ensure that any proposed renovation is undertaken in a manner that ensures compliance with the *Fire Code*.

Additionally, a party applying for a building permit may be required to upgrade the building components from the level required at the time of original construction to comply with current *Building Code* requirements. To the extent that Toronto Building imposed such a requirement, this would likely result in an unbudgeted cost to TCHC, in the event that it was perceived to be inequitable to impose that cost on 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.

TCHC management also undertook an environmental scan of other social housing providers. Those housing providers consulted, which included Ottawa, Hamilton and Windsor housing, reported that they do not have a policy governing tenant led renovations of basement space, as they do not permit tenants to make alterations to basement spaces.

TCHC management has, further consulted with representatives of both HSC and Marsh, who manage its insurance program. From a Risk and Insurance perspective, TCHC's insurance provider continues to caution against permitting tenant led alterations to TCHC basement spaces, other than those previously presented in the background above, unless TCHC manages and oversees the entire process to mitigate liability concerns. As TCHC is not staffed, nor funded, to complete and manage this type of discretionary work, adopting such an approach would result in the need to allocate additional resources to TCHC's Facilities Management Division, resulting in budget pressures in future years. As well, these alterations could impact TCHC's insurance coverage, in the event of any claims related to deficiencies arising from the performance of the work. TCHC's property insurance coverage specifically excludes claims related to the cost of making good faulty or defective workmanship, material, construction or design.

As a result, TCHC does not support expansion of the policy any further than what was originally proposed in the Report to the Tenant Services Committee meeting of March 29, 2022.

### **IMPLICATIONS AND RISKS:**

TCHC Facilities Management, Legal and Risk and Insurance staff have revisited and reviewed the request to broaden the scope of the proposed changes and received additional feedback from Toronto Building, other Social Housing Providers and TCHC's insurer and insurance broker.

The additional input from these parties 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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Allen Murray  
Vice President, Facilities Management

**STAFF CONTACT:**

Allen Murray, Vice President, Facilities Management  
(416) 981-6955  
Allen.Murray@torontohousing.ca