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

Source: 2011 National Household Survey
Vancouver has low vacancy...

Healthy Vacancy Rate (3-5%)

Average: 0.9%

CMHC Market Apartment Vacancy Rate - Vancouver City
In fact, the lowest vacancy in Canada

Vacancy Rate in the Last 5 Years

Montréal
Toronto
Vancouver

Source: CMHC Rental Market Survey 2014, Data Reported at CSD Level
Vancouver has highest rents

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

- Older than 55 Years
- 55-35 Years
- 36-15 Years
- Newer Than 15 Years

Average Rental Rates ($)

- One-bedroom Apartment Average Rents By Building Age

2015 New Social Housing Rents (One-Bedroom)
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

Certain zones designated as “Rate of Change” areas

Tenant relocation plans required when tenants are impacted

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 required when tenants are impacted

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

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?

- Agree: 77%
- Neutral: 10%
- Disagree: 5%
- Not Sure: 8%

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

- Agree: 85%
- Neutral: 8%
- Disagree: 4%
- Not Sure: 3%

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

Data from Talk Housing Survey, Administered by CoV August 28 - November 2, 2015

N = 761
Tenant relocation: What we heard from renters

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
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

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

Exclusions: single-family, industrial, and agricultural zones

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
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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.”
Current Guidelines: 2 months’ free rent for all displaced tenants

Proposal 2: scale compensation based on length of tenancy

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
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

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

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

CMHC 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
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
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
Current Guidelines:
No mechanism for protecting renters for minor work under development permits
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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).
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
Vancouver Renters’ Advisory Committee Recommendations for RTA Reform

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CITY PRIORITY
Priority RTA Changes

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
Priority RTA Changes

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

<table>
<thead>
<tr>
<th>Existing Rate of Change Guidelines (2007)</th>
<th>Existing Practice</th>
<th>Existing Policy</th>
<th>Proposed Policy and Guidelines</th>
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</thead>
<tbody>
<tr>
<td>When reviewing a development permit application, the Development Permit Board is to consider:</td>
<td>Has varied over the last 8 years</td>
<td><strong>NONE</strong></td>
<td>3 options below CMHC average rents for the area</td>
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<td>(c) the extent to which the development permit application provides for alternate accommodations</td>
<td>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</td>
<td>Vulnerable tenants provision, e.g. additional support for finding alternate accommodation within 10% if needed</td>
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