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**Official Report
of Debates
(Hansard)**

HE-47

**Journal
des débats
(Hansard)**

HE-47

**Standing Committee
on Heritage, Infrastructure
and Cultural Policy**

Life Leases Act, 2024

**Comité permanent du
patrimoine, de l'infrastructure
et de la culture**

Loi de 2024 sur les baux viagers

1st Session
43rd Parliament

Tuesday 6 February 2024

1^{re} session
43^e législature

Mardi 6 février 2024

Chair: Laurie Scott
Clerk: Isaiah Thorning

Présidente : Laurie Scott
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON HERITAGE,
INFRASTRUCTURE
AND CULTURAL POLICY**

**COMITÉ PERMANENT DU PATRIMOINE,
DE L'INFRASTRUCTURE
ET DE LA CULTURE**

Tuesday 6 February 2024

Mardi 6 février 2024

The committee met at 1006 in 19 on the Park, Stouffville.

LIFE LEASES ACT, 2024

LOI DE 2024 SUR LES BAUX VIAGERS

Consideration of the following bill:

Bill 141, An Act respecting life leases / Projet de loi 141, Loi traitant des baux viagers.

The Chair (Ms. Laurie Scott): Good morning, everyone. I'm sorry for the delay. The Standing Committee on Heritage, Infrastructure and Cultural Policy will now come to order. We are here to conduct public hearings on Bill 141, An Act respecting life leases. We are joined by staff from legislative research, Hansard and broadcast and recording. Please wait until I recognize you before starting to speak, and as always, all comments should go through the Chair. Are there any questions before we begin? All right.

Our first presenter is the bill's sponsor, MPP Matthew Rae. He will have 20 minutes to make an opening statement, followed by 40 minutes for questions and answers, divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members and two rounds of five minutes for the independent member. Any questions, anyone?

MPP Rae, you have 20 minutes for your presentation, and you may begin.

Mr. Matthew Rae: Good morning, everyone. It's wonderful to be in beautiful Stouffville today. Before I begin my remarks, I wanted to say it's an honour to serve as the member of provincial Parliament in the Legislative Assembly of Ontario representing the beautiful riding of Perth–Wellington. I know one of my colleagues on the government side claims his riding is God's country. I would defer in my assessment.

This is my first opportunity to appear before a standing committee of the Legislative Assembly as the sponsor of a private member's public bill. It's truly an honour to serve my community in this role.

Several months ago, I tabled my first private member's public bill, Bill 141, the Life Leases Act, the bill before this committee today. I want to thank Minister Khanjin for originally bringing this forward. Committee members and those who are watching online will remember that the

minister brought a similar bill forward prior to being appointed to cabinet last fall. I appreciated her advice and counsel on this important piece of legislation as I took up the mantel and continued to move to this bill forward through the legislative process.

I would also be remiss if I didn't acknowledge former MPP Hoggarth—not the one who is currently sitting in the Legislature, but the member for the former riding of Barrie in the 2014 to 2018 Legislative Assembly, who also brought forward similar legislation.

The goal of the Life Leases Act is to provide some clarity around the standards and regulations for life lease communities across Ontario. In conversations with residents and operators, there is a need to help increase accountability and transparency within these life lease communities. These are the main goals of my private member's bill.

Life lease communities exist in communities and regions across Ontario. I have a few in my riding of Perth–Wellington; however, there is a large concentration of life lease communities in Niagara, York and Simcoe regions in particular.

For those who may not be aware, a life lease is a written agreement that involves payment of an entrance fee of a rental unit in addition to agreed-upon monthly fees. The person who is first entitled to occupy the rental unit is granted right of occupancy for life or a fixed term not less than 50 years.

The Life Leases Act, if passed, would authorize certain payments in respect of life leases and require the disclosure of information related to these agreements. That information includes the estimated entrance fee, the projected completion date if it is not currently built, information regarding the governance and management of the residential complex and the estimated amount of other fees, including monthly occupancy fees and the estimated refund that a tenant will receive upon termination of the lease.

At such an unprecedented point of growth in Ontario's history, the government is acutely aware of how the cost of living and the housing supply crisis have restricted Ontarians' ability to find a place to call home that meets both their needs and their budgets.

Having travelled to several life lease communities across the province, I know that these communities can play a key role in recalibrating the housing market in this province, providing convenient and affordable access to housing for

our seniors. However, I've also heard from many residents' groups that clarity is needed around the standards and regulations that govern life lease communities in order to ensure tenants are well informed about the financial circumstances of their communities and that they are represented in a way where they can voice any questions or concerns they deem appropriate.

Understanding the structure of life lease agreements, it's clear that both life lease sponsors and residents have a great interest in how decisions are made regarding the management of their communities, both fiscally and logistically. Residents in particular, who have invested large amounts of money through their initial lump-sum payment, have a significant financial interest in the upkeep of the community's services and obviously its financial well-being.

To recognize that, Bill 141 would codify the right of life lease residents to attend and participate in board meetings, as well as define a clear standard as to the notice and timing of those board meetings. For the purposes of transparency and consumer protection, such a measure would allow residents or their representatives to be able to ask their questions and voice their concerns to the management about the community in which they have made a significant investment. These measures would also ensure that residents are notified of a board meeting within 30 days of that meeting through written notice, including time and place, delivered to each residential unit in a complex, for example.

This is one of the most important proposed measures in this bill, recognizing the rights of residents and their representatives to monitor their financial stake in the community and to address any problems that they may encounter either with the operators or with the service delivery in a larger community in which they reside.

Beyond that, Bill 141 designates the information that an operator is required to disclose to a tenant, including the estimated entrance fee, the projected completion date, as I mentioned, and information regarding governance and management of the residential complex and any estimated amount of other fees that the board may deem appropriate during their occupancy of the unit.

As I've already highlighted, these requirements represent a necessary standard of consumer protection that I believe we should all expect in this province, but they also standardize the process of entering into a life lease agreement and streamlining the process for those looking to life leases as a preferred housing option in their golden years.

Across the province, more than 12,000 Ontarians currently live in life lease communities, and while historically these communities have largely been home to seniors, Ontarians are increasingly looking for a stable and predictable space for themselves in today's housing market.

Our government continues to make the case that we need to create an environment to incentivize the building of new homes of all types and of all budgets, and life lease housing is an important piece of that puzzle when it comes to addressing the housing pressures faced by Ontarians right across this province. But the benefits of life lease housing reach far beyond putting a roof over people's

heads. They help foster a sense of community through a variety of shared services and they have an extraordinary benefit for our seniors looking to age in place.

When I speak to life lease residents and I hear about the lifestyle benefits of these communities, I can't help but think of my municipal colleagues who like to point out in my many meetings with them in advocating for complete communities where residents have access to all the services and the needed support for a healthy and positive lifestyle right where they live, and a life lease continues to become a more accessible housing option for more Ontarians.

It's important that, as legislators, we ensure that residents are protected and represented in the communities they call home. While life lease communities can be found right across the province, there are higher concentrations in southern Ontario obviously, in Simcoe and right here in York region, as I mentioned earlier. The suggestion from this, though, is, we can see the fastest-growing regions in our province are relying more and more on these types of arrangements to support our seniors and prepare for the population growth we'll continue to see in the coming years.

We know that people who live in life lease communities truly appreciate the services they provide and the lifestyle they facilitate. We've seen rapid growth in this form of housing over the last few decades, showing that the market is adapting to meet demand.

At the same time, we must be willing to adapt as well as to meet the standards necessary for residents of life lease communities to have a seat at the table in the decision-making process for their own communities. And as we've seen our population rapidly grow and labour shortages persist, there's no doubt that life lease communities can and will play an increasing role in addressing the housing supply crisis well into the future. In that context, it's not only important for us to enhance protections and representation for residents, but we need to do so in the right way.

In 1999, the province of Manitoba became the first province to enact legislation specifically for life lease housing, and it is still the only province in Canada to do so. That legislation clarifies and protects the rights of both consumers and sponsors, allowing the life lease model to function with clear standards and regulations in place to minimize malpractice and exploitation. At the same time, it is also important for sponsors of life lease communities and for landlords to be well aware of the scope of action that they can undertake under a variety of circumstances.

If passed, Bill 141 would make Ontario the second province in Canada to enact legislation specific to life lease housing, an important milestone for signifying our collective efforts towards increasing consumer protection, but also taking innovative steps to address the impacts of the housing supply crisis. By leveraging the predictability of life lease housing, paired with the services that many communities provide, life leases can provide a pathway for our seniors to downsize and age in place.

As a government, we're always striving to look for new and innovative solutions to the pressures Ontarians are currently facing in the housing market. If we're going to get this legislation right, life lease communities could very

well grow into an even bigger solution for those Ontarians looking for this type of home.

As an individual member of provincial Parliament, I take the principles of consumer protection very seriously. I'm proud that our government has consistently taken steps to enhance consumer protection in the province of Ontario, and when they have the opportunity to build on that spirit of consumer protection in a way that can play an important role in addressing the housing crisis, but also in a way that can protect the predominantly senior population from exploitation. As our Minister of Long-Term Care often says, our seniors built this province, and it is our responsibility to take care of them.

I also hope that this piece of legislation, if passed, will open up new pathways for builders to play a larger role in developing life lease communities. With a more structured and streamlined set of standards and regulations, builders can rely on a consistent and predictable environment in which to partner with a variety of charities and non-profit organizations across Ontario to meet the ever-increasing need and demand for this new type of housing.

But it takes partners. It takes partnership with residents, with seniors' groups, with life lease sponsors and landlords, and it takes partnerships with members of this committee. This piece of legislation crosses party lines, as I mentioned earlier. I encourage all committee members to engage with presenters today. I know I've enjoyed meeting with some of them over the course of the past few months. I hope members of all parties will see this opportunity of partnership to work together to address the housing supply crisis and to strengthen the standards and regulations around life lease communities.

Last year, over 2,000 people came to Ontario per day. As we all know, we are the fastest-growing subnational region in North America. We are experiencing unprecedented growth in our province. Thousands of people have come to our province each and every day to take advantage of the economic opportunities here. However, generations of Ontarians are not only losing the ability to purchase a home, but even the ability to have a place to call their own. My generation, for example, is delaying starting a family because we cannot move out of our parents' basements or our one-bedroom condos.

There is no magic solution to the housing crisis we find ourselves in. Bill 141, the Life Leases Act, is one solution to this complex problem, ensuring we provide our seniors with more housing options and the ability to downsize, so that they can enjoy their golden years in complete communities.

I know I will continue to fight for our seniors, my generation and future generations to have a place to call their own, to be able to raise a family and for our seniors to enjoy their golden years with peace of mind. It is my hope that we can work together to support the people who built this great province.

Thank you, and I look forward to your questions.

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The Chair (Ms. Laurie Scott): Thank you very much, MPP Rae.

We'll now move on to the official opposition for the first round of questioning for seven and a half minutes. MPP Harden, please start.

Mr. Joel Harden: Thank you, MPP Rae, for that. As I understand it, just looking over Hansard for the House, this is the third time this particular legislation or a version of this legislation has come to the floor, and you mentioned that in your remarks. You noted in your presentation that a key improvement in this version of the legislation is the requirement upon the sponsor of a life lease community to be forthcoming in providing due notice about meetings, the ability of residents to be able to voice their concerns.

Something I wanted to ask you about, though, because that points to accountability—something you mentioned you care about, consumer protection: Does your legislation propose any specific regulatory authority for life leases? Because, as I understand it, it's the one unregulated form of housing that we have in Ontario. So are you proposing any specific regulatory authority in Bill 141?

Mr. Matthew Rae: I don't want to presuppose the minister. The bill is really to provide the guidelines. It was based on—legislative counsel looked at Manitoba when they were putting this together.

I'll be open to all committee members: I know, in my conversations, obviously, with the minister, we are open to amending it. That's why we're having these public consultations now, is to figure how to—there have been some concerns raised from operators to me, and from residents as well, to change some of that. Really, the committee today is to hear from that, and I know we've received some written submissions, too, around how to hear from them to amend it as necessary.

Mr. Joel Harden: Okay. Thanks for that.

Again, just to the point in the process you're taking the bill forward: This is the first time I've ever commented on a bill after first reading at committee. Was there a decision about that? Did you want two rounds of hearings? Are you going to be taking this bill through to debate in the House? Do you have an expectation of a timeline here?

Mr. Matthew Rae: I hope it passes. Obviously, if passed, as MPP Harden knows, the bill is really—we took it to a previous study after first reading, as you mentioned, MPP Harden, to hear from residents, from operators. As I mentioned, we are open, obviously, to amending it and moving that forward. So the idea then would be, obviously, an amended-if-necessary bill would go back to the House for debate. My hope, obviously, being the sponsor of this bill, is that it proceeds through the legislative process. I'm looking forward to continuing to work towards that end.

Mr. Joel Harden: My understanding, based on what you're saying, MPP Rae, is that you intend to take this to debate in the House as the sponsor of this bill?

Mr. Matthew Rae: As we work through the process, yes. But right now, again, this bill specifically verbatim may not end up as presented right now. That's why we're here.

Mr. Joel Harden: I totally understand that; I totally understand that.

If I don't cover all of this ground in this round, I'll pick it up in the next, but I've done a fair amount of canvassing—

as you have done—getting ready for today. One of the concerns that's been expressed to me from life lease residents has been the issue of being able to access personal support workers that fall outside the gamut of the life lease community in which they choose to live.

Aging in place is a priority for you. It's a priority, I think, for all members of the House. But concerns have been expressed to me about the ability to find care workers to come into the home that aren't necessarily part of the life lease community that they've moved into. The stipulation of the contract says that they're not allowed to do that. Do you share some of those concerns that I've heard from residents who want the flexibility to be able to choose their own care providers—in some cases, family members?

Mr. Matthew Rae: I have heard concerns around flexibility—in your example around PSWs, but other flexibility, like whether they're choosing to sell their unit as well. It depends on each contract or agreement, and so that was more of a decision for the board that administers that. I know this piece of legislation wants to ensure that those board meetings are public to ensure those decisions are public, because a lot of those decisions may—again, I'm only supposing, but those decisions may have come about because they weren't made at an open board meeting, for example. It may have been a management decision.

Mr. Joel Harden: Just for the purpose of debate—

Mr. Matthew Rae: Yes, yes.

Mr. Joel Harden: Not partisan debate.

Mr. Matthew Rae: No, no. I know.

Mr. Joel Harden: But for the purpose of debate, my understanding of the last two readings of this bill is that the trade-off of rights and responsibilities comes to section 9 of the Ontario Human Rights Code, which deals with undue hardship. So if someone with a disability, a senior—most seniors who I have the pleasure to talk to are people with disabilities eventually—if they want a care provider that is not part of the life lease community to come into their home, in some cases they've not been able to do that. They've been evicted for that in some cases.

As I understand it, the duty under law is that the sponsor, the landlord, of the home has to demonstrate undue hardship in their inability to accommodate someone with a disability. But the difficulty here is that the only way in which life lease holders can resolve their concerns around care workers is in contract law, is in court.

Is this a concern on your radar? I'm asking because this has been through two iterations to date before yours. And is this something you are prepared to work towards addressing?

Mr. Matthew Rae: It is on my radar, MPP Harden, and a variety of other issues with contract law, as you referred to it. This piece of legislation, if passed, would help in that. I know there are plenty of other examples as well—we'll probably hear from today—about life lease communities not being built and people providing fees. Trinity, the proposed building in Scarborough, never moved forward in 2016—I think it was when it was originally planned.

I've spoken with some of those potential residents of that life lease community. I know they are in the situation now where they don't have any legislative ability and their

lawyers or paralegals who are advising them basically live in a grey zone. The idea is to help legislate or codify some of those accountability and transparency mechanisms to assist those communities in protections but also working through any, if they are already established, disagreements.

Mr. Joel Harden: One resolve that has been expressed to me, from the Advocacy Centre for the Elderly and other organizations, is just putting these homes—

The Chair (Ms. Laurie Scott): One minute.

Mr. Joel Harden:—under the RTA, the Residential Tenancies Act, because in that act it's clear. In your legislation, the members of the life lease community are referred to as tenants for the purposes of your bill.

I understand it's a bit of an odd situation, in which one has equity in the home, so it doesn't seem like a tenancy, but one is also a resident. But your legislation is referring to people as tenants. Wouldn't an easy fix be to put life lease homes under the Residential Tenancies Act so those rights could be codified and some of these ambiguities could be cleared?

Mr. Matthew Rae: I know it was debated in Manitoba when they originally brought this forward. They have something similar, obviously. It's really the ownership model that is the challenge, because, as I mentioned in my remarks, someone can occupy it for their life and they have that within their lease that they agreed to when they purchased in.

I know interest in the property is what the legal mechanism is and so I know that creates the weird situation where there is—

The Chair (Ms. Laurie Scott): Thank you, MPP Rae. Maybe finish off in the next round, is that all right?

Mr. Matthew Rae: Sure. Sorry, Joel.

The Chair (Ms. Laurie Scott): Sorry about that.

MPP Blais, you have five minutes.

Mr. Stephen Blais: Go ahead and finish your thoughts.

Mr. Matthew Rae: Sure. That's why I brought this forward, because it's not a condo; in the pure sense of the form, it's not a tenant in the traditional rental. This is why I was bringing this forward, to help bridge that gap.

Go ahead.

Mr. Stephen Blais: Thank you very much. What MPP Harden has, I think, been going down the road on is the lack of framework. It's one of the reasons you're bringing the bill forward.

Another issue that has come to mind—again, I would like your thoughts on it, either personally or how you may plan to deal with it once this moves further down the road—is spouses and/or other inhabitants of the unit who may not be the principal inhabitants, and their ability to access or maintain control of the unit once the principal inhabitant passes away. I'm thinking in particular of perhaps a child caregiver in the elder years. It doesn't seem to me that there is necessarily a right that they would be given either direct ownership of the equity in the unit or some first right of refusal. I'm just wondering what your thoughts are on that and how that might be able to be addressed.

Mr. Matthew Rae: It's a very good point, MPP Blais, and it's come up in some of my meetings with residents in

particular, especially at transition. Their children have to deal with the estate after both parents pass.

Some life lease communities have that first right of refusal written into their contracts or agreements; some others don't. Again, going back to that accountability and transparency aspect, ensuring that when the board meeting happens, they can then amend their contracts within that agreement and their agreements, and making sure they are aware of that before they get to the point of them passing and leaving the legal and financial headache down the road for their inheritors.

1030

Mr. Stephen Blais: Sure, but if you're aging in place, as I think is the goal for most and for your government, and your adult child moves in to help you with that, that might be a process of years before the ultimate conclusion to your life. That becomes the primary residence for the adult caregiver, as well, right? So isn't there a natural presumption without needing to read the fine print that, if needed, you would just continue to live in that apartment or that unit?

Mr. Matthew Rae: The only reason I'm presupposing all my answers are dependent on the context is because I know there's such variety within that—

Mr. Stephen Blais: I appreciate that it would depend on a specific contract. My point is, though, would it not be smart, either through legislation or regulation that might come forward, or a body that the minister might choose to create if this gets passed, to create something that gives that adult child or adult caregiver that option, so they don't have to go to page 1,000 of a contract at nine-point font at the bottom as they're about to bury their mom or dad? Do you know what I'm getting at?

Mr. Matthew Rae: Yes, 100%. I think all members of the committee will want to work towards a seamless transition because more and more are in that situation. I just don't want to be too prescriptive, obviously, in legislation around that example because some already have that set up. I'm thinking more of the life lease communities—I have some—attached to long-term-care homes. So the same operator runs both.

Mr. Stephen Blais: As you look to maybe having this type of option expand or become—it is becoming more popular—but including it in a mix of housing solutions, in fairness, since I've read the bill and learned more about life leases, I'm trying to understand why this is a better choice than a typical rental agreement. Obviously, you get the guarantee of years, but other than that, why is this a better choice than simply selling your house, downsizing and moving into a rental building that is marketed towards, and presumably mostly, seniors?

The Chair (Ms. Laurie Scott): Forty seconds.

Mr. Matthew Rae: It's popular because—and, again, this is from the seniors I speak with—they sell and it's the downsizing part. Usually it's a two-bedroom they move into. But they still have the equity, so the equity doesn't completely disappear. They have a component of the equity, which then they get out, but there are obviously issues at the exit, as we were mentioning earlier, around children

taking over, but also, even if they have to move from, for example, life lease to long-term care.

I know it's becoming more popular. I actually have a new proposal in my riding around life leases. The home builders see it as a viable option for those who want to downsize.

Thank you. I'll continue my remarks later.

The Chair (Ms. Laurie Scott): Okay. Sorry. I hate to break up a good discussion.

We're going to the government side for seven and a half minutes. MPP Pang, would you like to begin, please?

Mr. Billy Pang: Madam Chair, through you to the member: You mentioned that there is no one magic solution to the housing crisis we find ourselves in. Bill 141, the Life Leases Act, is one solution to this complex problem. Can you expand a little bit on that? Why do you think this is one of the solutions to deal with the housing crisis?

Mr. Matthew Rae: Yes, it's definitely one of the solutions, I believe, to the housing crisis we're currently in, the supply crisis. Especially in my riding, a lot of seniors are what we refer to as over-housed. They may live in a century home that's five bedrooms in Mitchell, Ontario—I'll use the town that I live in as an example. They want to stay in their community, but they have nowhere to go within the community they helped build and raised their children in. Their children may be nearby, and they want to see their grandchildren, but there's nowhere for them to downsize because there's not either a small unit with two bedrooms or a semi-detached—whatever model you're looking for. And so life lease communities, in particular—and as I mentioned earlier in my remarks, there was one proposed near Arthur in my riding for a life lease community because the builders are seeing the demand for this from the seniors, in particular, to downsize to a smaller unit. The downsizing then gives the couple with two incomes the ability to potentially purchase that larger unit, or someone who is already in the townhouse to go up, because they're going to have another kid and they need one more bedroom and they only have a two-bedroom. And so it provides more flexibility on that.

I would argue it's the same with our government's focus on building more purpose-built rentals and getting more people in that line of the market as well. If someone is moving out of a purpose-built rental, they're moving in, so it's just creating the entire supply. There is no one magic solution. I wish there was. It would be really simple to solve this crisis. I think it's just looking at a variety of impacts to ensure that there's more housing in a variety of neighbourhoods, not just downtown Toronto or downtown Markham, but across all Ontario.

The Chair (Ms. Laurie Scott): MPP Sabawy, please go ahead.

Mr. Sheref Sabawy: Thank you very much, Matthew, for the informative presentation. My question is, as we understand that this is a way to help our aging population to have some guaranteed, settled, secure housing and helping them to get that and have that old-age safety thing, can you compare for me—because when I get through the bill, it has a lot of details about the transfer of the value and the

inheritance. Can you compare a little bit between that life lease agreement and the normal condo ownership in the way it moved through inheritance and the flexibility to get to it from the senior point of view?

Mr. Matthew Rae: The big difference, MPP Sabawy, as you'll know, between a condo and a life lease community is that the condo is administered by the Condominium Act, so it has a condo board, legislation and regulation associated with that. That provides the condo tenant or the owner of the unit the protection around that. They need to be aware of when the condo board meeting is, initiatives like that, and what the fee will be per month, for example, around the condo.

Life lease, right now, as I've been mentioning through my remarks, is a bit of a gap in that there is no legislative requirement for someone to be aware of when a board meeting is. You'll hear today, and as I've heard meeting with life lease communities, they will have a board meeting and none of the residents, who have contributed usually \$100,000 to buy in or purchase their unit, are aware of that.

The big challenge, especially around the finances, is that you may not know how much is in your reserve fund. Every life lease community has a reserve fund for capital expenses to repair the road in the community, for example, or snow blowing, or you name it. They may not be aware of what's in the reserve fund. I've heard of many situations where the life lease community members are asked to contribute another \$50,000, after already putting in \$100,000, because the reserve fund has been depleted, and that was because of a few people's decisions to do that. There is, right now, no legal recourse for them on that because there is no legislative act, so that's what we're examining.

As I mentioned, obviously, we'll hear from a variety of presenters and proposed amendments to that, which is to strengthen it. Again, it comes back to the accountability and transparency.

The Chair (Ms. Laurie Scott): MPP Smith, you have two minutes.

Mr. Dave Smith: We have roughly four million, five million residences across Ontario where people are living. We have traditional apartment complexes and purpose-built rentals. We have condominiums. We have co-ops. Life leases kind of fit in between all of those. My basic understanding of it is that to buy into it is less expensive than to buy a condominium, but you're paying probably slightly higher monthly fees for it. But if I compare it to a traditional rental of the same quality, you're paying less than you would on a monthly basis for the rental. But there isn't any legislation that governs this. Is that a fair assessment?

Mr. Matthew Rae: That is correct.

Mr. Dave Smith: So what you're trying to do, then, is to fix a problem that exists for perhaps a couple of hundred thousand types of residences. It doesn't pigeonhole into the Residential Tenancies Act, it doesn't pigeonhole into the co-operative housing, and it doesn't pigeonhole into the condominium. You're looking for a unique solution to make sure that people are well looked after in that. Is that a fair assessment as well?

Mr. Matthew Rae: That is a fair assessment.

Mr. Dave Smith: So could I also summarize it by saying that modifying any of the existing legislation will probably create a bigger domino effect that has a negative effect in those other areas, and the cleanest, simplest solution is to move forward with new legislation that addresses this specific type of housing.

1040

Mr. Matthew Rae: That would be a very good assessment, MPP Smith. I know Manitoba had this challenge. Even Manitoba, their RTA agreement is different than ours. So for us to attempt to amend the RTA or the condo, then we're going to cause issues for condo owners—just because you own the unit that you occupy; you don't own the property. It's also different than land lease too.

Mr. Dave Smith: Thank you. No other questions.

The Chair (Ms. Laurie Scott): That's good because the bell went off. Thank you very much.

MPP Harden, for seven and a half minutes, if you wish.

Mr. Joel Harden: MPP Rae, back to this question of the Residential Tenancies Act: As I understand the Manitoba debate, I'm unaware about whether or not the legislation they introduced for the life lease community in that province defined the residents as tenants, but your legislation does. It's very specific: It says "tenants" throughout all the sections of the bill. So it would seem to me, rather than trying to re-create the wheel with specific some piece of legislation, have you received an opinion in your research to date that would be an elegant fit within the Residential Tenancies Act?

I ask that because in my previous role as seniors' critic for the province, when I had the great privilege to work with—

Interruption.

Mr. Joel Harden: Oh, pardon me. I'm not sure, Chair, what we can do about that.

Interjection.

Mr. Joel Harden: I'll lean in. Thank you for that.

In my previous role working with the current Minister for Seniors and Accessibility, we had approached Minister Cho about bringing retirement homes under the Residential Tenancies Act, making it very clear that those residents of those homes had the rights of tenants to receive visitors. There had been situations of disagreement between residents and care home operators. The rights were not clear, and in the worst cases, trespass act notices were issued that separated people who were powers of attorney or family caregivers from their loved ones. It created a dispute. Our resolve in those situations was to bring those homes, like long-term-care homes, under the Residential Tenancies Act. Long-term-care homes are under the RTA.

Have you received an opinion to date about whether or not an elegant solution, given the way your legislation is drafted, is simply to—granted, noting the fact that equity is held in the property, these folks are still referred to in your legislation as tenants, right?

Mr. Matthew Rae: That is correct, because as I mentioned, legislative counsel and MPP Khanjin also in her work on that as well—as I mentioned, I'm assuming that

responsibility because she's moved into cabinet—based it off of Manitoba, which, as you mentioned, MPP Harden, refers to tenants.

As I mentioned, we will amend it. It's difficult because, as you mentioned, they own equity and they're not necessarily tenants in the Ontario sense of tenants. That is what we're using now because everyone can comprehend that definition of it.

Mr. Joel Harden: Tenants-plus.

Mr. Matthew Rae: Yes, tenants-plus.

Mr. Joel Harden: I want to read some comments from our friend the MPP for Oxford, who had this to say in the last iteration of the bill when there was debate on it. He said in the House: "There needs to be some protection for seniors. They are going to receive a piece of paper that gives their estimated monthly costs and think that they can bank on that, when in reality there is nothing in this bill that prevents that cost from being doubled or tripled."

I do know, MPP Rae, that in your bill, there's no specifications around maximum fees. There's no specification around a range of what people can expect. The adjective "estimate" remains. So I'm going to assume, rather like the Condo Act, that's there because you want the sponsor to be able to respond to market fluctuations about how much things cost. But you can understand, as our friend from Oxford said, that creates a lot of uncertainty for people, as you mentioned earlier in debate with the government, not knowing if you're going to have to top up the reserve fund, not knowing if you're going to have a new—do you see an obligation, in a reform to this legislation, to make sure that there are very clear guidelines for the sponsors and landlords in this situation to be transparent about what these fees are actually going to entail over the course of a longer agreement?

Mr. Matthew Rae: That would then go back to my point around accountability and transparency, as those who are, again, aware—you brought up the reserve fund. In the situations that I've researched and spoken with residents about in life lease communities where the reserve fund was depleted, they weren't aware of it because they weren't aware of the board meetings.

Mr. Joel Harden: Right.

Mr. Matthew Rae: So mandating them knowing that will, then, obviously—because it's good fiscal management as a non-profit or a corporation having to let your membership know about where your financial status is. In providing financial statements—I've talked to some life lease residents who, unfortunately, have never seen the financial statement for their community. Having that accountability and transparency will then allow them to know where it is, and then ensuring that they also know when their board meetings are, when the AGM is, so that if they are interested, they can potentially run for the board and then help with the management—who they hire to administer any fees over the course of a year, for example.

Mr. Joel Harden: How much time do I have left, Chair?

The Chair (Ms. Laurie Scott): Two and a half minutes.

Mr. Joel Harden: You just mentioned running for the board. My understanding of the legislation, though, and

correct me I'm wrong, is that people have the right to appear and to speak. I didn't understand any role in governance in your legislation. Are you entitling the residents of the life lease communities to run for governance positions? And then, by virtue those positions, demand things like audited financial statements, regular notes from maintenance staff, things like that?

Mr. Matthew Rae: The life lease communities already have a process established for standing for the board, for example. Each community will be different. I know some have members, for example, within a long-term-care home—I'm just speaking of my own riding—some have members of the board from outside, community members, and they have some residents.

If they're not aware of the meeting, then they can't even know, "Oh, this is when it is and what I need to do, if I need signatures"—again, it's just an example, MPP Harden. They won't even be aware of that aspect of it. So it's ensuring that. I don't want to micromanage each board. We don't want to micromanage each corporation.

Mr. Joel Harden: I certainly understand that, but if we're going to introduce the opportunity to be part of the governance, it would need to be specified in the legislation, because I don't read that in your bill right here. I read the bill saying that you have the right to be informed of a meeting—30 days' notice. I read that you have the ability to ask questions. But the words that I read here around audited financial statements too are, "as soon as practicable." So there's a fair amount of flexibility here from the landlord and the sponsor's side of when to disclose the information, even when it's requested. Does that worry you?

Mr. Matthew Rae: It worries me that some residents don't know when their AGM is, because at an AGM, you have to provide—in my limited experience with board governance—the audited financial statements for the previous year and, in this case, present the reserve fund. Unfortunately, I have spoken to many life lease residents who aren't even aware of when their AGM is and when to be able to access that information, or even who to be able to request that information from.

Mr. Joel Harden: Is there a—

The Chair (Ms. Laurie Scott): Forty seconds

Mr. Joel Harden: Is there an ideal size for a reserve fund? Have you received that information from research? Is it a percentage of assets, a percentage of yearly operating revenues, so that owners don't fall into this pothole of having no funds available when major repairs need to be made?

Mr. Matthew Rae: I have not heard of any percentage or anything from my meetings with life lease residents and operators. Obviously, we'll hear from them today. I'm sure it will come up. But I have not heard of any percentage or amount specifically that we should potentially legislate.

Mr. Joel Harden: Does that concern you?

Mr. Matthew Rae: Again, all these core organizations, most are non-profit and have to operate in good governance models.

Thank you, Chair. Sorry, time's up.

The Chair (Ms. Laurie Scott): No, you're fine. Thank you very much.

MPP Blais for five minutes.

Mr. Stephen Blais: Obviously, you're trying to close the gap. I think that's smart to do. It's a relatively new form of housing. I think you said it's 12,000 units across the province out of four or five million, whatever the number MPP Smith says. It's a very small number of units across the province overall, and you'd like it to potentially get bigger and make a larger part of the model.

I think some of MPP Harden's questions and certainly some of the concerns that I have relate to—it's very hard to foresee all of the forks in the road as you go down this sometimes, and I appreciate that a first iteration or even a third version of a first iteration of a bill might not be able to cover all of that.

One of the issues that I've thought of, and some others have mentioned to me, especially because of the age of these buildings, the ones that exist already—but also if new buildings are going to come up, we have to think about 20, 30, 40, 50 years down the road as the length of these leases. What rights are given to the occupant or the tenant when major renovations need to happen? Do they have to be given a suite somewhere else within the facility? Are they given money to cover rent in another location? What are the mechanisms to control for that?

1050

Mr. Matthew Rae: Thank you for the question, MPP Blais. It's an important question. The first step with this legislation is to ensure that they know the reserve fund exists and the reserve fund is adequate enough to undertake those initiatives.

Again, I know some life lease communities have gone through that process and they, under their discretion, because they had a large enough reserve fund, provided an alternative or had enough units available in another portion of the community to move people around.

The Chair (Ms. Laurie Scott): I've had a request just to slow the pace down a bit so members can hear behind you.

Mr. Matthew Rae: My apologies, Chair.

The Chair (Ms. Laurie Scott): Politicians talk quickly. I'll just ask the members if they could just slow down a bit.

Mr. Matthew Rae: MPP Blais and I will slow down.

It's important to ensure that the residents are aware and also the operators are aware of their responsibility to the residents. The decision will be made at a board meeting and then they can discuss how they want to administer the transition, for lack of a better word, around those renovations.

Mr. Stephen Blais: In the buildings or communities that exist today, or as we foresee them coming up in the future, is 100% of the equity divided among the residents? Or is there a portion of the equity that is controlled by the landlord/developer/non-profit, whatever label you give them?

Mr. Matthew Rae: That will depend on each community. At least, what I've been hearing is each community is different in those aspects on how much capital they control

within the reserve fund, the breakdown devoted to capital expenditures, whether it's devoted to—I'm just using this as example—social services, like—

Mr. Stephen Blais: I guess what I'm saying is, you and I get together, we form a partnership and we're going to build one of these things. We go and we sell 100 units. Do you and I maintain 55% control and the tenants, through their equity, have 45%? Or is a full 100% equity of the facility distributed among the tenants?

Where I'm going is, it's good to have access to the board meeting, but if you have no mechanism to actually change what gets discussed at the board meeting or the outcome of the board meeting—information is good, that's not a bad thing, but some level of say needs to be built in. Otherwise, you'll go to a board meeting, great. The reserve fund is not big enough to cover the parking garage that needs to be replaced. We have no say in how to effect change that way. Do you understand what I'm getting at?

My question is not to criticize the bill. It's that, as you explore what regulations might need to come forward or what kind of regulatory body might need to be responsible for overseeing this, if we're going to truly try and make this a bigger part of the housing spread, I'm just trying to point out some things that the government might be smart to consider.

The Chair (Ms. Laurie Scott): MPP Rae, you only have 10 seconds.

Mr. Matthew Rae: I appreciate your recommendations, MPP Blais.

The Chair (Ms. Laurie Scott): Thank you very much. Just for comfort, this is going to be available on Hansard, so you can see it in print—to the members in the gallery. Give us a week or two, maybe, from Hansard, and that will be available in print. There you go.

Over to MPP Babikian, please.

Mr. Aris Babikian: Thank you, MPP Rae, for bringing this bill. It might not be perfect, but it is still a good first step toward addressing this important issue. In my riding of Scarborough–Agincourt, I faced this issue from the first day I was elected because I have a large number of life lease buildings in my riding and I heard from the residents about this issue constantly.

There are three main issues that the lessees always bring to my attention: accountability, transparency and governance. These are the three major issues that I kept hearing from the residents. For example, when it comes to governance, the owner or the operator of a life lease elects the board. In one of those buildings, the owner appoints five members on the board, and the other four are elected by the residents. That is something that is not confined to our democratic principles.

The other issue when it comes to governance, again: The owner or their operators go around, and they collect proxy ballots. These buildings have people who are old people, English is not their first language, they don't know what they are signing for. So, in a way, the owner or the operator has a monopoly on the governance, to the disadvantage of the lessee.

The other issue which comes up constantly is the reserve fund. The reserve fund, people don't know where it is spent, how it is spent, for what purpose it is spent. For example, they told me that some of them use the reserve fund to start building a new life lease building, and because there is no regulation, there is nothing for them to be accountable; they can do whatever they want with that reserve fund. For example, repairs: Even if it is not the fault of the lessee—something happened in the building, it was a general maintenance issue etc.—that tenant whose unit was damaged, they are forced to pay the entire cost of that repair.

There are so many other examples of the way these buildings have been run to the disadvantage of the lessees that I'm glad that you took the initiative on addressing some of these issues. But I'm not sure if you heard those stories during your consultation with the residents or with the stakeholders on this issue.

I will leave you with one final item. I heard in many cases, if the lessees are very outspoken, they challenge the management, they have been threatened through lawyers to evict them from their units. So these are some of the issues that I have faced or heard. I would like to share those with you and get your input on these issues.

Mr. Matthew Rae: Thank you. Number two, number three issues that I hear as well around accountability and transparency and the issues around reserve funds—as I mentioned to all committee members, obviously, I brought this bill to the committee knowing that we'll amend it in that aspect, whether it's around tenants—and I'm sure we'll hear about governance from our presenters today and those issues. It's really ensuring that—this is becoming more popular.

I use an example. In my own riding of Perth–Wellington, there is a life lease community proposed and it will most likely go forward. But ensuring that those potential future residents have the protections there, don't have to go through the horrible experiences, some in the province of Ontario—similar to everything in Ontario, there are good operators and there are bad operators. So I know it's ensuring that we have that accountability, we have that transparency for those residents who are committing large sums of their money at the very end of their lives and, as I mentioned in my earlier remarks, ensuring that they have the peace of mind that they can enjoy their golden years and not have to think about some of those initiatives.

It's even for new developments. I brought up the Trinity Ravine Community example—obviously, you would know, in Scarborough—and them proposing in 2016 to build a life lease community. It collected \$50,000 in deposits, and that community has not been built. It's extremely hard for those potential residents—not even residents—to get the money back. As I mentioned in my earlier remarks in the questioning, I spoke to some of those residents and their challenges were—their legal representatives said there are no legislative requirements for you to get those deposits back. I know we even have challenges within the condos and pre-built homes, and so I know this is even more of a challenge for those seniors who are contributing the vast

majority of their remaining money to live in these communities. So I appreciate your comments, Aris, very much.

1100

The Chair (Ms. Laurie Scott): Final minute remaining; MPP Kusendova-Bashta, please.

Ms. Natalia Kusendova-Bashta: Good morning. Thank you to MPP Rae for bringing this important bill forward. I'm just wondering, in your bill, under the section that says “Sponsors,” it says, “may include non-profit or charitable housing providers, seniors' organizations, church or faith groups, service clubs and ethnic associations.” I'm just wondering, is this model meant to be fully not-for-profit, or are there any for-profit models as well?

Mr. Matthew Rae: This is not a for-sure answer, MPP Kusendova, but the vast majority are non-profit, I have found in my consultations—and charities or religious organizations as well.

Ms. Natalia Kusendova-Bashta: Thank you. And my next question is, who determines the amount of the entrance fee as well as the reserve fund and the monthly occupancy fee? Fifty years is a long time; the market fluctuates. So I'm just wondering how these sponsors are able to project the market for 50 years to give their tenants certainty that their rent is not going to go up or it is going to go up. Fifty years is a long time in the market.

The Chair (Ms. Laurie Scott): MPP Kusendova-Bashta, there is no time left on the clock—

Ms. Natalia Kusendova-Bashta: Sorry.

The Chair (Ms. Laurie Scott): So we'll have to figure out that answer later at some other part.

Thank you very much for your presentation, MPP Rae.

MS. NINA DEEB

ONTARIO LIFE LEASE RESIDENTS
ASSOCIATION

ADVANTAGE ONTARIO

The Chair (Ms. Laurie Scott): The remainder of today's presenters have been scheduled in groups of three for each one-hour time slot, with each presenter allotted seven minutes for an opening statement, followed by 39 minutes of questioning for all three witnesses, divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members and two rounds of four and a half minutes for the independent members of the committee.

The next group of scheduled presenters, if you want to start to make your way to the table: We have Nina Deeb, the Ontario Life Lease Residents Association and Advantage Ontario.

Ms. Lois Marsh-Duggan: And where would you like us to sit?

The Chair (Ms. Laurie Scott): Just in some of those chairs right at the front, where MPP Rae was. And then, if it's okay to go in the same order that I just read them, we would have Nina begin with up to seven minutes for her presentation. As soon you're ready to begin, the lovely

people here to the right will turn your microphone on for you. So please begin.

Ms. Nina Deeb: Good morning. My name is Nina Deeb. I'm a real estate broker since—a full-time realtor since 1996. The Life Leases Act: I originally registered for Bill 125, and since then Bill 141 under the same name has been brought forth. The reason this caught my attention is because when the Premier of Ontario came to my hometown in Kitchener, he announced that homes are going to be available, 1,600-square-foot homes, across the province. These homes will have finished basements, driveways and fenced yards, and these homes are going to be under \$500,000. When I heard this, I looked to see what bills were on the table and I found Bill 125, and since then this one.

The reason I'm here today is because I have studied housing. Housing has three components. We have the land, which has grown the most in value, the land component, which does nothing. The land doesn't do anything. We have the house, and we have government-imposed costs. So for homes to be \$500,000, as described, there had to be something missing from the formula. Either the land had to be missing—which this bill, Life Leases Act, takes care of—or the government-imposed costs have to be missing. But otherwise, there will be no homes in Ontario for under \$500,000 with finished basements that can be rented.

So why does that concern me? I think there is space for life leases. They can serve a purpose to allow us some kind of affordable housing if it's properly set up. My concern is new regulators. I do not want to see any more new regulators in Ontario. These regulators are private corporations and I have been bringing awareness about these corporations for many years now. They are not contributors to our society. They call themselves non-profits, but they're collecting over a billion dollars a year in Ontario. These non-profits are very profitable.

On top of that, what this looks like to me is the Condominium Act. The Condominium Act was originally brought in by a minister, Tsubouchi, who is currently on the Tarion board. The Condominium Act has been amended and expanded and there are changes that have been made to it. In 2017, we were given the Condominium Authority of Ontario, another delegated authority. Within one year of the expansion of powers at the Condominium Authority of Ontario, we had a major disaster in Ontario where a condo board was assassinated during a dispute. This symbolizes to me that this is not working, which is what I have been saying for many years.

The delegation of authority to private corporations is not working. It's fatal. When consumers have to engage with these entities, they are very outranked. They are out-powered. The corporations have an extreme amount of power, and individuals are not equipped to deal with these corporations. They sound like they're not dangerous, as non-profits, but they have an extreme amount of power.

The Consumer Protection Act does not include housing. The fracture to not have housing under consumer protection—the idea was brought forth in 2002 by the current CEO of the Ontario Real Estate Association. When my industry became self-regulated in 1997, it was a very bad

idea, obviously, because when we look around our province, we see tent cities everywhere. We see corporations. All these new corporations are making billions of dollars in our country and our province.

We write the rules here. We decide who is going to be operating in our province and who isn't. When we allow these non-profits to come in, and pretend they are non-profit too, and to capture—they've captured housing administration in this province. These are all private corporations running housing administration.

We are a very wealthy country. We have the second-largest land mass in the world. How can we not include property with housing? How do we remove the land from the housing product when we have the second-largest land mass in the world? This country is very beautiful. We can manage it ourselves. We do not need asset managers, private corporations or non-government organizations. The more of them we have, the more collectivism we have, the worse it becomes for individuals.

I see a lot of young members here today. I advocate for you. You are who I am advocating for. I would like to you to have private property included with your housing.

As far as the seniors who have life leases, if the amendments aren't properly put in, we could essentially wind up running our province like a trailer park. That's what I don't want to see happen. I would like to see the management stay—government needs to have a more active role with housing management in our province. And we need to make sure that the Life Leases Act—we talk about reserve funds, we talk about, possibly, a new regulatory authority, and we talk about fines, penalties for individuals and corporations that are trying to have housing. One is trying to provide housing and one is trying to access it.

We have too many rules and regulations. We're getting close to 400,000. I think the last time I checked, it was 380,000 rules and regulations in Ontario. It isn't possible for any individual to try and stay—

The Chair (Ms. Laurie Scott): Thirty seconds.

Ms. Nina Deeb: —within the law when we have so much law. We need less law. We need more housing. But the housing that we are looking at today—the condominium was created in 1967. Fifty per cent of our new construction now is condominium—not freehold; condominium. So between 1967 and now, we are now producing 50% condominiums.

I am concerned that life leases will become the way of the future, that there will be no land included with your home. You'll be able to buy a home but there will be no land included with it. Thank you very much.

1110

The Chair (Ms. Laurie Scott): Thank you very much.

We'll now go to Ontario Life Lease Residents Association. Please just state your name before you begin and go ahead.

Ms. Lois Marsh-Duggan: I would first like to ask a question: Will we as presenters be allowed to ask questions afterwards, at any point, of the MPPs, to respond to some of the comments we heard?

The Chair (Ms. Laurie Scott): The MPPs ask you questions and then you can do the answers.

Ms. Lois Marsh-Duggan: Right, so it's one-way only.

The Chair (Ms. Laurie Scott): Yes.

Ms. Lois Marsh-Duggan: Okay, thank you very much.

The Chair (Ms. Laurie Scott): No problem.

Ms. Lois Marsh-Duggan: Good morning. My name is Lois Marsh-Duggan. I've been researching life lease for the past five years. I am a life lease resident. I have spoken to three major project developers. I have surveyed the CEOs and managers of 28 different life lease communities across Ontario. And I'm here today on behalf of a new association for residents living in life lease, the Ontario Life Lease Residents Association. Co-chairs Dave Wellock and Kathy Walker are unable to join me today. We were to be a threesome. We'd divided up our seven minutes, but unfortunately, the committee changed the schedule, so we in Niagara—two of us weren't able to make it. So I am here today, and I will do my best to represent them.

The Ontario Life Lease Residents Association—the short form is OLLRA, so I'll refer to it as OLLRA going forward—was formed in April of last year, 2023, by dissatisfied life lease residents in St. Catharines. Our primary goal is to ensure life lease legislation is passed to regulate owner corporations and give residents legal remedies where necessary, to uphold their rights and protect them financially.

In a very short period, OLLRA has grown to include four communities in three cities, and we now have over 250 members. A great barrier to us finding other members is that it's not legally required for life lease operators to register as such, unlike condominiums. It's very hard to find them. You have to sleuth through the Internet and talk to a lot of people to find them. So that's our primary goal.

We completely support Bill 141. It has so many of the features that we know living there are what we need. We want legislation with a light touch. We don't want it to turn into rental housing, where no developer will build a life lease project because it's overregulated. That would be a travesty.

We already have good regulations in place, particularly for—as Matthew mentioned, the majority of life lease projects are controlled by non-profit corporations. The Ontario non-profit corporation act already has remedies for us. The only missing link is that we need to be members of the corporation.

I'd like to tell a couple of human interest stories for you. I've heard some. I was pleased to hear some of you have experience with life lease tenants/occupants. Kathy Walker, who is one of the co-chairs and co-founders of our organization, was elected president of her building's residents' committee, and worked very closely and successfully with the board for a number of years without issue. Unfortunately, a couple of years ago, the board president changed and in May 2022, the Walkers were issued an eviction notice. The board claimed they were in breach of their own life lease agreement by having a long-term visitor without explicit approval from the board. The Walkers had, in fact, complied with the board's own rules to have all communications with the management company. They applied for approval from the management company and weren't given it.

Secondly, the board claimed that a COVID vaccine clinic that the Walkers helped organize with their residents' committee and their local MPP had endangered the lives of other residents in their building. In fact, all standard COVID protocols were in place during the clinic, and it was run by health professionals.

The Walkers have spent the time since then fighting the eviction order, spending thousands of dollars on legal fees. They believe they were targeted by the board because they had been actively involved with the residents' committee, which challenged management irregularities.

Especially alarming was the board's decision to ignore a clause in their own life lease agreement, that they collaborate with the residents' committee on setting common elements fees. The board also made it clear to their own residents' committee that the board would have no further dealings with them as long as the Walkers remained, due to their negative influence in the building.

On to my story: As I said, I am a life lease resident. I have been there for six years. I did have buyer's remorse almost immediately after signing the lease because I had no idea what a life lease was. My friends lived there, and it seemed like a cheap and affordable housing option for us and a great community. So, having understood that we need life lease legislation for those basic things, we absolutely have to have the transparency that it calls for. We absolutely have to ensure that those reserves are well inspected.

In fact, you need to have a law that requires how often they have an engineering study done to assess what the reserve needs to be, and then you have to have a group who have the possibility of turfing a director or a board if they are in non-compliance. If you made us members of the corporation, if a problem was big enough and a majority of the members, who would then have the right to attend and have standing at the annual meeting—they would simply turn to ONCA and say, "Well, here are the rules. We've decided that you're in non-compliance with the Ontario Not-for-Profit Corporations Act, and we're going to report you."

The Chair (Ms. Laurie Scott): Fifty seconds left.

Ms. Lois Marsh-Duggan: I will summarize very quickly by saying that we were overjoyed when Bill 141 came in. We knew the bill in 2017; we knew about an earlier version in 2010.

In summary, the Ontario Life Lease Residents Association strongly supports the bill, with the addition of a requirement for all residents to qualify as voting members of their life lease corporation. We also ask that the legislation require a life lease project to be registered as such so they can be found. As my friend Kathy would say, we are not the American Wild West. We're Canadians, who trust and expect that all major aspects of our lives are protected by legislation, just as our own west was settled after law and order was established by the North-West Mounted Police.

This is the third time a life lease act has been presented to the Ontario Legislature. We truly hope that all our current elected representatives will ensure that the third time is the charm.

The Chair (Ms. Laurie Scott): Thank you very much. I know I let you go on a little bit—so sorry, everyone. But thank you very much.

We'll move to our third presenter, AdvantAge Ontario. We have a mix of virtual and in-person. So please just state your name before you begin talking, and go ahead.

Ms. Lisa Levin: Hi. I'm Lisa Levin, CEO of AdvantAge Ontario. I'm also joined on the screen by Abby Katz Starr, who is the president and chief executive officer of the Unionville Home Society, which, in addition to long-term care and housing, also includes 122 units of life lease housing.

We are a non-profit association that's been the trusted voice for over 500 providers of seniors' care for over 100 years. We're the only association that represents the full spectrum of seniors' care, including long-term care, seniors' housing, supportive housing and community service agencies, and the only one representing life lease operators in the province. We have over 50 members who operate life lease.

We're deeply concerned that this proposed legislation could result in limiting the development of future life lease homes and compromising the stability of current communities, which are an important affordable housing option. The life lease sector provides this really important affordable housing option at a time when it's more important than ever and helps seniors age in place. They are overwhelmingly, as we heard earlier, incorporated as not-for-profits.

The characteristics of life lease in the province are very diverse. One of our board members said, "If you know one life lease operation, you know one life lease operation." So they are all really different, and this is quite complex. There is no single act governing life lease. The sector is governed by over a dozen pieces of legislation. So it's important to ensure that any new legislation accurately captures, crosswalks and references the other pieces.

The legislation appears to be drafted with a limited understanding of life leases in Ontario. It seems to be modelled on legislation from Manitoba, which is not at all reflective of the diversity of our sector. Additionally, this legislation is structured to resemble the requirements under the Residential Tenancies Act and groups the life lease sector inaccurately with rental housing.

1120

Occupants of life lease housing pay monthly occupancy fees to operators, not rent, and these fees are for services that residents need to live independently, such as maintenance, sometimes dining, sometimes housekeeping. So if it were to be made to reflect rental housing, it would severely impact the sector that has existed for decades.

We have very detailed comments in our submission that you will be receiving of our areas of concern, but the bottom line is that we need to ensure that the legislation can be restructured to accurately reflect the operation of life leases in Ontario. This is a very complex area, and we strongly recommend that there be extensive consultations with the life lease sector before the bill is passed.

You need to hear from people on the range of different elements of life lease and to hear about the impacts of things. For example, life leases are often on campuses of care, and sometimes the reserve fund relates to the entire campus of care and so there are certain things that we need to do. We want to make sure we safeguard vulnerable seniors, but we also want to make sure we put in place legislation that is appropriate and accurate and doesn't create life leases to close or not be built further.

It's crucial to ensure any legislation supports the innovation and diversity of the sector's current landscape that provides important affordable housing options for seniors. Thank you.

The Chair (Ms. Laurie Scott): Thank you.

Ms. Lisa Levin: Abby is here if you have some specific questions. She's the expert.

The Chair (Ms. Laurie Scott): Okay. That's excellent.

Now we will move on to questions and answers, and we're going to start with the official opposition. MPP Harden, for seven and a half minutes. And he will direct the questions to whoever is on the panel. Please go ahead.

Mr. Joel Harden: Thank you. I'm happy to be questioned in return.

Thank you very much, all of you, for being here this afternoon. Ms. Marsh-Duggan, you mentioned that—and I'll also follow up, Ms. Levin, with you, given what you said in a similar vein to what I'd heard from Ms. Marsh-Duggan. But you'd mentioned that the Residential Tenancies Act and understanding life leases would be onerous for life leases and would prevent against the future development of life lease housing. It's a pretty impactful thing to say, and I just want to understand why you believe that to be true.

Ms. Lois Marsh-Duggan: Probably because I'm under the influence of a woman who is the expert in Canada on life lease out of BC. I'm having a nervous moment, so of course I've forgotten her name—

Mr. Joel Harden: That's okay.

Ms. Lois Marsh-Duggan: —even though we talk. It was a very broad statement, and perhaps inadvised, but nevertheless I really fear for the future of life lease, because as someone who lives in it and someone who knows people in at least 28 various diverse life lease projects, every last person loves living in life lease. They think it's the best thing since sliced bread. So I don't want to see it thrown out—you know, the baby thrown out with the bathwater—by over-legislating to the point where everybody says, "Oh, it's rental housing. I'm not building that, or if I am, I'm going to charge \$5,000 a month for a one-bedroom apartment."

Mr. Joel Harden: Oh, okay. All right. Well, that's interesting. Maybe, Ms. Levin, I can point to you. Is the concern that if we bring life lease communities under the Residential Tenancies Act, it will massively drive up prices and, therefore, discourage investment in the sector?

Ms. Lois Marsh-Duggan: No. The concern is that it will not drive up prices; it will simply cease to exist as a form of housing. That's my concern.

Mr. Joel Harden: Fair enough.

Ms. Levin?

Ms. Lisa Levin: Thank you, MPP Harden. I would ask that Abby could probably answer this question—better than me.

Mr. Joel Harden: Sure.

Ms. Lisa Levin: Abby?

Ms. Abby Katz Starr: Hi. Good morning. Thank you.

I think the issue that needs to be addressed here is the difference between when you pay rent and when you buy an interest to live in that space. Rent gives you the right to live in the space, but you don't own the space. You pay rent; you pay your own utilities and all of those associated expenses. In a life lease, you buy the interest to live in that space and your maintenance cost, your occupancy fee, actually covers all of your taxes, your utilities, inside/outside maintenance, garbage removal, insurance except for your own tenant's, maintenance of heating, air conditioning, administration costs and typically a reasonable reserve. It's a completely different definition of what you're paying for the right to live in that space, and you get to live in that space for life or a term that's been agreed to in the occupancy agreement. And it's not subject to any rental increases. It is subject to the corporation's board's decisions on the costs related to maintaining the space at a reasonable rate. Typically, the residents' association—and they are not tenants; they're residents, so even the language needs to be clarified. The residents' association has a memorandum of understanding with the board, which guides that interaction and how that money is spent to benefit the residents who live in that space.

Mr. Joel Harden: Understood. But, Ms. Katz Starr, what I'm hearing, though, in preparing for today's meeting, for what it's worth, is a lot of concern from some life lease residents who have said there have been irregularities in their expectations, buyer's remorse. There have been disputes over whether care workers of their choosing could be brought into their communities because it was deemed to be an infraction of the agreement. I've spoken to people whose acuity-of-life condition reached a point where not their doctor but the home sponsor decided they were no longer fit to live there and received an eviction notice because they were deemed to be too much of a burden on centre staff. So instead of accommodating the resident so they could bring in care workers—in some cases, family members—they were given an eviction notice.

When I'm familiar with these kinds of controversies in housing, the Residential Tenancies Act provides remedies. We could talk for the entire day about the long lineup at the Landlord and Tenant Board. We could talk about the problems. But the fact remains, there's a process, right? So if the legislation that MPP Rae is proposing is thinking about life lease residents as "tenants-plus," because they're understood as tenants under the legislation we're looking at, I just want to understand, what would the specific hardship—because I want to truly understand this—that we're putting on the life lease community by bringing them under that regulatory regime? If residents are allowed to attend meetings, I agree that's wonderful. If they're allowed to

ask for financial information, that's wonderful. But it seems like, from the residents' perspective, they can be asked to leave almost immediately and end a contract, but from the sponsors' perspective, they can hold on to the arrangement for as long as the arrangement survives. It seems like there's an imbalance built here. So I'm just wanting to know why the Residential Tenancies Act, which would give residents some resolve to grievances, isn't a good fit.

Ms. Abby Katz Starr: Let me be clear—and what I'm hearing is very disheartening. I can tell you that none of that happens on my campus. We've never had an eviction. The residents have a strong voice, and they sit on the board. We've put that into our bylaw, that there are always two resident representatives from the residents' association that sit on the board, that get to guide that. Like, even in rentals, there are going to be unscrupulous landlords that are not kind and understanding and ethical.

The Chair (Ms. Laurie Scott): Sixty seconds.

Ms. Abby Katz Starr: We're not suggesting there shouldn't be regulation. What we're suggesting is that it needs its own regime that recognizes the nature of life leases. The Residential Tenancies Act really can't—we'd be fitting a square peg into a round hole by doing that. We'd like to offer help in developing that, for sure.

Mr. Joel Harden: Okay. Well, I think MPP Rae is interested in your suggestions; we all are.

I guess what I'll say, just segueing on to the next presentation, if I have 20 more seconds—

The Chair (Ms. Laurie Scott): Yes.

Mr. Joel Harden: —is we write laws, generally, for the bad actors. We don't write laws for you. I fully respect the work you do, but I have heard enough stories that lead me to believe we need to have some serious protections in place for you as operators and also for the residents.

The Chair (Ms. Laurie Scott): MPP Blais, you have four and a half minutes.

Mr. Stephen Blais: Thank you all for your presentations.

Lois, thank you very much for sharing your story, in particular. I'm wondering if you could maybe explain, to whatever your comfort level is, what led you to feel that buyer's remorse.

Ms. Lois Marsh-Duggan: I thought I was a sort of sophisticated consumer. And I'm sure I read the lease—I'm sure I read every word in the lease—but I hadn't a clue that there was no legislation. I just assumed there was. I thought it was like a condo. That's what most people will say who are of a certain generation. They'll say, "Oh, I bought a condo." And they'll say, "Where is it? No, that's not a condo. You don't own anything. You've invested in a very strange hybrid way."

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Plus, I didn't realize our community is one of the older communities. It's way beyond where it should have got for repairs and so on. The board was naive, and the reserve fund turns out to have been 10% of what they need over the next 10 years. I've been trying to tell them that for five years, because they are extremely open with us. They share all the financial results, so the first day I saw their financial statement I said, "Your reserve is what?" But

they don't want to hear, and essentially they've moved into siege mentality where essentially they just don't want to hear from residents anymore. They've kicked us off the board. They've said, "Please, just"—you know.

Mr. Stephen Blais: Well thank you for sharing that. I believe when Ms. Katz was explaining some of the benefits to the occupants or the tenants in terms of not paying utility fees and so on and so forth, I noticed you shook your head there.

Ms. Lois Marsh-Duggan: I pay all my own utilities. Again, whoever it was that said—who said?—if you know one life lease you know one. There's everything. There are co-op life leases. There are hybrid life lease co-ops. There's all sorts of stuff out there, and a great number of us actually do pay our own utilities, so it's 52-card pickup out there.

Mr. Stephen Blais: Sure. I understood that you made—and if I'm wrong, please correct me—three basic recommendations as part of your presentation. One is that the life lease corporations or developments need to be registered so they can be found, and that the occupants or tenants or owners—whatever verbiage we want to agree to—become members of the corporation somehow.

Then I think your third one—which I'm not sure if you said explicitly, but you certainly alluded to it—is some kind of regulated requirement for regular engineering inspection to help set the maintenance fee schedule. I think that's particularly important and particularly interesting. We all probably recall that apartment complex in Florida that collapsed two or three or four years ago. I believe it basically has been determined that it was as a result of the lack of proper maintenance around the swimming facilities etc., and the lack of understanding of what the engineering implications of some things were.

The Chair (Ms. Laurie Scott): Sixty seconds.

Mr. Stephen Blais: I think that is obviously an important thing for the government to consider, especially if we are talking about 30-, 40-, 50-year agreements and buildings in some cases.

I probably have more questions for you, Lois, but I'll wait until my next round.

The Chair (Ms. Laurie Scott): Thank you very much.

We'll now go to the government side for seven and a half minutes. MPP Rae, please begin.

Mr. Matthew Rae: Thank you to the presenters for your presentations today. As I alluded to in my own remarks—the word “tenancy” is coming up a lot—it was based on the Manitoba example. Obviously, as I alluded to my colleagues, I'm open to amendments, as well, to the bill. As MPP Harden alluded to, it's kind of unique that the bill, before going to—the legislative process I know can be mundane for those who do not follow the Legislative Assembly, but to have it come to committee before being debated on second reading, it's really to get that feedback from yourselves and others. I know many of us have life lease communities in our ridings, and so hearing that feedback as well is important as we move forward working to strengthen the act before us. It's just—to get it out there

on the table is what's required, and now we are at this point, Chair.

My question is for Lisa and AdvantAge Ontario. As was already mentioned, there are good actors and there are bad actors in the life lease community—52-card pickup, as Lois alluded to. I will say AdvantAge Ontario is one of the good actors at least. I know I have some in my own riding, and they do wonderful work for our senior population there. But I was just wondering if you could elaborate if you think the government or the province of Ontario can better enhance protections and accountability for residents in life leases and what are some potential suggestions for that.

Ms. Lisa Levin: Thank you so much, MPP Rae. To be honest, I hadn't heard of any of these issues until now. I'm not sure why not. Maybe they haven't been in the news or whatever. Clearly, it's quite disturbing to hear that some of those who run life leases are evicting people inappropriately. I was wondering why this legislation was coming forward, so this helps explain it to me.

I don't think there's a simple answer to your question. I think we really need to take a look at the sector, understand how it operates, look at the 12 pieces of legislation that govern life leases, identify where it is and identify if there's a potential in the future for private development to get into this area. I know in Australia it's actually a huge thing. A lot of senior housing is life lease housing that has been built by private companies.

I really think that this needs to be looked at and studied. We have some suggestions in our submission on some shortcomings of the current proposed bill. I think it's also important to hear from the residents to hear specifically what the concerns are and also, as MPP Harden was saying, it's legislation for the bad actors.

We don't want to over-legislate this, and I think both my co-presenters would agree with that. If we put too much regulation in here, we're going to prevent an important source of affordable housing for seniors at a time when we need more options, not less. I think this really needs careful examination. Listen to what the residents have to say, and the operators, in more detail.

Mr. Matthew Rae: Thank you. Just for the presenters and the presenters later on, you don't have to dance around my bill. If you think it's bad, you can tell me it's bad. Really, it's fine. We're being very civil today at committee. Sometimes it can be very heated.

I really appreciate those recommendations, and I look forward to reading the brief that you're providing to the committee. As I mentioned, in my own riding, near Arthur, there's a proposed development. We don't want to see those developments not proceed, because it is really a key component for our seniors looking to age in place, but also to downsize, which in my part of the province is a big issue. They want to stay in their communities that they helped build and they can't do that because there is nowhere for them to go to a smaller unit, for example.

For Lois—full disclosure: I've met with Lois before, many times, on this issue. Are you able to elaborate on any other experiences—I know we were talking about bad

actors—that some of your members may have shared with your new group?

Ms. Lois Marsh-Duggan: Really, there are more innocent bad actors than deliberate bad actors. We have lovely people who are volunteering as directors to take the burden off us so that we don't have to think about it. I don't want to be on the board of directors; I really don't. I retired. I'm 76 years old.

At the same time, we have wonderful legislation to help volunteer boards, but there isn't the connection. Most non-profit boards aren't about people—the YMCA, maybe, people like that. Most are about charities, about getting money to give out money. They don't actually have control over human beings.

These guys have control over human beings. If they choose not to listen to us—I'll try not to be too long. Another key factor is originally all of these non-profit life lease communities had sponsors, large organizations, behind them. Ours lost its sponsor 12 years ago. We have a board of directors that answers to no one. They won't tell us who the members are. They won't share the bylaws. They wouldn't even share their articles of incorporation. I was able to surreptitiously get them and find out that when the sponsor left, they had simply thrown away 43 pages of the original articles, including limits on borrowing. We now have a three-page document. They have no lawyer on the board—haven't forever—

The Chair (Ms. Laurie Scott): Sixty seconds. Keep going. I'm just telling you.

Ms. Lois Marsh-Duggan: —and that's it. So it's innocent, but there's a need for education, and so much of the effort has been put into the Ontario Not-for-Profit Corporations Act. It just kills me that we can't connect us to that through membership.

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Mr. Matthew Rae: Great. Thank you, Lois, and thank you, Chair. We'll wait for the next round.

The Chair (Ms. Laurie Scott): MPP Harden, please. It's your next round of seven and a half minutes, and your final round.

Mr. Joel Harden: Thanks again to everybody for coming in today.

There is a business practice that I've heard of in this sector that I would love some comment on. In raising this, I'm not saying it's common across every life lease community. It's just a concerning business practice I've been made aware of. It concerns when a life lease holder wants to sell their property but doesn't want to necessarily do that through the agent provided by the sponsor. I understand that in many cases that have been public cases in Ontario, there is a steep surcharge for doing that; 10% of the equity cost is what's been reported in at least four cases made aware to me.

I'm just wondering—any of you can have a crack at this: Where does this practice come from? Is it a practice from a minority of people? How would it best be regulated against? In fairness to my colleagues, I don't see anything in the legislation we're debating that would prevent against this, but it seems like a usurious extra charge to put on top

of somebody's significant equity investment just because they want to dispose of the investment. So I'm just wondering if anybody had any comment on that.

Ms. Lois Marsh-Duggan: I do.

Ms. Lisa Levin: Go ahead, and then maybe Abby can comment.

Mr. Joel Harden: Go ahead.

Ms. Lois Marsh-Duggan: It comes historically from before life leases were set at market value. I live in a fixed-price unit, and we pay 15% of our equity, but that is an understood cost. That money goes back into the repairing and refurbishing and so on of the unit, okay? So we don't kick people out when somebody has lived there for 30 years. We take their 15% and we refurbish the unit. That's how it works.

I don't even know when market value life lease first came along. I know when and where the first life lease was built and who the architect was, so it's a habit. And if they don't get that money, then they can't refurbish units. They really rely on that money.

Mr. Joel Harden: So that's access to the reserve?

Ms. Lois Marsh-Duggan: It's separate from the reserve.

Mr. Joel Harden: I see. Okay.

Ms. Katz Starr?

Ms. Abby Katz Starr: I'm just wondering about the comment you made where you associated that surcharge or the money—the 10% to 15%. That if they don't use the realtor or the landlord—I'm sorry, your question was a bit—

Mr. Joel Harden: Pardon me if it wasn't clear. In at least four cases made aware to me—these are public cases being covered by the press—the life lease holder has tried to dispose of their property and wanted to sell it for whatever reason—moving into long-term care, whatever the reason may be—and opted to use an agent that was not the one associated to the life lease community. Part of the contract was, “If you decide to sell, you must work with this realtor.” They decided they didn't want to. So in addition to the realtor's charge, the realtor's fee, there was an additional 10% charge, and I'm just wondering if this is a common practice or if this is a practice among a small amount of homes. I heard Lois's explanation that it's meant to refurbish the community. I hadn't heard that before; that's useful. I'm wondering if you had any reaction to that.

Ms. Abby Katz Starr: That's not a common practice that I'm aware of or with my colleague members at AdvantAge Ontario. You can use the realtor associated, for example, or you can choose your own. That's in the life lease agreement. There is no additional fee on that. There is a 10% of the equity that comes back into the building and is reinvested, as Lois described. That does exist. But you can choose whomever you wish. Typically, they use the realtor that is provided by the board, by the landlord, because they work at market value and you get some of the best prices in the community that are available.

Mr. Joel Harden: Okay, thank you.

Ms. Deeb, did you have anything you wanted to add on that front?

Ms. Nina Deeb: I just wanted to add that trailer parks do that as well. They'll have their designated realtor and if you hire somebody else, you still pay [*inaudible*]. So that's a similar fee of where they charge a set fee. Usually, you will know when you enter that part what that's going to be. So they will say, "This is our arrangement and we charge this whether or not you use our realtor. You can hire your own as well, but it's an additional fee."

Mr. Joel Harden: Okay. Thank you.
How much time do I have left, Chair?

The Chair (Ms. Laurie Scott): You have two and a half minutes.

Mr. Joel Harden: Okay. And I see there's someone in the audience that has their hand raised. I'm happy to come and talk to you once my turn is done, but—

Interruption.

Mr. Joel Harden: Understood. Thank you. I'm going to come visit you.

The Chair (Ms. Laurie Scott): We can't do interaction from the gallery. Thank you very much.

Mr. Joel Harden: Lastly, on this note, I'm intrigued that there seems to be a particular history of life lease communities where they're intentional communities—intentional communities around certain religious organizations, around certain community organizations—and I find that very intriguing, because I can understand why someone would want to make application to live in such a community, because what I've heard from many seniors and persons with disabilities is, when they move into an assisted living facility, they have to give up their culture. They have to give up a big part of who they are, which is very disturbing to them. So I'm just wondering—Ms. Levin, I didn't know until you came today, but I'm a supporter of your organization that you represent. Is this a big selling point for someone making this choice, that they get to decide the community that they live out their golden years in? Is this a theme that you hear back from people?

Ms. Lisa Levin: Well, certainly, there's not a lot of options for cultural seniors' living, and when there are options for that, they tend to be very well subscribed and there's a lot of interest, because as people age, they often get comfort from being surrounded by the customs and languages of their traditions. So that's one thing, and then the other thing is it's a really affordable, really nice option. So it's both.

Mr. Joel Harden: Okay, thanks.
That's good for me.

The Chair (Ms. Laurie Scott): Thirty seconds—okay, thank you very much.

MPP Blais for four and a half minutes, please.

Mr. Stephen Blais: Just so I understand, this 10% or 15% that's been talked about, this comes off the capital gain on the unit or just off whatever you sell it for?

Ms. Lisa Levin: Abby? Did you hear that question, Abby?

Ms. Abby Katz Starr: Sorry; it comes off whatever you sell it for.

Mr. Stephen Blais: Irregardless of if there's been a gain or not?

Ms. Abby Katz Starr: I can tell you historically there has been significant gain, even through COVID.

Mr. Stephen Blais: Sure. But in Lois's case, she's not allowed to get a capital gain on it, so it's basically just a fee? Okay.

I'm being perfectly honest: I hadn't really heard of this model too much before considering this particular bill. There's only 12,000 units in the province. I can understand why it would be very attractive for people who are down-sizing, cultural differences and cultural communities and religious organizations etc. I think it actually is potentially very interesting for young people as well to get into the market, especially if they can build capital gains on a market value increase of the unit. But so far, it seems to be me that it's a hybrid, like it's a Frankenstein. It's kind of like rental, but kind of like condo and kind of like senior long-term-care and retirement homes all smashed together, and there's basically no rules to govern any of it. And I know—you're giving me a look, and maybe you don't agree, but this is what it feels like to me in the hour or two that we've been here so far. So I really do thank MPP Rae for getting the ball rolling on talking about this.

I don't really have any other questions, because based on where we are with the legislation and throughout the day today, I think we're probably about as far as we can get without doing a lot more work that I think the government is probably going to end up doing. So thank you very much for coming and sharing your stories, and I appreciate hearing from you.

The Chair (Ms. Laurie Scott): We'll now go to the government side. MPP Sabawy, please start.

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Mr. Sheref Sabawy: As we heard from both sides, from Lois and from Lisa, which is like the two sides of the story here, understanding that we are trying to legislate something to make sure that there is a balance between the two sides—because if one side is 100% agree, then they get the whole thing, and the other side doesn't get anything. So there will be some sort of balance to regulate the relation between the two sides, especially when there are bad players. It could be from the tenants' side, like the residents, or from the associations who are not managing their funds in the proper way, the legal way or the regulated way. So this is the meaning of that piece of legislation. It's to regulate that relation.

I will ask two questions for each side. How do you see the balance in this bill? And how do you see the government can enhance the bill, if there are any points in that bill you think can be added to strike that balance between the two sides, relation-wise.

Ms. Lisa Levin: Thank you very much, MPP Sabawy. First of all, I don't necessarily feel like we're two sides, that we're opponents. I think that a lot of our members have really great relations with their life lease residents, and I really value the fact that Lois has started this association so we can hear from the life lease residents.

I really don't have details on how we can balance the bill, because it's so complicated, but we certainly need to ensure it doesn't make it seem like we're talking about

rental housing, and we need to make sure that it fits within the laws of Ontario. We need to look at what's most important, where are the problems coming up, and try to solve those problems, not try to solve problems that perhaps don't exist. But we need to be informed by the context of many life lease projects that are on campuses of care where they may have shared reserve funds, for example. So I think there's a lot of work that needs to be made to get the balance, and we certainly want to hear from what's going on with the residents as well.

The other thing I wanted to mention, although it's not a legislative answer, is that our association does an enormous amount of education for the sector. A lot of it is focused on long-term care, but we have a very large education department. When I was hearing some of the comments, I was thinking this could be an opportunity to perhaps educate life lease operators and give them best practices on different types of policies etc. So that's something else that could be an option as well. Not everything has to be solved by a law. Some things need to be regulated to protect human rights, but other things can also be addressed through education and training.

Mr. Sheref Sabawy: Sure. Lois?

Ms. Lois Marsh-Duggan: I have to agree with Lisa that most of the time there's very little conflict between the residents and the people who are managing, honestly. It's not that common. I think that it's important to ensure that they're educated, honestly, and I keep mentioning ONCA, because it's there. It tells them—there's education available for directors in the not-for-profit sector. If we were to tailor something to life lease boards of directors, they would make a lot of progress.

The other issue you mentioned which is quite interesting—because I'm on one of those communities that has a campus of care, as you call it, but our corporations are all separate. The reserve funds are not commingled in any way with the campus-of-care aspect of long-term care and so on, and that should certainly be a rule. One part should not be able to borrow from the other, especially when it's somebody's individual capital. I would love to see a rule that says no life lease community can have the same board responsible for the campus of care as the life lease tenants, because sometimes you end up with the tail wagging the dog, and that's a real problem for us.

Mr. Sheref Sabawy: Thank you.

I delegate the rest of the time for my colleague.

The Chair (Ms. Laurie Scott): MPP Pang, please go ahead.

Mr. Billy Pang: How much time do I have?

The Chair (Ms. Laurie Scott): You have two and a half minutes.

Mr. Billy Pang: Okay, thank you.

A short question: Before I moved to a house, I was the president for a condominium for two terms. Education is important, but people are not interested until something happens. So education and engagement is the key.

I want to ask Lisa first: You just mentioned earlier regarding too many regulations, right? Having said that, when the residents are not engaged, there need to be some regu-

lations there to protect the customers or the consumers, right? How do you balance that protection and red tape?

Ms. Lisa Levin: Isn't that the question. If I could answer that, MPP Pang, I think I'd maybe be the Premier.

I think it's really being disciplined, looking at what is the issue we're trying to solve, what are the risks we're trying to address, and trying to focus the legislation on that and not create other things that are unnecessary.

Ms. Lois Marsh-Duggan: In order to answer, I'd like to hark back to something you said about the fact that housing is not covered under consumer protection. It infuriates me that I can't find anything in consumer protection to prevent an operator from forcing me to sign a lease within 48 hours of notice. There's no recourse; there's no cooling-off period. To me, that's a natural for consumer affairs. Why can't we have that?

Sorry, it didn't answer your question the right way, but—

The Chair (Ms. Laurie Scott): There's 60 seconds remaining.

MPP Kusendova-Bashta, please.

Ms. Natalia Kusendova-Bashta: Yes, I'll be very quick.

My question is to Lisa. I knew you looked familiar, and then I read in your bio that you were at the Registered Nurses' Association of Ontario, so that's wonderful.

My question is with regard to the campus of care. How is a campus of care lease different than your traditional life lease?

Ms. Lisa Levin: I don't think that there's necessarily an answer to that because they're all different anywhere, but one of the differences is that you have a campus. One example I have in addition to Abby's would be Georgian Manor, the campus in Penetanguishene, which is a very large campus of care for seniors in Ontario. There's long-term care, retirement housing, supportive housing and life lease housing, and so the people in life lease can take advantage of some of the facilities in the main building, where there's a pharmacy, where there's a day program. Sometimes the staff from the assisted living may be available to work in the life lease, so you have the advantage there of people who know you, know your campus, and then ideally you should be able to go into the long-term care as you require more supports, but—

The Chair (Ms. Laurie Scott): I'm so sorry. We're out of time. Thank you very much to all of the presenters today—great dialogue.

This committee will now stand recessed till 1 p.m. Thank you so much, everyone.

The committee recessed from 1157 to 1300.

MR. GARY HILL

NORTHERN GATE RETIREMENT
COMMUNITY

MS. NICOLE ADDERLEY

The Chair (Ms. Laurie Scott): Good afternoon, everyone. We will now resume the Standing Committee on Heritage, Infrastructure and Cultural Policy. I'll remind

everyone that you've been scheduled in groups of three for each one-hour time slot, with each presenter allotted seven minutes for an opening statement, followed by 39 minutes of questioning for all three witnesses, divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition and four and a half minutes for the independent member of the committee.

The presenters are in groups of three. The next group we have will be the Northern Gate Retirement Community; Gary Hill and Jodi Hill; and Nicole Adderley. If you would like to come and take chairs at the front, that would be great. I'll ask you to speak in the order I read them, which I will go through again. The team here on the right is going to turn your microphones on for you, so you don't have to worry about that.

I'll ask the Northern Gate Retirement Community and Gary—when you're ready, just state your name and please proceed.

Mr. Gary Hill: Thanks very much. I am Gary Hill, and I am speaking of behalf of myself and my wife, Jodi, who is unable to be present as a result of a broken leg. We have been residents of Northern Gate for the past 15 years.

We'd like to begin by thanking Mr. Calandra for his leadership in expediting this much-needed legislation. Thank you also to the committee for taking the time to solicit input from the community.

Interruption.

The Chair (Ms. Laurie Scott): We're going to try, but I may get you to speak as closely to the microphone as you can.

Mr. Gary Hill: Is this working?

The Chair (Ms. Laurie Scott): How are we back there? Can we hear it?

Interruption.

The Chair (Ms. Laurie Scott): Speak again, Gary.

Mr. Gary Hill: Let me begin by saying good afternoon, and thank you to Mr. Calandra for his leadership in expediting this much-needed legislation and to the committee for taking the time to visit our community and solicit input.

There are several areas that we would recommend for inclusion in the proposed legislation. The first is the size of the board of directors. The board of directors in our community consists currently of only three members, which is the legal requirement minimum. The board has declined to increase this number, despite repeated incidents where sitting board members have become incapacitated or passed away. This results in a violation of the governing requirements and quick steps to appoint an interim person while a permanent replacement can be found.

We suggest a minimum of five board members, including a non-Northern Gate resident. This would ensure both legal compliance at all times and, importantly, provide for prudent succession planning in the event that a member becomes incapacitated. The inclusion of an external member would provide objectivity and, potentially, additional skills valuable to the board in its duties to the community.

Regarding the term of board members, currently there is no such term specified, although this is common practice

in some of the boards that I have participated in in the past. To ensure broad and varied representation from the community's needs and interests, we suggest a two-year term, with a maximum of three re-elected terms per board member.

Regarding the appointment of board members, presently, only current board members can appoint new members. This restricts opportunities to promote valuable contributors from the community and prevents the introduction of fresh perspectives. An election process of board members by residents would optimize expertise and experience to the board. This provides residents with a fair and democratic process to engage and enrich the community in which we live.

And, finally, an annual general meeting: We recommend adding the requirement for an annual general meeting, including the findings of the annual audit and a declaration of the adequacy of the reserve fund and plans to refresh the reserve fund. In the audit process, there is usually a section at the end for general comments by the auditors, and these are often quite valuable in terms of general observations that are not necessarily requirements by law but would add value to the governance of the community.

Thank you again, Minister Calandra, Madam Chairman and committee members for taking the time to seek the input of the community, and we much look forward to this legislation becoming law in this province.

The Chair (Ms. Laurie Scott): There are a lot of Garys today, so that was Gary Hill, and we're looking for Gary Ackerman. He was here—okay, if you want to come up and take a seat at the table. Sorry about that. Now, are you ready to go next or do you want me to—

Mr. Gary Ackerman: Sure.

The Chair (Ms. Laurie Scott): No, you go ahead next. We'll keep the Garys in a row. If you just state your name and that before, then we'll come back to Nicole. Thank you very much.

Yes, you're all on.

Mr. Gary Ackerman: I'm on? Can you hear me? Okay, great. Thank you. I'd also like to thank Madam Chairman, the elected MPPs that are with us today and the rest of the committee for organizing today's meeting and for the work that you've done on the Life Leases Act.

I'm representing the board of directors of the Northern Gate community that is located here in Stouffville. This legislation is important to provide future and current residents with more security on the purchase of their life leases. This will provide residents with more information and opportunities to interact and communicate with the formal leadership of their life lease community.

This form of housing development should be promoted and financially supported by our provincial and local governments, particularly now, when housing options are limited and not affordable for many within the GTA.

We recognize that the draft Life Leases Act has been modelled after other similar legislation in other provinces. This, however, may be an opportunity to describe the life lease housing more specifically. We would like to recommend some changes to the wording throughout the docu-

ment to reflect the reality that life lease holders should not be defined as “tenants.”

Life lease holders make a substantial upfront investment in their development, based on the local real estate market, and are responsible for some of upkeep of their homes. Residents sign a life lease agreement that is binding until the sale of that life lease. Tenants, on the other hand, invest first and last month’s rent and sign yearly leases. The maintenance of their unit is provided by the landlord or corporation.

We would like to suggest the following terminology throughout the document: The term “landlord” could be replaced with “general manager” or “director,” and the term “tenant” could be replaced with “resident” or “life lease holder.”

Specifically, regarding number 14, on meetings, currently, our board of directors and staff meet regularly, usually monthly, to carry on the normal business affairs of the corporation, in addition to providing regular written or email updates to all residents. Having four meetings a year is, I feel, unnecessary and a significant amount of work for the directors, who are volunteers, and will add additional costs to the community.

We agree that regular financial reporting to the community is important. However, having meetings twice a year would accomplish this; for example, in the spring, when the previous year-end financials and audit process is completed, and then in the fall, when the majority of the current-year maintenance activities are completed.

Life lease agreements are complex legal documents, and they may need to be revised on occasion to meet the changing regulations and new legal requirements that impact both the corporation and the residents. It would be useful to have a defined process in the act that requires consultation and agreement from both the corporation and the residents or resident representatives when making these changes to the Life Leases Act.

Thank you again for your consideration and the work you’ve done on our behalf.

The Chair (Ms. Laurie Scott): Thank you very much for your presentation. I think we’re done with the Garys. Now, we’ll go to Nicole. You just go ahead and start whenever you’re ready, and they’ll turn it on for you.

Ms. Nicole Adderley: Hi. Can you hear me? Okay.

First of all, thank you for allowing me to join this meeting. I’m actually not a part of Stouffville, but I work in Stouffville and stuff like that. I’m just speaking on life leases in general. I participated, as well as two other seniors, in a project called Trinity Ravine with Global Kingdom Inc. It was filed for bankruptcy, and 439 residents, 99.9% of them seniors, purchased up to the tune of a \$30.1-million deposit.

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The church, in 2020, started running into challenges and stuff like that, went to have it redefined as low-cost housing, which—the government gave them funding. The seniors were never advised, and then finally, in 2022, they filed for bankruptcy, before which they refunded most of the money to their church members, including interest, and

200 residents, or 200 seniors, were left without their money and now are doomed.

So, one of the changes we would like to have in place is that we found out there needs to be secure funding in place for these projects prior to being able to do development and that the money should be in a true trust. Without understanding the technical or legal terms, when it should be in trust, it should not be with that corporation, but it needs to be an independent organization or financial institute where audits are in place so that when the money is spent, it’s directly against the project and not for personal or business usage, for their venue, which was a church and stuff like that, and make sure that there are audits in place.

If the government is going to be providing money to corporations like not-for-profit organizations to build these types of life leases and stuff like that, it needs to be regulated more accurately, because we have got several of the government agencies, and they were saying, well, there’s nothing they can do. But these projects are being specifically targeted toward seniors and low-income residents of Canada whose first language is not English and stuff like that. So, we need to put correct processes in place.

We also feel, given that seniors are being asked to deposit 20% of their earnings for this project, that real estate agents should be adequately trained. A lot of these residents were told that they were just regular condos. A lot of them went to lawyers and paid for reviews, and the lawyers just said basically that it is not as marketable as that. So there need to be proper materials and proper regulations in place for people to fully understand, from a legal point of view, what is this that they’re signing. There need to be monthly caps in place for the monthly fees for this. It cannot be variance given the target market that it’s being targeted toward, because seniors do not have the luxury of money to be pursuing legal avenues on changes. And lastly, there should be a clearly documented process in place so that if the residents or seniors want to cancel their contracts, they are given an out—because a lot of these seniors, before bankruptcy was filed, contacted the company and were told that they were not able to get a refund and they would just have to wait out the process. So it needs to be better regulated in the front end to ensure that this doesn’t happen again.

Thank you.

The Chair (Ms. Laurie Scott): Thank you very much for your presentations.

We’ll now move to the question-and-answer part. We’re going to start with the official opposition. MPP Harden, for his first round of seven and a half minutes. Please, MPP Harden, when you’re ready.

Mr. Joel Harden: Thank you to all the presenters and all the folks in the gallery. People watching us can’t see we have a full gallery here. It’s nice to be surrounded by residents of Ontario as we’re debating important legislation to the province.

I wanted to make sure—Nicole?

Ms. Nicole Adderley: Yes.

Mr. Joel Harden: I didn’t get your last name. I’m sorry.

Ms. Nicole Adderley: Adderley.

Mr. Joel Harden: Okay, thank you very much. I wanted to make sure I understood, just because I believe we have another deputant this afternoon concerning the same project—Lisa Lyn?

The Chair (Ms. Laurie Scott): Lisa Lyn, yes.

Mr. Joel Harden: Okay. I believe this isn't the only time, just so you know, that we're going to be hearing about the Trinity Ravine bankruptcy. But just so I have the details correct—because to get ready for today, I just looked on the Google and did basic media research. You've lived it. So, this was a situation in which the Pentecostal church Global Kingdom Ministries entered into a situation where they contracted to build life lease residences, particularly for seniors—and you're saying, for our purposes, seniors with financial constraints, many seniors for whom English was not their first language?

Ms. Nicole Adderley: So the roughly 200 life leases that were not given a refund after they filed for bankruptcy—most of them are immigrants and low-income residents, correct.

Mr. Joel Harden: So they originally had committed to everyone that the project was going to be completed in March 2019, and as I understand it, they asked for a deadline extension to March 2022. When did the bankruptcy proceedings become public? When was that known to the life lease residents?

Ms. Nicole Adderley: The bankruptcy became official in February 2022. There were emails in 2021 outlining that they were reshuffling, but during that time, they were actually seeking legal advice to file the bankruptcy. During that time, they also split—it was one company. Trinity Ravine was a part of the church; it was just called Global Kingdom Inc. The cheques were made in trust to Global Kingdom Inc. During that time, they split the church, and they transferred money from the hold pocket to the church, and then they came up with this Trinity Ravine and said that Trinity Ravine was bankrupt, but the church was okay.

Mr. Joel Harden: So is it fair to say that a big interest from people who wanted to live in this community was that the church was a very important place for them? It was a very important place for them to feel accepted, to want to move into this community. Is that a fair assessment?

Ms. Nicole Adderley: Yes, it was definitely because of the church and the reputation, and also what it represented. It represented a place where—it was promoted as a faith-based place, and it was also advertised as centrally located, which was perfect for a lot of seniors because it's not too far from the Scarborough centre and stuff like that. It's right on a bus route, which was very important, as well as one of the components was the city of Toronto had worked with them to create a path nearby so you would have accessibility.

Mr. Joel Harden: You know, we've heard already today that a big selling point for life lease residents is that they get to decide where they spend—and that's important; I can hear that from you. But what is concerning is that the residents were unaware that the life lease sponsor was in the process of preparing for bankruptcy at least a year before you found out about it.

Ms. Nicole Adderley: Yes. They just gave a runaround. For example, for me personally, I had put in an application two years before they filed for bankruptcy, asking for a refund. I was basically given a cat and mouse game for a year and a half, then they finally gave me a date to come and get a deposit, which—the phones all of a sudden stopped working. No one was answering it. They just basically ghosted us, and then they sent out an email in November 2021 saying that all of the funds were depleted and that they were waiting on final additional funding from the trust that was available—or we assumed was available—to do the rest of refunds. The next communication was from Deloitte saying that bankruptcy was filed.

Mr. Joel Harden: Okay. Is it fair to say that a big thing you would like this committee to work on, when it comes to MPP Rae's bill, is making sure that consumers are protected, that people are aware of the financial information of an organization they're entering into a contract with? Is that fair?

Ms. Nicole Adderley: Yes, that's fair. Thank you.

Mr. Joel Harden: Do you think that was accomplished here? Do you think the province, in fact, fell short? We didn't do what we needed to do to protect people?

Ms. Nicole Adderley: To be honest, yes, definitely. The province fell short. A lot of the residents actually went to the MPs who worked with Global Kingdom and got that land rezoned, I think is the terminology, to allow for that, and they were just told that there's nothing that they can do. It's out of their hands. So, definitely.

Mr. Joel Harden: So, you're—how much time do I have left, Chair?

The Chair (Ms. Laurie Scott): Two minutes.

Mr. Joel Harden: Thank you very much.

So you're making a case with us this afternoon based on some pretty horrendous situations of people you've worked with—and yourself personally?

Ms. Nicole Adderley: Yes.

Mr. Joel Harden: Okay, and yourself, personally—that we need to do a much better job of regulating situations like this. Okay, fair enough.

Mr. Ackerman, thank you for being here today. Thank you for what you do to provide homes for people. I'm wondering, given the story, how that makes you feel, because we've already heard today from life lease sponsors who take their responsibilities very seriously, who want to do right by creating intentional communities of seniors to live in a manner they so choose. Do you think situations like Trinity Ravine are a bit of a blemish on the industry, and what do you think we need to do to make sure that people are aware of their obligations as sponsors and residents as well? What kind of bill accomplishes that for you?

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Mr. Gary Ackerman: Obviously that will tarnish the reputation of life lease communities. I think some of the things that are included in the life lease document, like Nicole described, in terms of protecting the deposits in third-party, by trustees or trust accounts, would go a long way toward providing some security during the construc-

tion period and separating the resident-owner from the construction company.

Mr. Joel Harden: Does it worry you, as someone interested in best practices in running the life lease community for which you're responsible, that the unregulated nature of the industry creates opportunities for bad actors? Does that worry you?

Mr. Gary Ackerman: Yes. I think this regulation is necessary. It needs to be fine-tuned. That will attract broader interest and bring the advantages of this housing that's somewhere, I guess you might describe it, between rental and condo ownership—further opportunities.

Mr. Joel Harden: My shorthand for it is “tenant-plus,” but that may not be everybody's favourite.

So I'm done.

The Chair (Ms. Laurie Scott): Nine seconds—you're done.

Mr. Joel Harden: See you on the next one. Thank you.

The Chair (Ms. Laurie Scott): Thank you very much. MPP Blais for four and a half minutes, please. Go ahead.

Mr. Stephen Blais: In the same stream of thought: It seems to me it's very much a combination; it's a hybrid of rental, condo, even retirement-home-type living, in some cases as a transition to long-term care. As a result, there are gaps that have naturally come about because of the lack of definition and the lack of rules.

Thank you all for coming today. Mr. Hill, you made, I think, four recommendations about governance—for a global term for it. What is the current situation in your particular community in terms of governance? It doesn't sound like, as a resident or tenant-plus—whatever the proper verbiage is—you don't feel like you have a lot of say or control.

Mr. Gary Hill: Well, the board has been small, three members. The information that has been made available to the community has improved in recent months. But for quite a period of time, it was restricted. Oddly enough, there were times when we were told we had no rights. Legally, that's true, with the current regulations governing our community as they were written up by the folks who created it. So we certainly welcome the aspects of the legislation that provide for further clarity, further transparency and more frequent reporting to the community.

But equally important is a wider voice from the community to the board. The current draft legislation permits residents to attend board meetings, which is a tremendous step forward. But a larger number of board members just makes eminent good sense for succession planning, as you would do in any business, any government; you always want to have somebody who is either ready to step in or have a body of such size that the loss of one member doesn't push you into non-compliance with existing regulations.

Mr. Stephen Blais: One of your recommendations is that the board be made up of at least one person from outside of the community. You touched on that very briefly, but can you maybe go into more detail about that?

Mr. Gary Hill: It's a function of objectivity and opportunity to gain further expertise in a board, even a board the size—if it were five, there is going to be a limited body of experience depending on how those folks spent their careers.

And I think the resident board members, if you will, will have intimate knowledge of what is going on in the community, we hope, especially if there's more communication between the board and the residents.

The Chair (Ms. Laurie Scott): Sixty seconds.

Mr. Gary Hill: But in other boards, I think that the objectivity of an external member would have some value.

Mr. Stephen Blais: I will follow up in my next round of questioning, but in your particular situation, how have you found the maintenance regime, both the fees and the upkeep on the maintenance side of things?

Mr. Gary Hill: The maintenance of the properties has been quite well done and has gradually improved over time, I would say. The fees have been up and down. There has been some inconsistency, and there have been factors affecting that that are not just related to the community's maintenance itself. There has been litigation involved, and that has caused spikes, increases in fees. That, thankfully is now on the decline, but it is not resolved.

Mr. Stephen Blais: Thank you.

The Chair (Ms. Laurie Scott): Now to the government side for seven and a half minutes, and it's MPP Rae, please.

Mr. Matthew Rae: Thank you to our three presenters this afternoon. To Gary Hill, I hope your wife is recovering well after her issues and fall. My first question is actually to Gary Hill, and I will get to the other Gary as well. As a Matthew, I understand your challenges in life with having a very common name—

Mr. Dave Smith: Hey, try having Dave.

Mr. Matthew Rae: Yes, or Dave, Dave Smith.

So, my question to you, Gary Hill, is—and you elaborated a bit about it in your remarks, but you obviously live in a life lease community, and as a representative here today, as those groups, could you elaborate on your experience with the current framework? I know you mentioned some issues around the board of directors, but are there any other specific examples within the current framework that we could potentially improve?

Mr. Gary Hill: Other than the flow of information, transparency, I would say the community is a good place to live. It attracts people who are independent, independent living. It's almost like living in a village. You really get to know the people that you see on a regular basis, and if I can draw on my wife's recent experience where her mobility has been limited and I've been with her 24/7, the closeness of that community has added tremendous strength to us. People are providing meals, people visiting. So the concept of a life lease is a wonderful model in terms of how people 55 years of age and older can live in community and support each other.

So the model is good. I really like the model. One aspect that I hope improves with the legislation is that the financial institutions in this country have not recognized life leases in terms of qualifying for mortgages. You've had to either come in and pay cash or have a line of credit, which is a bit of an awkward point in terms of selling the homes at times. So I'm hoping that, with the legislation, the financial

institutions will formally recognize life lease as eligible for mortgage, just as condominiums are eligible today.

Mr. Matthew Rae: I've heard that from some of the life lease community residents in my own riding, where they mentioned they have to get a line of credit, even just to tide them over, even if they're waiting for their other primary residence to be sold and when they're in that three-month window, but obviously traditionally the financial institutions don't offer that sort of mortgage or that tie-over as well, so I appreciate you sharing that.

To the other Gary, I was wondering, same question to you: Can you elaborate on your experience within the life lease community and the current framework? Are there changes around that that you believe would be beneficial to the residents you represent?

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Mr. Gary Ackerman: Gary and I are obviously from the same community, so I don't disagree with many of the things that Gary said. From my perspective, it is challenging to be a resident and a director because you live there and then, on the other hand, you share the responsibility for the management of the place.

But one point I'll make is, regardless of the number of board members, it is a senior community. Many of our members are—you know, you have to be 55-plus and many of them are 70-plus, so it's not easy to maybe get the volunteer skill mix that you might need. And so a key part of our community is our staff. We have, essentially, a full-time financial manager and accountant individual and then we have a property management person, and those two individuals are just as important as the directors in doing the work and providing us with information.

I'm not disagreeing with some of Gary's suggestions. I'm just saying that, regardless of the number of directors, it may not be easy to get the skill mix you need to manage a \$40-million complex.

Mr. Matthew Rae: Yes. I know, even as was alluded to by some of the earlier presenters this morning, every life lease community is different. You go to one and to the other—and I know, even in my own community, the board composition, for example, is seven members on the board and three are from the community. The local Lions Club originally established it; they were the sponsor. And then three are from the residents, and so it's getting that breadth of experience and trying to find those who may have lived in a condo before and have experience on a condo board.

So, 100%, no matter the number, it will be a challenge to get that experience, both within and without the community. You need the representatives outside the community to understand the model, because as my colleagues here, we're all learning many new things on how this model exists in Ontario within that.

My question is for Nicole. Obviously, your experience is vastly different. I've actually spoken to some of your other colleagues who are unfortunately in the same situation that you are in. Do you think there should be a cooling-off period for any new life lease? Obviously, I have some in my riding right now, but I actually have a proposal in the

zoning phase right now in one of my municipalities. Do you believe there should be a cooling-off period for those who are purchasing a life lease unit, for example?

The Chair (Ms. Laurie Scott): You have 60 seconds, so go ahead.

Ms. Nicole Adderley: Yes, definitely, there should be a cooling-off period. But then I think also, in terms of a legal perspective, because we're asking seniors to put down 20%, the lawyers and stuff need to fully understand what is involved and to be able to correctly communicate that. Because a lot of the seniors did have their life lease reviewed by lawyers, and it was not appropriately indicated what the full risks and extent of that investment were.

Mr. Matthew Rae: Thank you.

The Chair (Ms. Laurie Scott): We'll now go over to the official opposition. MPP Harden, seven and a half minutes.

Mr. Joel Harden: Mr. Hill, we didn't get a chance to talk in the last round, so I'm enjoying that this afternoon. Thank you for coming. It's always great to see the same community represented in different capacities, and it's good to hear that this is a story from which we can learn positive outcomes, even if there's stuff to work on.

In my research in getting ready for today, I was made aware of some situations in which, when a resident of a life lease community reached a certain stage of health, in order to stay in the community, they really needed extra help. Their concern, in the cases made available to me, was that they would like a family member or a personal support worker of their choosing, for cultural reasons, for comfort reasons—there are an array of different reasons—to come into the community and provide that care three, four times a week, just so they could stay there. Maybe analogous to your wife, if she was on her own, needing some help to deal with being able to function—the basics of life.

But in these cases that were made known to me, in these specific life lease communities—it doesn't speak for everyone—the community said no, and said, "Actually, you need to work with the PSWs who are on-site, and your family member is not permitted to come into the community." Does that raise a concern with you, a situation like that? Is that something our committee should be concerned about?

Mr. Gary Hill: Well, it's interesting that you should raise that. It hasn't happened frequently in our community, to my knowledge, but it has always made sense to my wife and I, given the size of the homes.

There is, for example, in virtually all of them, what you could call a self-contained guest suite that has sleeping and bathroom accommodations. We always thought that should we get to the point where we needed extra help, it would make eminent good sense to have someone living in that separate quarter within our home; in our case, it would be on the lower level and the bungalow level on the top is self-sufficient. We thought that would be a wonderful idea. We knew that it wasn't permissible with the current regulations governing our community, but I think it's a wonderful idea, and if you think of the tidal wave of the greying population that is about to hit this province and the inadequacy of current retirement and long-term-care facilities,

we're going to need everything at our disposal to meet this need.

As recently as this morning, we had this conversation with someone from the CCAC. So if there was the option to include this in the legislation, I think it would add tremendous value to the long-term capability of the province to meet the needs of the boomers as they retire.

Mr. Joel Harden: Okay. Thank you for that. Just so we're all aware—I mentioned it this morning, but I'll repeat it because we're having this conversation now. Care home operators, life lease communities, retirement homes, group homes, congregate living—their responsibility under the human rights law of Ontario is to demonstrate undue hardship when a resident is asking for too much to accommodate their disability.

So in your case, if your wife wanted a care worker outside of the community to come in because she believed that was really important for her, to have that particular person with whom she had developed a relationship—because sometimes this care can be very intimate—the care home operator, under the law, to not say yes, has to demonstrate that bringing that person in is undue hardship. That's what the human rights law that we have in Ontario actually says. But of course, not everybody exercises their rights, not everybody complains about their rights, so by and large, the people I've spoken to never exercised their rights and never lodged a complaint. Your community functions rather well, from what I've been hearing today, which is phenomenal.

Are you saying, then, for our benefit, that it would be great for us to consider how amendments could be brought to this legislation so that people could bring in care workers into life lease communities that were appropriate for the community—didn't cause disturbances; nobody wants that of course—but that were really relevant to what the resident wanted? Am I reading you right?

Mr. Gary Hill: Absolutely.

Mr. Joel Harden: Okay

How much time do I have left?

The Chair (Ms. Laurie Scott): Three minutes.

Mr. Joel Harden: Three minutes? Oh, wow. That's terrific.

Mr. Ackerman, let me just ask you, what drew you into this kind of work? You are a resident of a life lease community, but you're also playing an administrative role. I'm curious to know, what motivated you to want to do this, to play this role in this community? Why are you involved in what you do?

Mr. Gary Ackerman: I'm not sure. Like Gary alluded to earlier, the current method to select more members is that you are appointed or selected from existing board members. So I was asked to join the board five years ago for a particular issue, for a particular period of time, and not really expecting to be on for a normal term, you might say. Anyway, one thing led to another, and I was asked to participate and become a fully fledged board member, I guess you could say. And then I gained more experience about the administration and the management of the whole community and felt I could contribute. I have just kind of

continued with my term and, subsequently, I have become chairman of the board.

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Mr. Joel Harden: So is it fair to say you were originally voluntold?

Mr. Gary Ackerman: Yes, that would be fair.

Mr. Joel Harden: That happens a lot. But then, from voluntold, there's something that inspires you—I don't want to read into your words; tell me if I am—about creating a community.

Mr. Gary Ackerman: Yes. Again, Gary has alluded to some of our history that I think was difficult.

The Chair (Ms. Laurie Scott): Sixty seconds left.

Mr. Gary Ackerman: We wanted to improve that. We wanted to improve the management style, the culture, and we want to continue and we want to become more transparent.

Mr. Joel Harden: Just in my 30 seconds that I have left, I just want to congratulate you and all the residents who are here for caring and wanting to make something, wanting to spend some time to make a community better and to work on it together. I think it's a model, and I thank you for your service.

The Chair (Ms. Laurie Scott): MPP Blais for four and a half minutes, please.

Mr. Stephen Blais: Nicole, do you know, did the church already own the land when they started taking deposits?

Ms. Nicole Adderley: So, yes, they bought the land, or there was a mortgage on the land and stuff like that, and they started taking deposits in 2015. So it was first advertised towards the church members, and then in 2017, they came out to the general public.

Mr. Stephen Blais: And you mentioned that some folks had helped them with zoning at some point. Did they already have the necessary zoning when they were taking deposits, do you know? If you don't know, that's fine.

Ms. Nicole Adderley: The zoning happened between when they got deposits from the church members and the general public, so it happened in between that section.

Mr. Stephen Blais: So they were taking deposits before they had zoning to build the residence. See, I think that's maybe one of the challenges. When you're building a subdivision, you can't start taking deposits from homeowners until you've reached a particularly advanced stage of the planning process with the city, and so there might need to be some, either in the legislation or the regulations, around when exactly you can start taking money from folks, maybe to avoid the situation that you found yourself in.

Now, Mr. Ackerman, you mentioned that you thought that having quarterly meetings might be overly burdensome. In fairness, I don't understand why, because I'm picturing a quarterly meeting just—except for the one big one every year where you go over the financials, it would just be sitting around, hearing from people what they'd like to see improved or not improved and planning activities and things of that nature. So is there something that happens at these meetings that is beyond just chitchat, for lack of a better term?

Mr. Gary Ackerman: At the end of the first quarter, let's say, you're just kind of getting into your fiscal year. At that point in time, you're probably getting close to finishing the audit process for the previous year, and there may just not be—we put out regular newsletters, either written or in emails—not monthly, but frequently—and in my mind, organizing that extra meeting, basically, we're just going to be saying the same things we would in written form—

Mr. Stephen Blais: In the newsletter, yes—

Mr. Gary Ackerman: —and taking questions.

Mr. Stephen Blais: Yes, I should have maybe asked my question in a different way. I think, once a year, people would be interested in the financial details. I don't think I'd be interested in financial details quarterly, probably, but once a year. But I see the value in the meeting as more about getting feedback from residents in terms of—whether it's maintenance issues or programming or whatever it is people might have on their mind. So, I guess, in the absence of those meetings, what method do you and your board currently use to get that kind of feedback?

Mr. Gary Ackerman: The residents can obviously email the staff and the directors if they have concerns or questions. With our newsletters and emails, we are trying to give information that is changing or about to change.

The Chair (Ms. Laurie Scott): Sixty seconds left.

Mr. Gary Ackerman: The way that the draft legislation is written, I would make the assumption that the resident representative on the board would be bringing issues to the board meeting that he or she is aware of in the community—

Mr. Stephen Blais: One other quick question, and either Gary can jump in: We heard from previous presenters that the requirement to have some kind of regular engineering inspection—so that the maintenance fees were properly set, basically, based on the conditions of the building—was made. Is that something that you think would be appropriate and of help?

Mr. Gary Ackerman: We do a reserve study approximately every three years on our community, much like the condo model, to get advice in terms of expected capital expenditures. That is used to plan our reserve component of the fee.

Mr. Stephen Blais: And that process includes an engineering element to it?

Mr. Gary Ackerman: Yes.

The Chair (Ms. Laurie Scott): Thank you very much.

We'll now go to the final round for the government, and we'll have MPP Rae, please.

Mr. Matthew Rae: Thank you again to our presenters for their suggestions and thoughts today.

I'm glad to hear Gary mention about the reserve fund. Again, going back to the point that every life lease community seems to be different, but having that update—I know there are some, unfortunately, across Ontario where they aren't sure of how much is in their fund, whether the fund even still exists or if it's been depleted, and they usually only find out when they need to do a major upgrade. So

I'm glad to hear that in your community, the board is taking that due diligence around that.

I know we've heard a lot of suggestions today around a variety of recommendations, and so I was just wondering—I guess I'll start with—sorry, Gary. What's your last name? You're not on our agenda, so—

Mr. Gary Ackerman: Ackerman.

Mr. Matthew Rae: Ackerman. I'll start with Gary Ackerman. Is there anything through this legislation, in the province of Ontario, to help increase transparency, just from a general—it sounds like you're doing a lot of communication with your members in your community. Is there a way to improve that?

Mr. Gary Ackerman: I think Gary alluded to the external litigation that we're involved in. That is limiting somewhat our particular ability to provide the financial details that we might like to, based on advice we're getting. That's certainly something that we want to change, with or without life lease legislation.

So, with our annual budget presentation, or budget letter, to the members, we provide a breakdown of the occupancy fee in eight major categories. We describe what goes into those categories. But we're not giving detailed—what you would call full budget details. But that has to happen.

Mr. Matthew Rae: Thank you.

For—sorry; I'm losing my train of thought. For Gary Hill, I was just wondering if you could—I know we heard about situations with residents, either their children having to tell the unit after their parents pass—I'm just asking, in your specific community, I'm just curious, what is the process around that for your residents if they either have to move to a long-term-care home or if they have passed on and their children have to take care of that?

Mr. Gary Hill: Transition to long-term care is pretty much the individual and the family's responsibility; it's not associated at all with Northern Gate. The sale of the properties has to go through the office, of course, because a percentage of the sale goes back to the organization as part of the purchase agreement.

Historically, the sale of the properties was exclusively through the office. In the last year or so, it has been broadened to include a standard real estate agent. We're glad to see that, because a real estate agent is an expert in this field. That's what they do seven days a week. They're familiar with the community, and they're familiar with the values associated with different forms of housing.

Currently, if you were to compare a bungalow or a townhouse bungalow in private ownership to what we have in Northern Gate, you would find a disparity of undervalue in Northern Gate. Now, I'm not going to speculate on why that exists today, other than to say that I believe that a real estate agent with broader knowledge of the marketplace is more qualified to bring that back into line than an administrator solely within the life lease community who has very limited real estate experience, is not a qualified realtor in any way, shape or form, and is really just comparing the sale of the upcoming home to the sale of the last one. And those things tend to follow in lockstep more than being the increase in the marketplace that we have seen

over the past few years. So that gap has grown over the last several years—not to say we haven't had improved equity; we certainly have. But it hasn't kept pace with the market. A real estate agent, I think, was better qualified to make that happen.

Mr. Matthew Rae: Go ahead, Gary.

Mr. Gary Ackerman: I would just respectfully disagree. We've made many sales over the last year.

First of all, everyone in our community has the option and the opportunity to engage a real estate agent, should they choose to. So that can be done. But secondly, the resales that we've made over the last year generally go much smoother and more efficiently if they're handled with our own administrative staff, because real estate agents don't have a clue about life lease. They try and use their own sales agreement and it's completely of no value. Then we have to turn around and redo the sales agreement based on the life lease agreement. Although they might, obviously, bring value in terms of a recommended sale price to the unit holder, to this point in time, they don't really add—they complicate the process, from our point of view.

Mr. Matthew Rae: Do you believe there should be more of an education for the realtors around this?

Mr. Gary Ackerman: Oh, for sure, yes. But if the unit holder can sell their unit with our staff—in many cases, we have a—I shouldn't call it a waiting list. We have an expression of interest list that we have available, that we can use if someone wants to sell their unit. Sometimes it works. Sometimes people have kind of moved on and are no longer interested. But it's not the same as selling a freehold home or a condo on the general market.

The Chair (Ms. Laurie Scott): Thirty seconds left, really.

Mr. Matthew Rae: Really quick question, then: Has using a real estate agent become more popular in the last few years for your residents to sell their—

Mr. Gary Ackerman: It really depends on the market. If the market dips—to me, the big advantage the real estate agent brings is their ability to put the home on the MLS platform.

The Chair (Ms. Laurie Scott): Thank you very much. We're out of time for this round. Thank you so much to all the presenters, and the questions and answers that came.

We're just going to take a quick recess until 2 o'clock. We've got extra time, what can I say. So you can get up and stay in the room and watch the other presenters. Thank you.

The committee recessed from 1353 to 1403.

MS. LISA LYN

The Chair (Ms. Laurie Scott): We'll resume committee hearings. We just have one final presenter for this afternoon: Lisa Lyn, if you would like to come forward to the front of the room. I believe that there's unanimous consent that we'll just do one round of questioning for the final witness.

If you'd just state your name at the beginning, then you have up to seven minutes to do the presentation. When you're ready, please begin.

Ms. Lisa Lyn: Hi. My name is Lisa Lyn, for the record. I would like to thank the panel and the Chair for allowing me to speak today. I've come here today because I wish to be a voice on behalf of the 280-plus members of the Global Kingdom Ministries/Trinity Ravine Community seniors' living space that was supposed to have been built in 2018 but did not come to fruition. It went bankrupt two years ago. I'd like to be also a voice for others who are affected in this life lease concept and to warn against the idea itself.

While I can appreciate that in some circumstances, like in Hawaii, there is an attempt to keep cultural land ownership to its ancestral people, in our case somebody—and I'm not too sure who—brought over this concept to Ontario. It was said that it was needed to fill the gap in our society, where in fact it's a self-serving project that favours only businesses that use this construct. In my opinion, it's used by these companies to explicitly, in a poorly conceived and poorly governed section of legislation that has no guardrails and solely relies upon the goodwill of the company who is building these life leases—and while perhaps 60 years ago that honour system may have worked, it does not work in our society right now. We should be proactive and not reactive, and sadly, that is what I see.

An example of this mess that can be created when improperly used is Global Kingdom Ministries Church: when a not-for-profit company can make a for-profit company that they control while using their not-for-profit status to reap government benefits and tax breaks and intermingle finances to funnel money to their not-for-profit, only to bankrupt their for-profit venture and still be running, while seniors who paid into this project are bereft from their deposit money as well as a residence, in an already struggling economy where we are hurting for housing.

My understanding is that we have tried to find guardrails for the life leases, pre-construction, during construction and post-construction, just because we will need some kind of guardrail for these companies that are building these projects. And it's not under Tarion currently. So there is no guardrail for—especially life leases in general. They are geared towards seniors, mainly, and that is a vulnerable sector of our population that needs to have these guardrails in place, because these kinds of things can happen, whether under negligence or nefarious reasons.

The life lease needs to be under a Tarion umbrella and then also, after construction, needs to have some protection to guarantee these people, who are also consumers, consumer protection. Not unlike a time-share, a life lease is a single owner for a lifetime instead of multiple people for a certain time slot. Is this not the concept of a condo? Why was there this separation of life lease, where all the responsibility is given to a corporation and it's not being controlled, or at least partially controlled, by the people who actually live there?

I feel that doing that weird separation, where all the power is going to these corporations instead of the people

themselves—there’s no governance of the project building materials. There is no guardrail against how predatory they can be with their condo fees or any other thing. Seniors should have some governing power over where and how they live and have the respect and autonomy to do so.

The arguments that life lease is a solution to the increasing cost of condos in the GTA and is an affordable solution might be correct in the long-term arena, kind of like where Mon Sheong long-term living and other private facilities have shown that they can do it responsibly. But other companies, like Global Kingdom Ministries Church, who tried to do this retirement section for seniors—this gateway into long-term, where they would have the freedom—didn’t work out.

So here we are with, again, 280 seniors that I know of that have lost their life savings, that have no residence to move into, and are now in a court battle to try and get at least some part of their money back from this non-profit organization, which went into something that they really shouldn’t have and had no business going into.

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The Chair (Ms. Laurie Scott): Thirty seconds left if you want to take it.

Ms. Lisa Lyn: On the flipside of that, I’d like to also point out that these kind of incidents that happen with these life lease projects that go up is a burden on the government because you will find now that, in a small section that I know of, these seniors are now going to have to live with their families, have to go back to work, will be a strain on the health care system because they’re going to be stressed out that all of this has happened to them. Their families, as they start declining in health, are going to have to rely on their own finances, and poverty and all of these other things are going to start building up. There really needs to be guardrails put in place. Thank you.

The Chair (Ms. Laurie Scott): Thank you very much for your presentation.

We’ll now go to the official opposition. MPP Harden for seven a half minutes, please.

Mr. Joel Harden: Thank you for being here and I just want to say off the top, from my standpoint—but I think it’s a sentiment widely shared—I want to thank you for being a public advocate. I read about your story and I appreciate the fact that, in a difficult matter for you and your family personally, you were willing to be public about it. That helps us here.

I also just want to note the fact that you really put an accent on the lack of regulation, and it’s something we’ve heard throughout today. I think MPP Rae said in his presentation it’s something he wants to fix with this bill. I don’t understand that anybody at this table, just so you know, is saying we don’t need further regulation of this industry. I think there’s agreement on that. The question is where and how.

I understand your confusion because I have it as well. When you look at the life lease product and you compare it to the condo product, they look comparable. And one asks the question, why aren’t they regulated under the same agency? People who have contacted me about this

have said, “It would be great, Joel, but my concern is that I’m not happy with the regulation of condo fees, either. I’m not happy with complaints and due process under the Condominium Act.” So the folks that I’ve reached out to have said, “If under this particular bill, residents of life lease communities are being referred to as tenants”—it’s a lot more complicated than that—“we do have something called the Residential Tenancies Act, which has a lot of responsibilities for operators of rental units and for tenants of rental units.” It’s very clear: There’s an adjudicatory board you can bring complaints to if you’re a landlord or if you’re a tenant to seek due process for things that aren’t fixed, alleged harassment—all kinds of things like that.

What do you think about the idea of, were the life lease community to continue—it’s established; it will continue—does it make sense for us to consider at this committee the Residential Tenancies Act as being the governing place where, if people had complaints and they were a landlord or if they were a tenant, they could bring those complaints in and they’d be dealt with?

Ms. Lisa Lyn: As long as there is some kind of governing body, I would be happy with that, but at the present time, it does not seem like there is. I have gone through Tarion. I have gone through other government sectors. Because this is not an actual building—it wasn’t actually running at the time; it was a pre-construction; it was a concept idea that we had bought into—there are no guardrails. It is not covered under Tarion. It is not covered under any other governing body and there’s no responsibility or person to go to in order to resolve this problem.

Mr. Joel Harden: You’re right. In fact, my question isn’t very helpful for your specific example in which the home wasn’t even built yet. I guess my question was, were it to be built?

Back to the specific example, I had an occasion in the break—we were so busy in the break learning so much from the neighbours who were here. But exactly what you just mentioned in your presentation: I was being told of the 280 seniors who got shortchanged by this situation, having to go back to work, leaving the country, now living with their children. This is a hugely onerous obligation that this particular sponsor has been able to put all the onus of bearing on those families. Is that a fair way to read it? I’m just riffing off what you’ve said and what I read from your media coverage.

Ms. Lisa Lyn: What you’ve said is true. I mean, it is a huge responsibility and there needs to be some accountability for when things go wrong. You can’t just drop 280 seniors, still be running your not-for-profit church and have these 280 seniors now bereft of their life savings that they put into it.

Mr. Joel Harden: Absolutely.
How much time do I have?

The Chair (Ms. Laurie Scott): Three minutes.

Mr. Joel Harden: Three minutes.

So I want, if it’s okay—I think you’ve made that point crystal clear, and that’s feedback this committee is going to have to take to heart for Bill 141.

I want to ask you in particular about the importance of multi-generational living, because, as I understand from your media reportage, this was an acquisition your family wanted to make to live together. Many life lease communities, as I'm aware of, are very targeted towards seniors and seniors only, and there's been some dissonance. There's been some disagreement or some discomfort when a resident of a life lease community—in some circumstances, not all—has said, “Actually, I'm at a stage in my life where I'd really love if my daughter moved in with me.” It's very common in my community that we have a multi-generational home, but that's at odds with the philosophy of a life lease community. The application gets rejected on those grounds. Do you think Bill 141 should improve some life lease regulations such that multi-generational folks in one home are accommodated? Because in many homes across this province, we have multi generations in a home, and it's very helpful for a whole bunch of reasons.

Ms. Lisa Lyn: There should be consideration. I mean, I understand that some communities will need to have that segregation of, let's say, 65 and above only. However, you still will have, I would believe, problems with that if there are single people living by themselves, because eventually, their autonomy will decline, and they'll either have to go into a long-term care—and from what I understand of the life lease concept, you own the inside of that building. So as long as there is, I guess, a waiver signed saying that this person is allowed to have a caregiver, who can be either a family member or a PSW, whoever it is they deem fit to live with this person, I don't see the problem.

The Chair (Ms. Laurie Scott): Fifty seconds.

Mr. Joel Harden: Sorry to put you on the spot, but that was important for you, if I'm understanding what you've said publicly. The ability to live with your family members was something, the choice—you made this acquisition, the family did, specifically so that choice could be possible.

Ms. Lisa Lyn: Yes. In our contract, we specifically went to a lawyer to ask the life lease owners if we could do this, because, of course, it said 65 and above—or 55 and above, I believe it was. So we put that stipulation into it, and they accepted it. As long as there's some kind of governing body and some kind of responsibility and something in the contract regarding that, I don't see a problem.

The Chair (Ms. Laurie Scott): Thank you very much. MPP Blais for four and a half minutes, please.

Mr. Stephen Blais: Thank you for coming and being an advocate and, as Joel said, sharing your family's story. I think any time there's any kind of change or innovation in any kind of business or market, there are—not loop-holes, but cracks that get formed and a lack of guardrails, as you put it, that need to be addressed, and I think that's been a constant refrain we've heard this afternoon and I think part of the reasons why MPP Rae and others have tried to get the ball rolling on this.

If I understood you correctly, you don't have a preference or really care about who the regulating authority might be, just that there is some kind of oversight and/or protective body for life lease communities.

Ms. Lisa Lyn: I'm not very familiar with the governing bodies like Tarion. That's the only reason why I know of

it, because of the condo stuff, but as long as there is some kind of government body that the community can go to—if somebody did something wrong, we go to the police. If something happens in a condo board, you go to the condo board, and then it gets—you know. There must be a governing body.

Mr. Stephen Blais: There needs to be a safety net.

Ms. Lisa Lyn: There needs to be safety net.

Mr. Stephen Blais: Yes. It would seem to me it would be very easy, pre-construction, to throw these communities under Tarion. Tarion is an insurance scheme, basically. The builder or the applicant pays a fee. If they don't return the deposits, Tarion covers the deposits, effectively—I'm oversimplifying. That would not, I don't think, create any additional red tape. That's a process and an agency that already exists, and this is a pre-construction development model not dissimilar from any other kind of development model. I think it would be pretty easy to give it to Tarion.

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Post-construction, post-opening and living, I think, is perhaps more convoluted. I don't think it needs to be, but I think maybe it will be. What kind of protections do you think that residents who might be already living in one—what could you perhaps envision them needing in terms of that safety net?

Ms. Lisa Lyn: So if I understand the life lease concept correctly, they pay down a certain amount and then, afterwards, there are the maintenance fees that they need to pay. There need to be guardrails for how much percentage there is in increase every single year—same as a condo, I would assume—and anybody that they can go to in regard to, what is the board going to look like? Is it going to have some residents that are living in that to have a say as to what needs to be done to the actual building itself? The maintenance, the grounds itself, how things are run—who is responsible for this? There needs to be something there.

Mr. Stephen Blais: Yes, I think it's safe to say that has been a fairly consistent refrain from the day today: that residents deserve and want to know what the financial situation is; that we can't allow maintenance fee increases to basically push people out of their homes, in some cases; that people want to have a say in how the community is run and operated.

The Chair (Ms. Laurie Scott): Fifty seconds left.

Mr. Stephen Blais: From my perspective, those are all fundamental elements of actually calling it a community. If you don't have a say in things, then you're not really in a community. You're kind of—I'm not sure I want to put a label on it, but I don't think it's a community if you don't have a say in it.

So I think, from my perspective, you've hit the nail right on the head. It's consumer protection: on the front end, making sure people get what they paid for, and if not, that there's compensation for that and, obviously, you get your money back. And then afterwards, making sure they're not paying prisoners, for lack of a better descriptor. That's maybe too hyperbolic.

Anyway, thank you very much for your time today.

The Chair (Ms. Laurie Scott): I'm sorry. That's all the time we have.

But we have one more round of questioning. There are seven and a half minutes for the government. MPP Smith, please.

Mr. Dave Smith: I described this earlier today as kind of in between a condo and a leasing or rental arrangement. It's not at the same cost level as a condo to purchase into it. It's not at same cost level as a traditional rental. And that's why this type of legislation, I think, is something that's needed, because it doesn't fit into where other real estate "products" are, to use probably an inappropriate term.

I want to first start off, though, with—the story that you're telling is a heartbreaking story, and I don't think that there is anyone who is going to be sitting here, whether they're in this committee or anywhere in Ontario, and say you were not done wrong. Because, absolutely, yourself as well as all of the others who in good faith put money down to purchase something, and then saw the money absolutely disappear with no recourse to you, that is 100% something that must be addressed. How do we make sure that we put ourselves in a position where that doesn't happen? It's an ongoing challenge, I'll say that.

The reason I say that is we've heard many stories throughout the years of unscrupulous financial advisers who have come up with pyramid schemes, who have been able to convince people to invest in it, and then people losing all of their money as a result of that. I'm not 100% convinced that we're going to come up with the perfect method to stop those bad actors from actually doing it, but we have to try to find a way to mitigate that so that as few people as possible find themselves in your situation.

When you first looked at this, did you have much knowledge of what a life lease was, or was this something that was a new concept when you first looked at purchasing?

Ms. Lisa Lyn: It was a new idea. When we were passing by, looking at the sign, all we saw was "55-plus community." I was looking for someplace for my grandmother. Over the years, as she started declining, I started realizing, hey, she needed either to stay at home, go into long-term care or, somehow, I would live with her.

We went into the project thinking that it was like a condo, but the pricing was reasonable compared to the other areas around in Markham and those kinds of places. We were actually looking at a place in Markham. However, since this was a community that was touted as having doctors, dentists on the lower floor—it's going to be a community. It's next to a church. It's close by Scarborough Town Centre and all the amenities that one would want to have close by. It seemed as it would be a better fit for her, so that's why we went with it.

However, when we got the contract, the life lease idea, no lawyer that we went to really knew about what this life lease was all about. Hence why we signed but only found out later on exactly what that entailed, not to ultimately mention that this not-for-profit business actually changed the life lease into something else behind our backs.

Mr. Dave Smith: So in your situation you had a couple of challenges on it. There was a lack of transparency; a lack of proper information being given to you from those who were selling it—that was the unscrupulous part of it—a lack of knowledge on the real estate law side from lawyers

that you had gone to on this; and, obviously, without that amount of education being given to you, a lack of understanding of what the life lease itself would have been. I don't want to conflate the two issues, because the first issue was the sale and purchase itself and how that wasn't conducted above board. The second issue is the life lease that this legislation would be looking at dealing with, and how do we set things up in a way so that the life lease itself is very effective and useful for consumers.

From your experience, I would suggest that we as a government, and we as a society, need to do a much better job in educating what this is and ensuring that those who are providing legal advice to you have a full understanding of it or would disclose that they haven't dealt with this type of thing in the past. Is that a fair assumption?

Ms. Lisa Lyn: I would agree with that.

Mr. Dave Smith: So if I take the sale portion and set it aside for a moment, because we all recognize that this was not something that was done—I don't want to say it wasn't done in good faith, but it doesn't appear to have been done completely above board. I don't want to put something out there that could perhaps put me in a legal situation where they sue me for it.

On the life lease side though, when they gave you the life lease and you took that to the lawyer, was there a true explanation of how a life lease could work for you? And did you understand what it was you were signing up for on that portion of it?

Ms. Lisa Lyn: From our understanding at the time, it was that the church would be owning the outside of the building, and we would be owning the inside of the building.

Mr. Dave Smith: Was there a governance structure that was put in that contract that a lawyer or yourself looked at and said, "Oh yes, this makes sense. While we're living there, we have recourse to make suggestions or have input on how the building is going to be maintained and how we are going to elect the board of governors and those types of things"?

The Chair (Ms. Laurie Scott): Sixty seconds left. Sorry.

Ms. Lisa Lyn: To be honest, this would be the first time that I would be living in a condo. It looked, on the surface, okay. My lawyer said it looked okay as well, only to find out later that there were a lot of loopholes in that contract that allowed them to do some things that didn't work out, clearly.

Mr. Dave Smith: Again, since we're almost out of time, my heart goes out to you and to everyone that was involved with this. This is a terrible situation. It is something that we are going to have to take a look at on how we make sure that other unscrupulous actors don't get to a spot where they can take advantage of people this way. I'm very sorry that you've had to go through this.

The Chair (Ms. Laurie Scott): Thank you very much. That's the end of the presentations for today. Thank you for coming before us, Lisa.

Just a reminder that the deadline for filing written submissions to the bill is 7 p.m. on Wednesday, February 7, 2024, and that the committee is now adjourned for the day. Thank you, everyone.

The committee adjourned at 1430.

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