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Increased Protection for Vancouver's Renters

Presentation to Council
December 10, 2015



Presentation outline



Why protect renters?

What we are doing now.

What we are recommending.

What other governments can do.

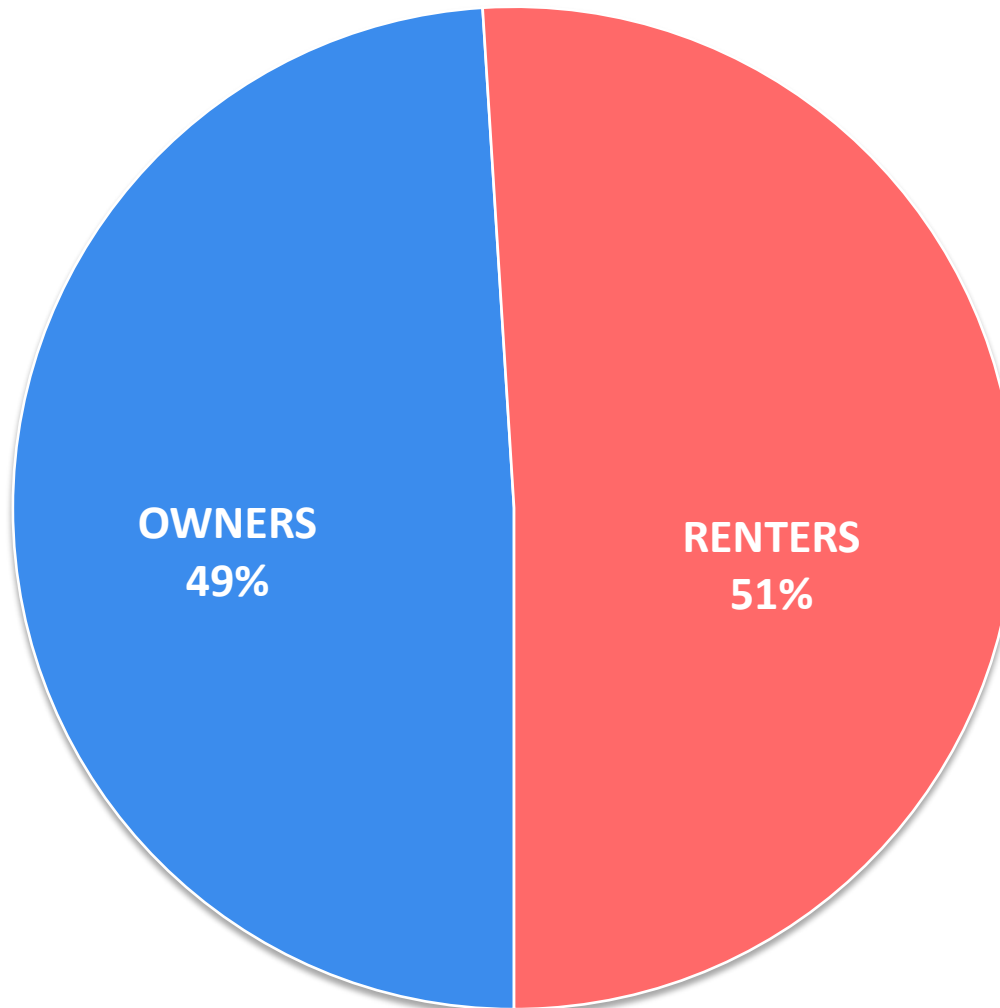


Why protect renters?

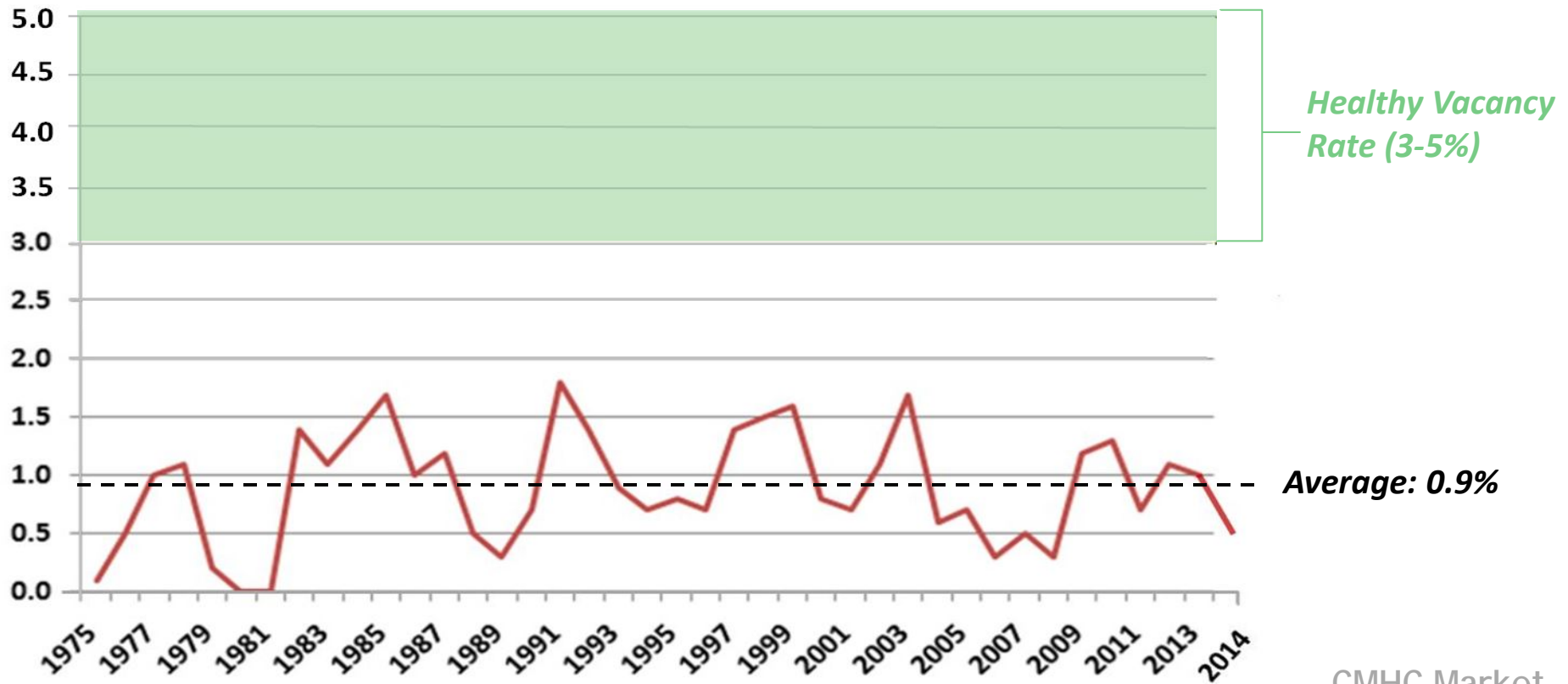
Renters are essential to a healthy and vibrant city



Renters make up half of Vancouver's households



Vancouver has low vacancy...

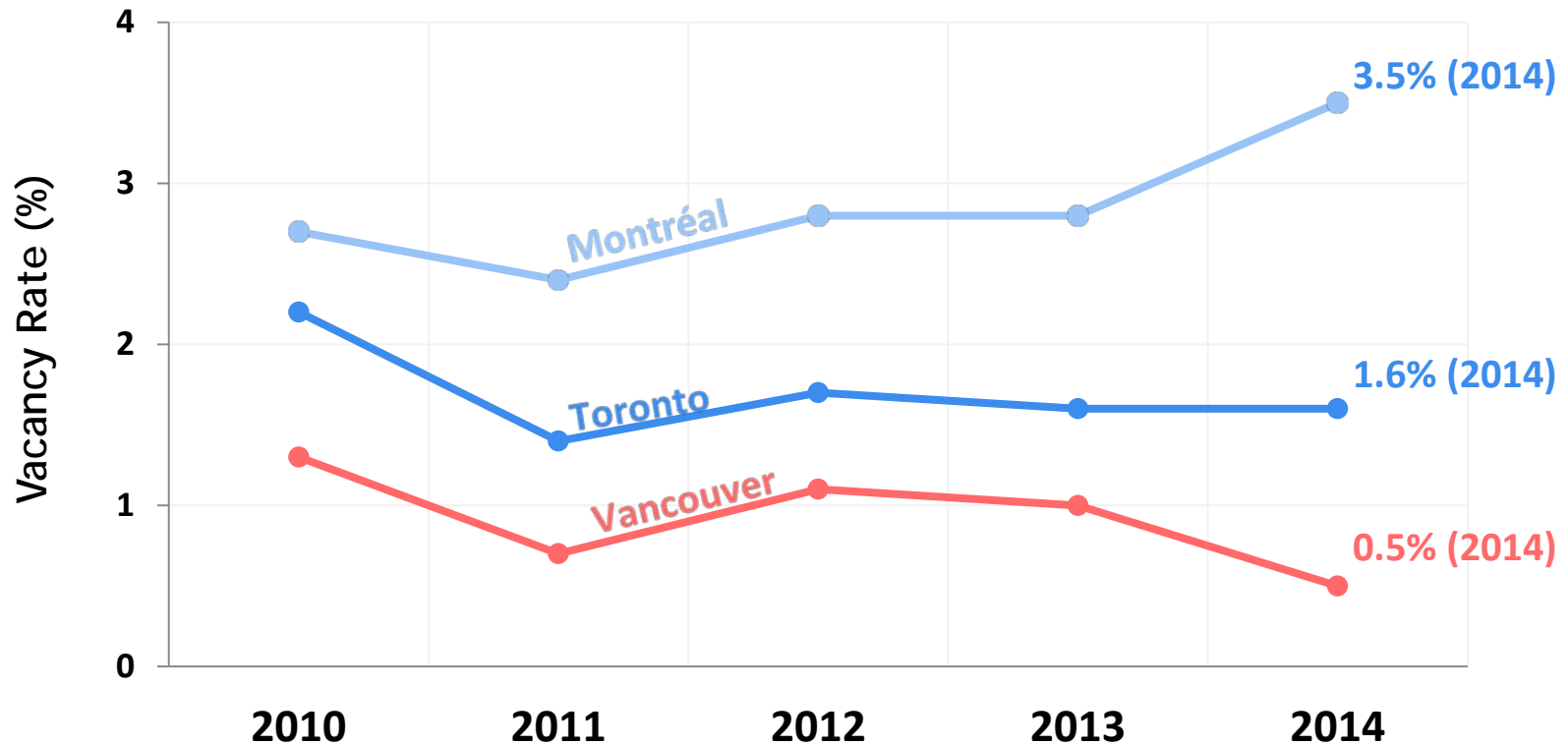


CMHC Market
Apartment
Vacancy Rate -
Vancouver City

In fact, the lowest vacancy in Canada



Vacancy Rate in the Last 5 Years



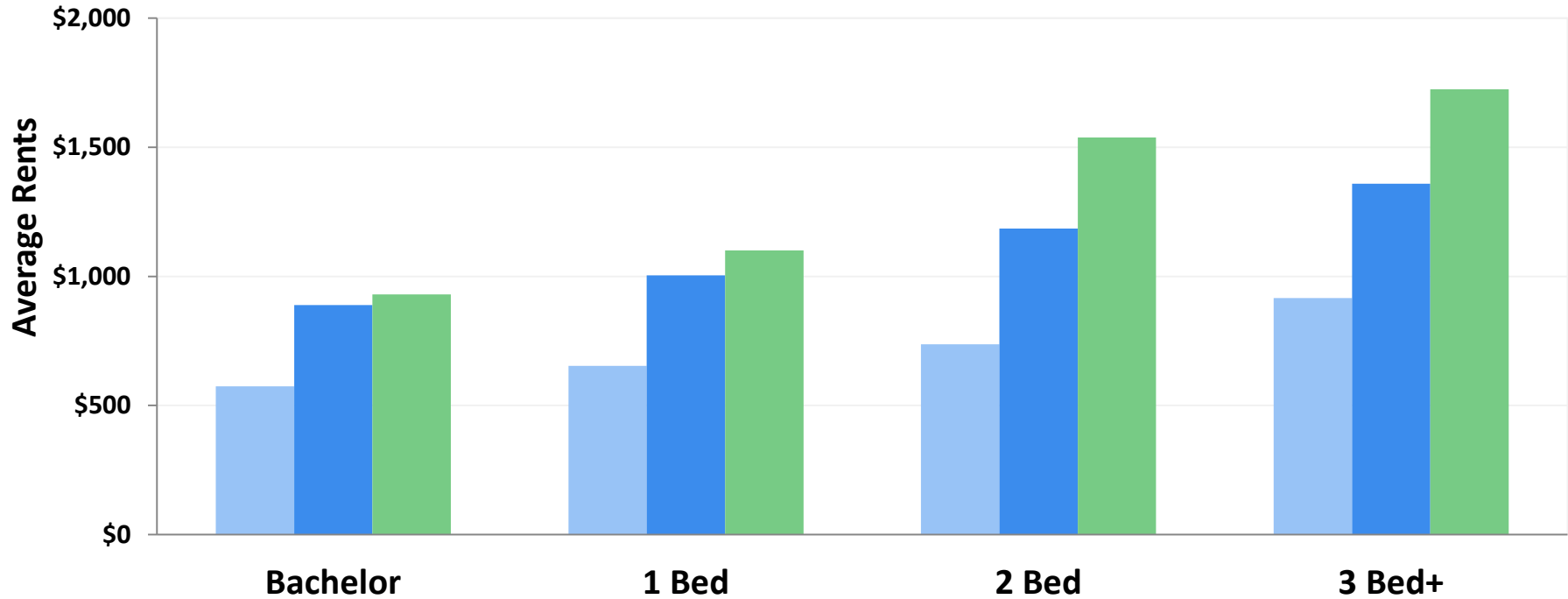
Source: CMHC Rental Market Survey 2014, Data Reported at CSD Level

Vancouver has highest rents



Montréal Toronto Vancouver

Average Rents By Bedroom Type (2014)



Source: CMHC Rental Market Survey 2014, Data reported at CSD level

Renters face significant affordability challenges

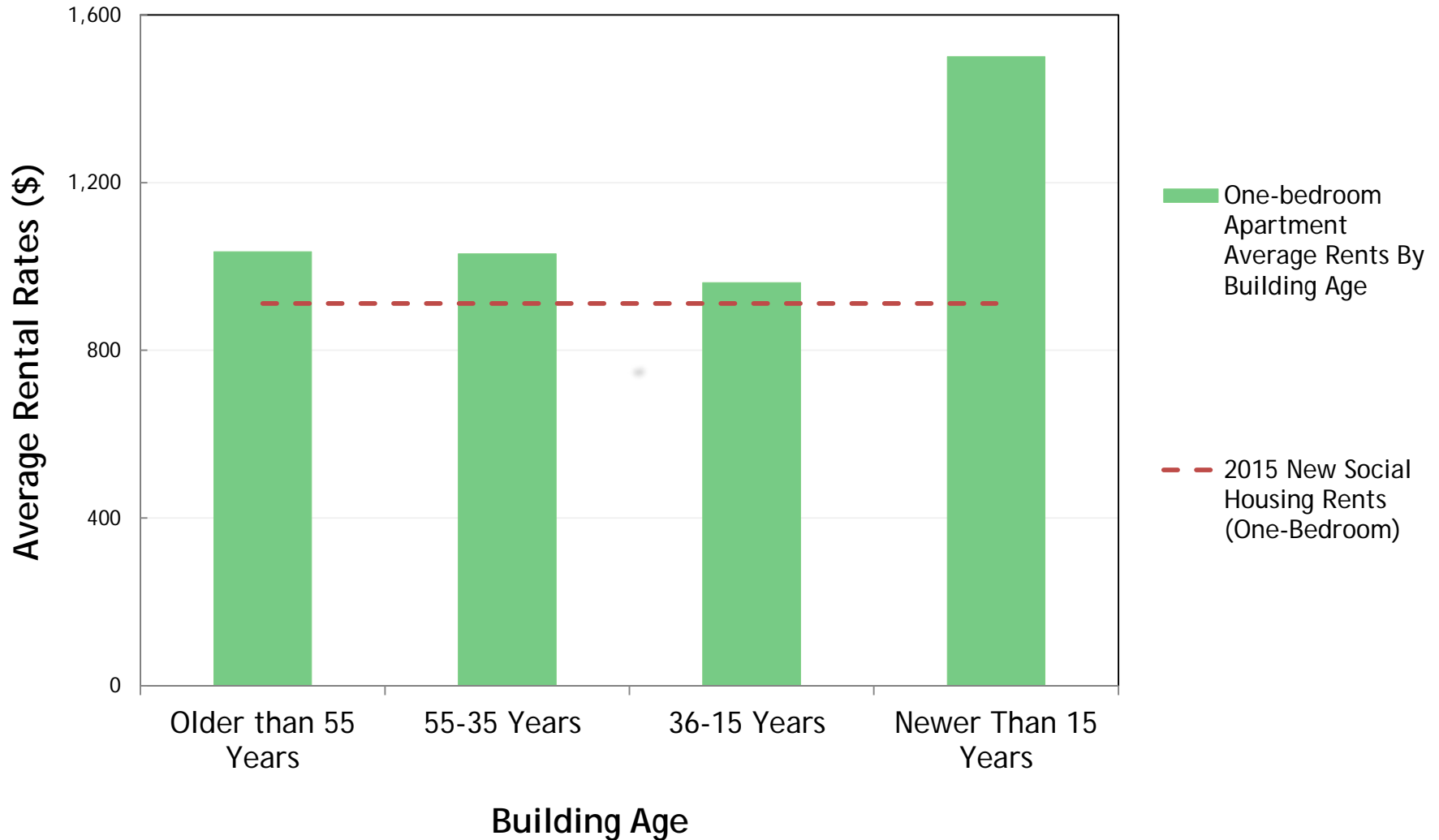


- 40% of renters **pay more than 30%** of income on rent
- 15% of renters **pay more than 50%** of income on rent
- Only 24% of SRO rooms rent at shelter assistance rates (\$375), down from 36% in 2009

Older Rental Stock is More Affordable



1BD Private Apartment Rents by Building Age



Renters **rely** on their neighborhoods



Renters are more **reliant** on access to transit, community amenities, and social services



This means a move can be highly disruptive, especially for **vulnerable tenants**

Landlords in aging properties feel the squeeze



- Growing repair and energy needs of aging stock
- Economics of major repairs may mean tough choices



The challenge: **protecting renters** **while** maintaining the stock





What we are doing now.

Existing Regulations



Certain zones designated as
“Rate of Change” areas

Tenant relocation plans
required when tenants are
impacted

Replace rental units on a 1-
for-1 basis for new
developments with more than
6 units

Existing Regulations



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PHASE I: NEW POLICY & GUIDELINES

Replace rental units on a 1-
for-1 basis for new
developments with more than
6 units

Existing Regulations



Certain zones designated as
“Rate of Change” areas

Tenant relocation plans
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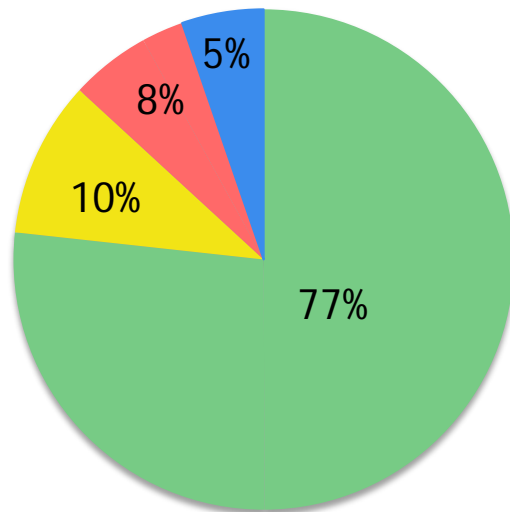
Replace rental units on a 1-
for-1 basis for new
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PHASE 2: REPLACEMENT OPTIONS
AND STRATEGIES FOR REINVESTMENT

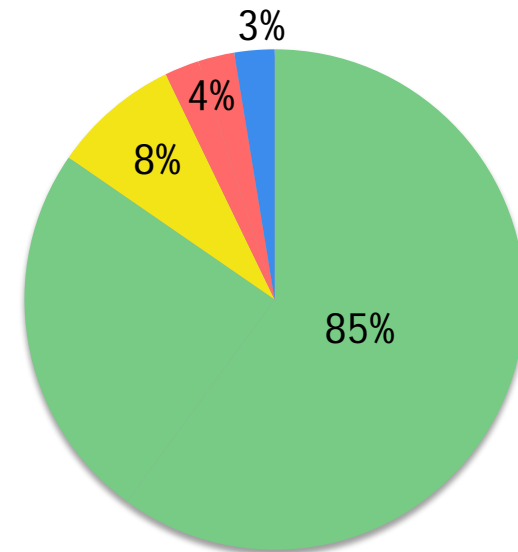
Tenant relocation: What we heard from renters



Do you agree with 1-for-1 replacement of rental units?



Do you agree the City should minimize the impact of redevelopment on tenants?



N = 761

Strong support for existing rental replacement regulations and for tenant relocation plans

Tenant relocation: What we heard from renters



Low
Vacancy,
hard to find a
new place to rent
especially with a family

**“Provide Renters
With Safety and
Security”**

“More Housing
Affordability”

“It’s expensive to be relocated,
and this policy helps with that”

“Housing is a
human right”

**“Right
of First
Refusal”**

“Limit
rent increases
for new units”

“More Outreach”

“Current
Policy Not
Sufficient”

“Protect
vulnerable
tenants”

“The issue here
is enforceability”

**“Minimize
Renovictions”**

“How is this policy monitored and regulated?”

“Important to
maintain community/
sense of place for seniors”

“Being evicted is like being laid off,
some compensation is needed”.

“I would need
monetary help
if I had to move.”

“Help with finding
a replacement rental
unit could be helpful
in a tight rental market.”

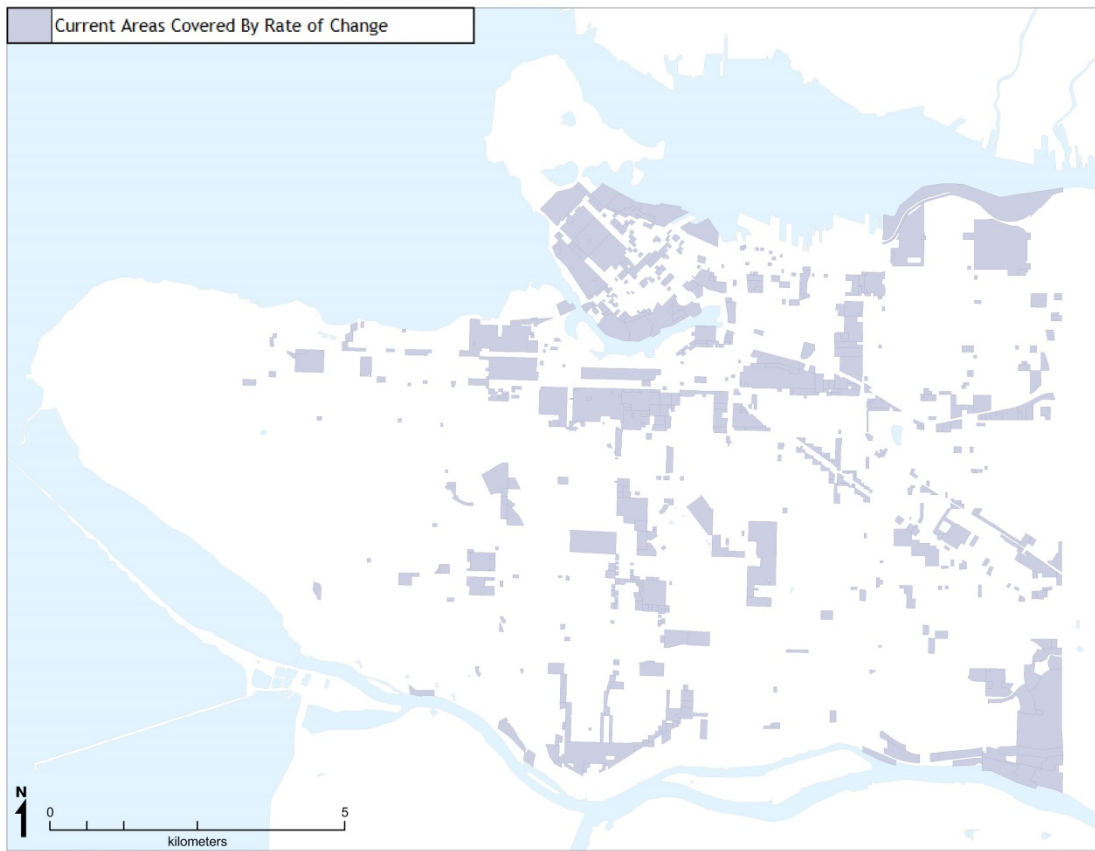
More clarity

Current guidelines
do not go far
enough

Increased support
for those who need
it



What we are recommending.

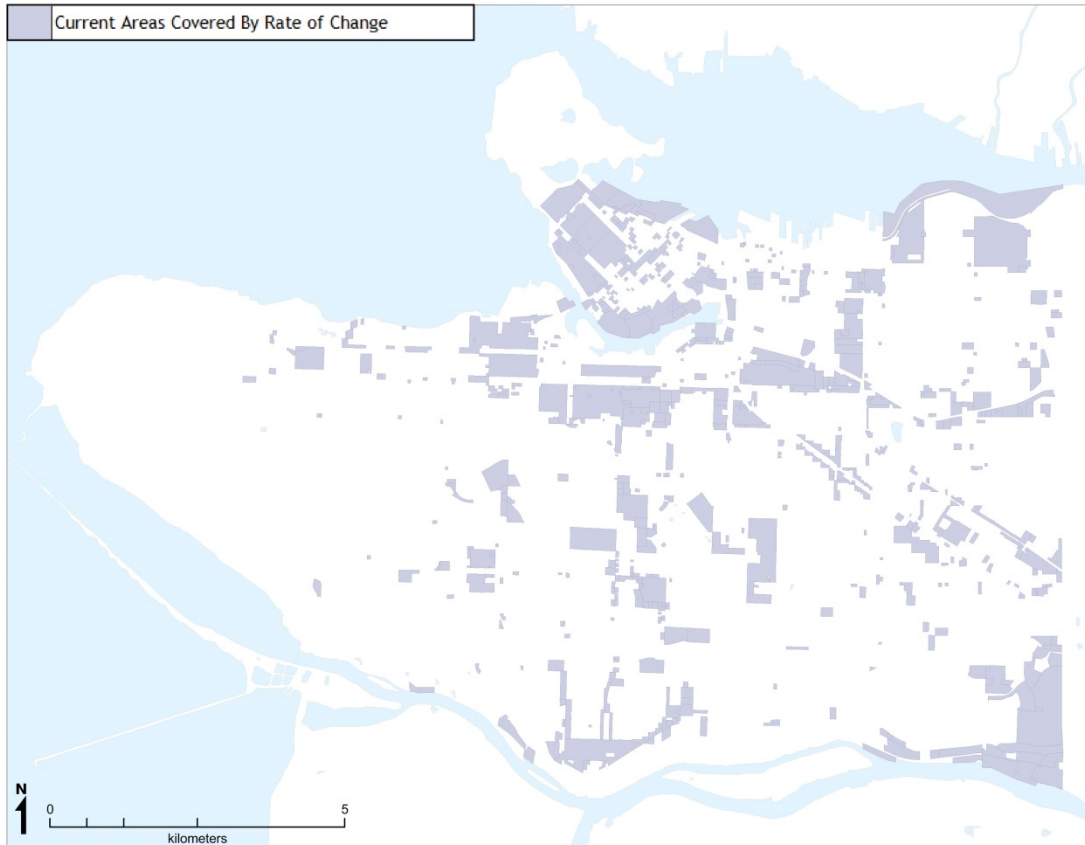


Current Guidelines:
Tenant Relocation Plans
required in
Rate of Change areas



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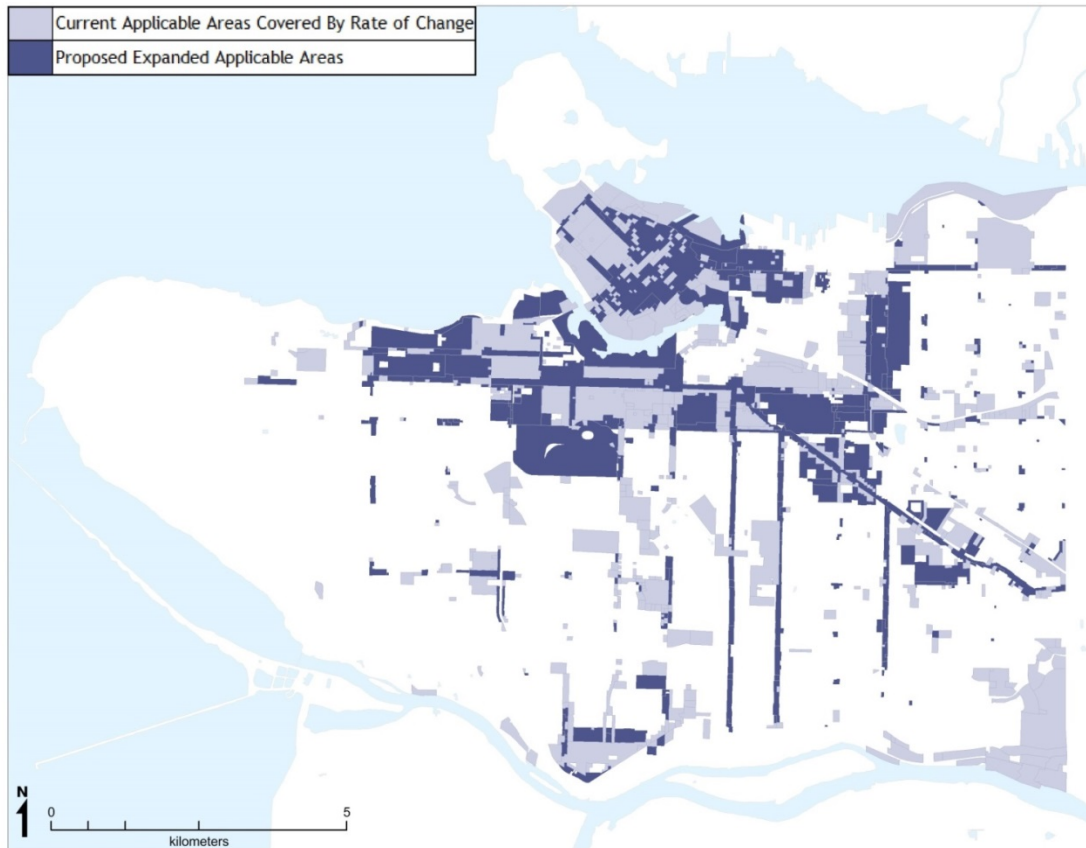
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Current Guidelines:
Tenant Relocation Plans
required in
Rate of Change areas

“Shouldn’t
ALL renters
qualify for
relocation
plans?”

Proposal 1: Tenant Relocation Plans Required in **More Areas**



Exclusions: single-family, industrial, and agricultural zones

Current Guidelines:
Tenant Relocation Plans required in *Rate of Change areas*



- Proposed Policy:**
Tenant Relocation Plans required in more areas
- Purpose-built rental
 - Multiple conversion dwellings over 6 units
 - Applies to rezoning or development permit applications



**Current
Guidelines:**
2 months' free
rent for all
displaced
tenants





Current
Guidelines:
2 months' free
rent for all
displaced
tenants

“**Long-term renters** are often seniors on **fixed income**, who may not have enough saved for a deposit on a new apartment.”



Proposal 2: scale compensation based on length of tenancy



Current Guidelines:
2 months' free rent for all displaced tenants



Proposed Policy:
Additional compensation for longer-term renters:

- 2 months' free rent for tenancies up to 4 years
- 3 months for 5-7 years
- 4 months for 10+ years
- 6 months for 20+ years





Current Guidelines:
Moving expenses
reimbursed after the
fact based on
receipts provided





Current Guidelines:
Moving expenses
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fact based on
receipts provided

“It’s inconvenient
and frustrating to
follow up with a
former landlord to
get reimbursed for
expensive moving
costs.”



Proposal 3: upfront compensation for moving expenses



Current Guidelines:
Moving expenses reimbursed after the fact based on receipts provided



Proposed Policy:
Pre-arrangement of insured moving company, or flat rate for moving expenses

- \$750 for bachelor/1bd
- \$1000 for 2 or more bedrooms





**Current
Guidelines:
Assist tenants
with finding
alternate
accommodations**





Current Guidelines:
Assist tenants with finding alternate accommodations

“Some long-term tenants haven’t looked for an apartment in 10 or 20 years – where do they even start?”



Proposal 4: More assistance in finding **alternate accommodations**



Current Guidelines:
Assist tenants with finding alternate accommodations



Proposed Policy:
For tenants who request assistance, 3 options provided at no more than CMHC average rents; one in the community, and all in Vancouver



Proposal 4: Issues and Implementation



Landlords who start early and work with housing consultants are typically able to find housing

CHMC average rents intended to balance feasibility & affordability for most cases

Staff to monitor during implementation

In implementation, only a small number of tenants request assistance

CMHC avg. rents more affordable than new market units, but may still be out of reach for some

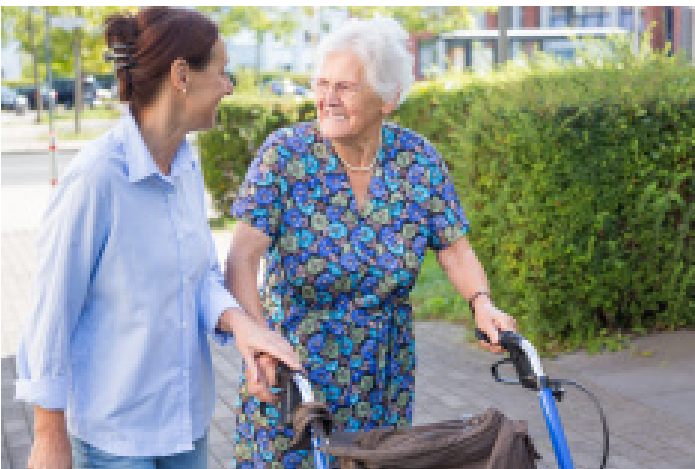
CoV Staff discretion to provide additional assistance



**New Policy:
3 options at no more than
CMHC average rents**



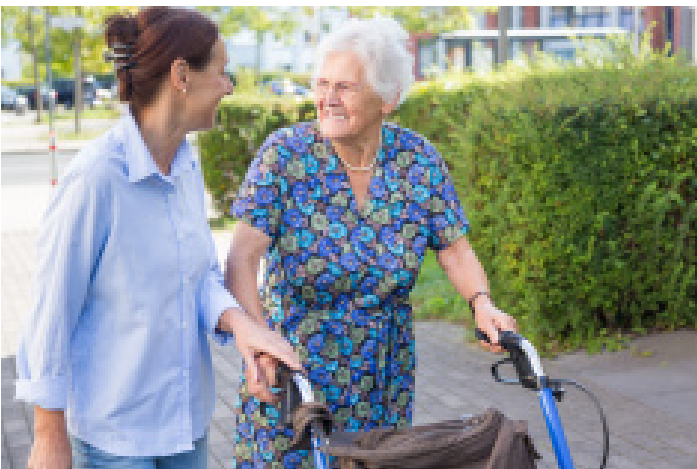
**Current
Guidelines:
No extra support
for vulnerable
tenants**





Current Guidelines:
No extra support for vulnerable tenants

“Some might need extra help throughout the moving process, from logistics, to finding a new apartment, to packing and moving.”



Proposal 5: additional support for **vulnerable tenants**



Current Guidelines:
No extra support for vulnerable tenants



Proposed Policy:
Provide additional support to **Vulnerable tenants** (seniors, the disabled, and those with mental health issues) at the City's discretion.

Support may include:

- Contracting with a tenant relocation specialist
- Partnerships with health organizations and other non-profit services





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**Current
Guidelines:**
Right-of-first-
refusal to
relocate into
new unit on site
at market rents



Current Guidelines:
Right-of-first-refusal to relocate into new unit on site at market rents

“The Right of First Refusal isn’t a meaningful option if the new rents are out of reach.”



Proposal 6: providing right of first refusal with **discounted rent**



Current Guidelines:
Right-of-first-refusal to relocate into new unit on site at market rents



Proposed Policy:
ROFR at 20% discount below market rents

Further expansion:

- ROFR now applies to all new purpose-built market rental projects, not just rate of change areas
- if replacement is with social housing, ROFR is offered to eligible tenants



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**Current
Guidelines:**
No mechanism
for protecting
renters for minor
work under
development
permits



Current Guidelines:
No mechanism for protecting renters for minor work under development permits

“Renters are being squeezed out of entire buildings, and all they were doing was work on a couple of units.”

Proposal 7: tenant impact statements for minor work



Current Guidelines:
No mechanism for protecting renters for minor work under development permits



New Policy:
Signed declaration required that tenancies will not be disrupted

Proposal 8: Support for Landlord-Tenant Mediation

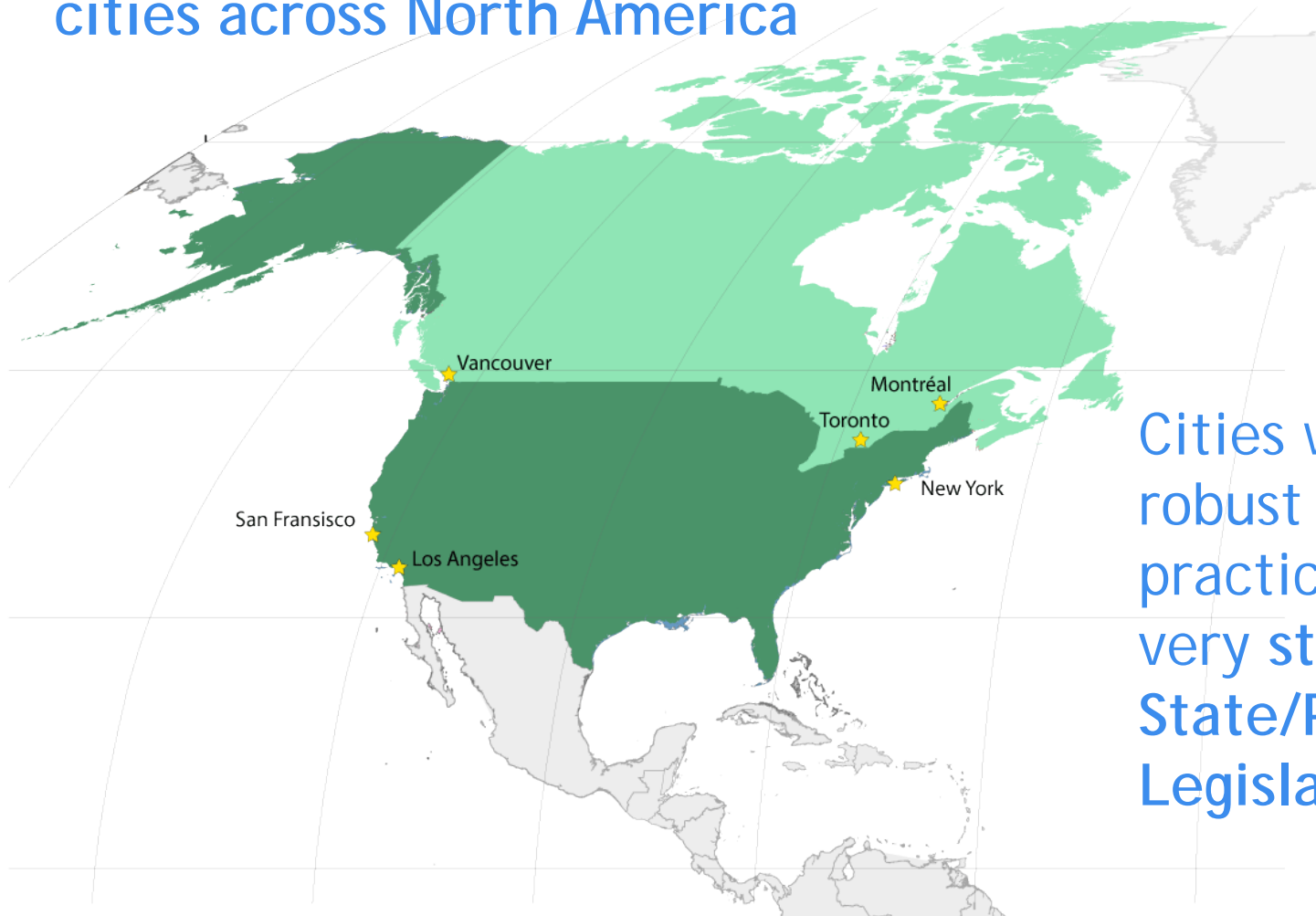


\$40,000 grant to support societies that represent and assist vulnerable tenants with mediation of tenant and landlord conflicts, especially during relocation processes

How does our proposal compare to other cities?



Vancouver's approach is in line with practices in major cities across North America



Cities with the most robust relocation practices have very strong State/Provincial Legislation



What other governments can do.

Need for Provincial Action



The City can regulate the **impact of development**

However, the Province has broader ability to protect tenants through the **Residential Tenancy Act (RTA)**

Vancouver Renters' Advisory Committee Recommendations for RTA Reform



1. Clarify legal regime
2. Modernize technology and systems
3. Faster and more responsive Branch
4. Real penalties for landlords who break laws
5. Stronger protections for low-income renters
6. Housing security and stability for all renters



RENTAL
RECOMMENDATIONS
2015

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CITY PRIORITY



RENTAL
RECOMMENDATIONS
2015

Priority RTA Changes

RENTAL RECOMMENDATIONS 2015

1. Provide
Right-of-First-Refusal
after all renovations
Province-wide with
reasonable returning rents





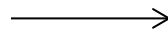
2. Initiate a review of rent increase provisions while also allowing for fair rent increases to reflect major necessary improvements

3. Address significant rent increases arising from fixed-term tenancies





4. Prevent loss of
affordable SRO
stock



Rent control tied to
SRO unit, not the
occupant, to
stabilize rents

Summary



- Vacancy and affordability challenges are **driving increased pressure on renters**
- Proposed Tenant Relocation Policy **means greater protection**, especially for those who need it most
- **Advocacy for RTA reform** is critical as we move ahead



Thank you!

Clarification - Alternate Accommodation



Existing Rate of Change Guidelines (2007)	Existing Practice	Existing Policy	Proposed Policy and Guidelines
<p>When reviewing a development permit application , the Development Permit Board is to consider :</p> <p>(c) the extent to which the development permit application provides for alternate accommodations</p>	<p>Has varied over the last 8 years</p> <p>Recently, the City has been asking for: 3 options within 10% of the existing rent, At least 1 within the community 2 in the rest of Vancouver</p>	<p>NONE</p>	<p>3 options below CMHC average rents for the area</p> <ul style="list-style-type: none"> - 1 within the community, - 2 in the rest of Vancouver <p>Vulnerable tenants provision, e.g. additional support for finding alternate accommodation within 10% if needed</p>