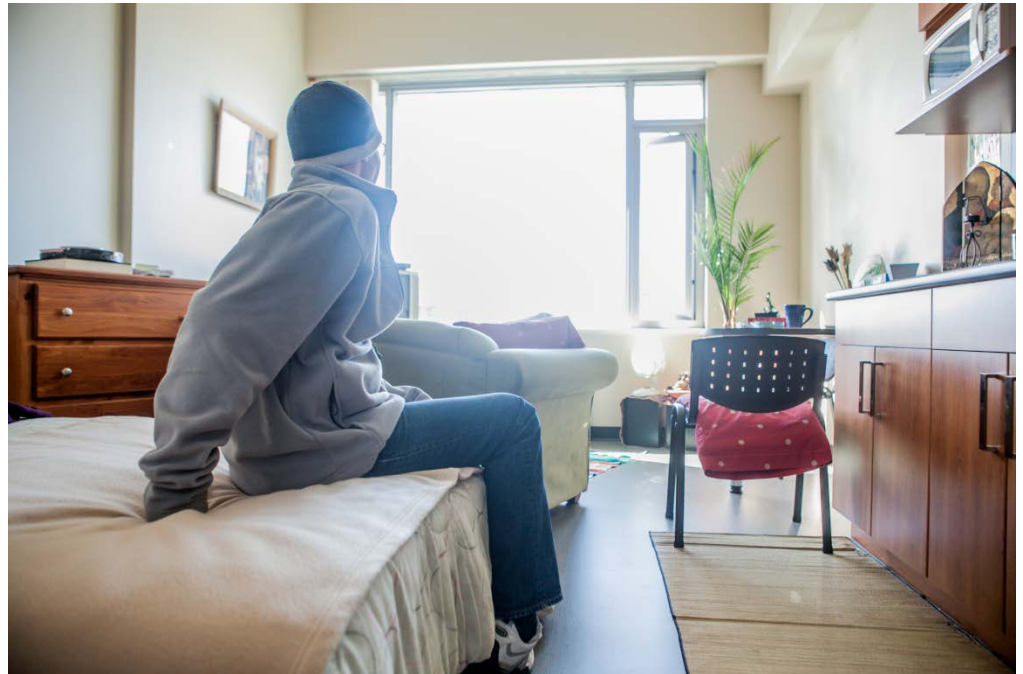


Report Back to Council: Renter Protection Work Program

Presentation Outline

1. Council Direction – Priority for Renters
2. Challenges for Renters Across the Income Spectrum
3. Work to Date and Addressing New Challenges
4. Action Plan to Address Council Motions



Council Direction – Priority for Renters

Approved Council Motions

Motion B.10: Protecting Tenants from Renovictions and Aggressive Buy-Outs

Tenant Relocation and Protect Policy (TRPP)	Offer displaced tenants the opportunity to move out during renovations without leases ending or rent increasing
Apartment buildings sold	Upon building sale, immediately send tenants their tenancy rights by mail
Tenant buyouts	Regulate and publicly register all tenant buyouts
Explore ability to take action on tenancy issues	<p>Report back in Q1 2019 with:</p> <ul style="list-style-type: none">• Language and timeline to amend <i>Vancouver Charter</i> to allow City to perform actions that affect tenancy issues• An assessment of staff time and resources and impacts of implementing these measures• Other measures the City can undertake to protect tenants from renovictions and buyouts
Renters and rental supply	<p>Report back in Q1 of 2019 with impacts of:</p> <ul style="list-style-type: none">• TRPP amendments to apply to all forms of rental accommodation• Vacancy controls or maximum rent increases between tenancies

Approved Council Motions

Motion B.2: A Renter's Office at the City of Vancouver

Track, target, resource, and support	Responsible for targeting, tracking, resourcing, and supporting Vancouver renters and renter issues
Official City point of contact	For renter and tenancy issues, including Standards of Maintenance, Tenant Relocation and Protections, and renovations
Coordination with existing renter advocacy groups	Including but not limited to Tenant Resource and Advisory Centre (TRAC), Residential Tenancy Branch (RTB), and the Vancouver Tenants Union (VTU) or providing direct legal advice to concerned parties
Coordination with City permitting	Align with City permits, building inspections, and licensing (including business and Short-Term Rental) departments and data in order to protect tenants from illegal renovations and monitor rate of change
Advise and work with City committees	Work to advocate for the needs of market and non-market renters including public, non-profit, and co-op housing
Eliminate barriers for residents	Ensure that critical tenant services are accessible for residents without full citizenship rights and/or with limited English proficiency by offering services in, but not limited to, Cantonese, Mandarin, Vietnamese, Punjabi, Korean, Japanese, Spanish, and Persian (Farsi)

Housing Crisis for Renters

Nov. 27 Council Meeting on Motion B.10 – 90 residents/groups registered; 56 speakers

What we heard

- Vulnerable residents (seniors, families w/ children, LGBTQ individuals, indigenous households) at risk of homelessness from renovations
- Mental, physical and health impacts on renters facing evictions or buy-out pressure
- Calls for stronger renter protections at all levels of government, including protection from renovations, buy-outs, and excessive rent increases
- Unethical business practices, while not the norm, has a negative impact some renters



Housing Crisis for Renters

Rising Rents and Affordability Challenges and Risk of Displacement

Metro Vancouver renters 'increasingly concerned at the threat of eviction': study

Vancouver's average rental price for one-bedroom apartment jumps to \$2,100

Toronto, with a median asking rental price of \$2,230, is the most expensive city in Canada to rent a one-bedroom apartment, followed by Vancouver, Burnaby (\$1,580), Montreal (\$1,410) and Barrie, Ont. (\$1,360).

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Vancouver

Rents rising despite more supply in Metro Vancouver and rest of B.C.

Vancouver Homes, Real Estate, Urbanized, News

Monthly rent in Vancouver predicted to rise 7% in 2019: report

 DH Vancouver Staff
Jan 04, 2019 5:17 pm



Metro Vancouver vacancy remained tight in 2018 while rents soared

It is the fifth consecutive year Metro Vancouver's rental vacancy rate has been at or below one per cent, which continues to put pressure on rents.

To avoid renoviction battles, Vancouver landlords are offering tenants money to move out

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Vancouver

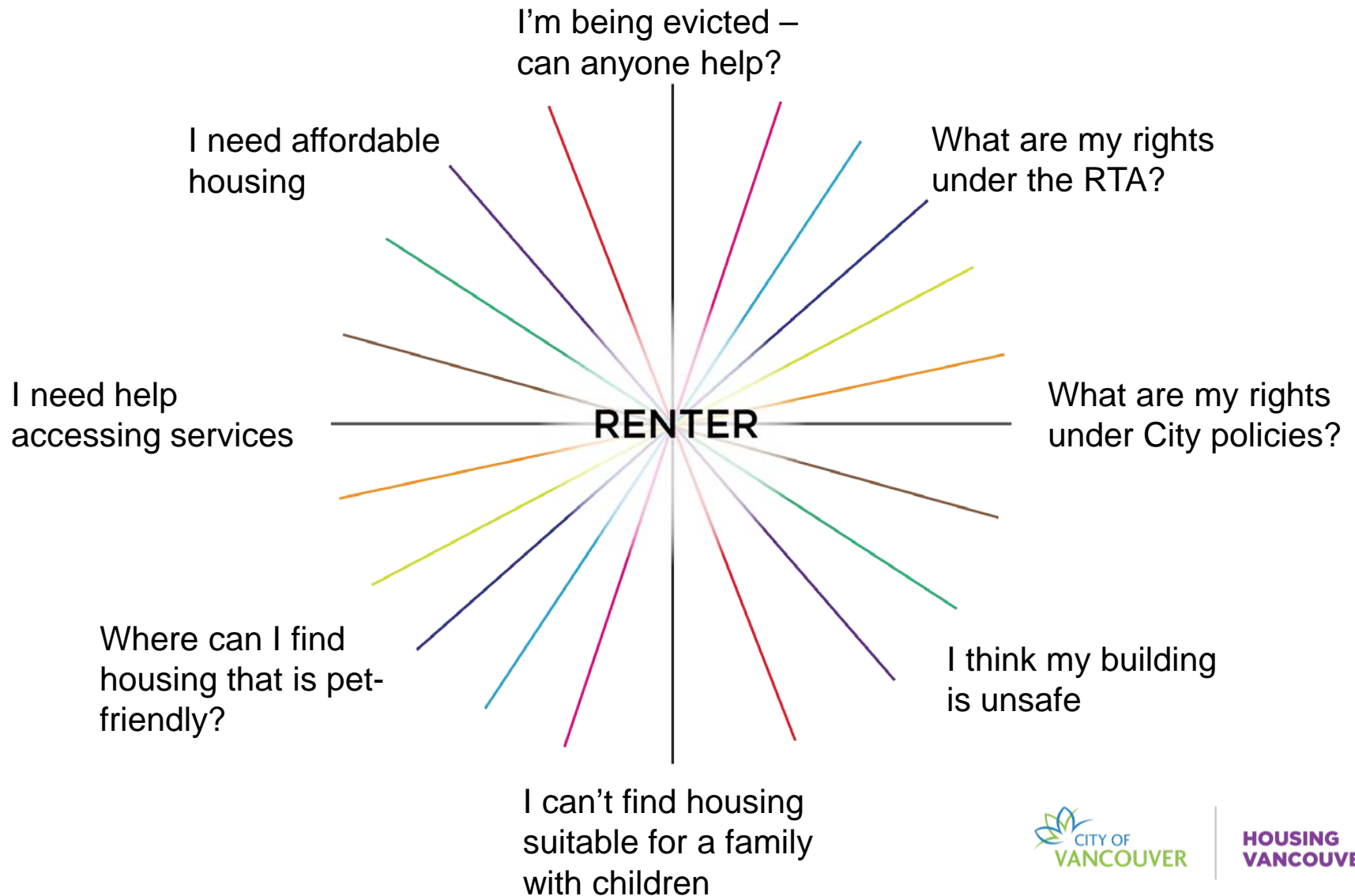
'Not sure where I'll go': With a renoviction looming, this 79-year-old renter is urging local governments to act now

Home » Real Estate

The big squeeze: Vancouver rental vacancy rate tightens again

Rate drops from 0.9 to 0.8 per cent as would-be homebuyers stay in rentals; average rent jumps 6.1 per cent, reports CMHC

Expanding our renter's lens: better integration and coordination



Current Renter Protection & Services Landscape

Province



- ☐ Residential Tenancy Act
- ☐ Residential Tenancy Board
- ☐ Rental Housing Taskforce

City



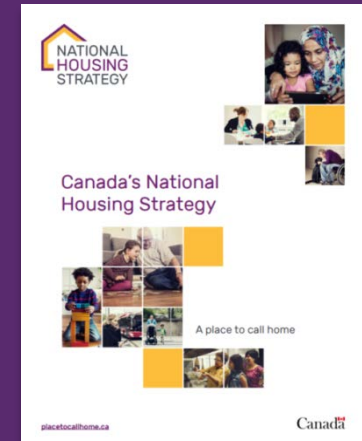
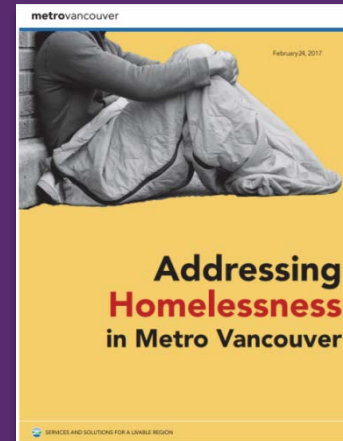
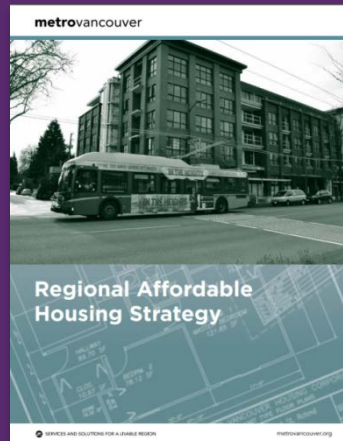
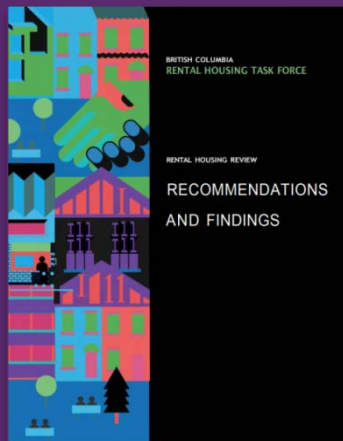
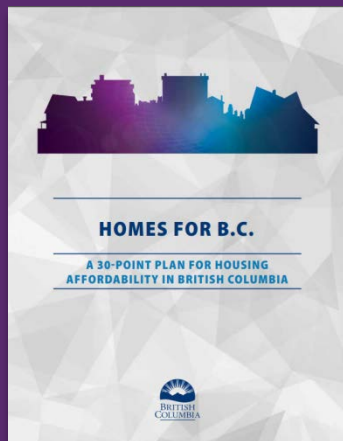
- ☐ Policy development & advocacy
- ☐ Data tracking/reporting
- ☐ Tenant Relocation policy, implementation
- ☐ Renters Line (primarily TRP, increasing permit issues)
- ☐ SRO Tactical Team
- ☐ Homelessness Outreach

Community



- ☐ Legal advocacy: TRAC, First United, etc.
- ☐ Awareness/Education: VTU, SRO Collaborative. Abundant Vancouver, etc.
- ☐ Rental sector: Landlord BC, UDI, etc.

Governments are taking action



Key recent actions from other levels of government

Provincial Rental Housing Task Force

Key Recommendations

- Stop renovictions
- Clarify that evictions are to be used for serious, major and long-term renovations
- Requiring landlords to provide evidence to both the tenant and RTB that an eviction is necessary

National Housing Strategy

- Community-based Tenant Initiative
- Housing Benefit Program

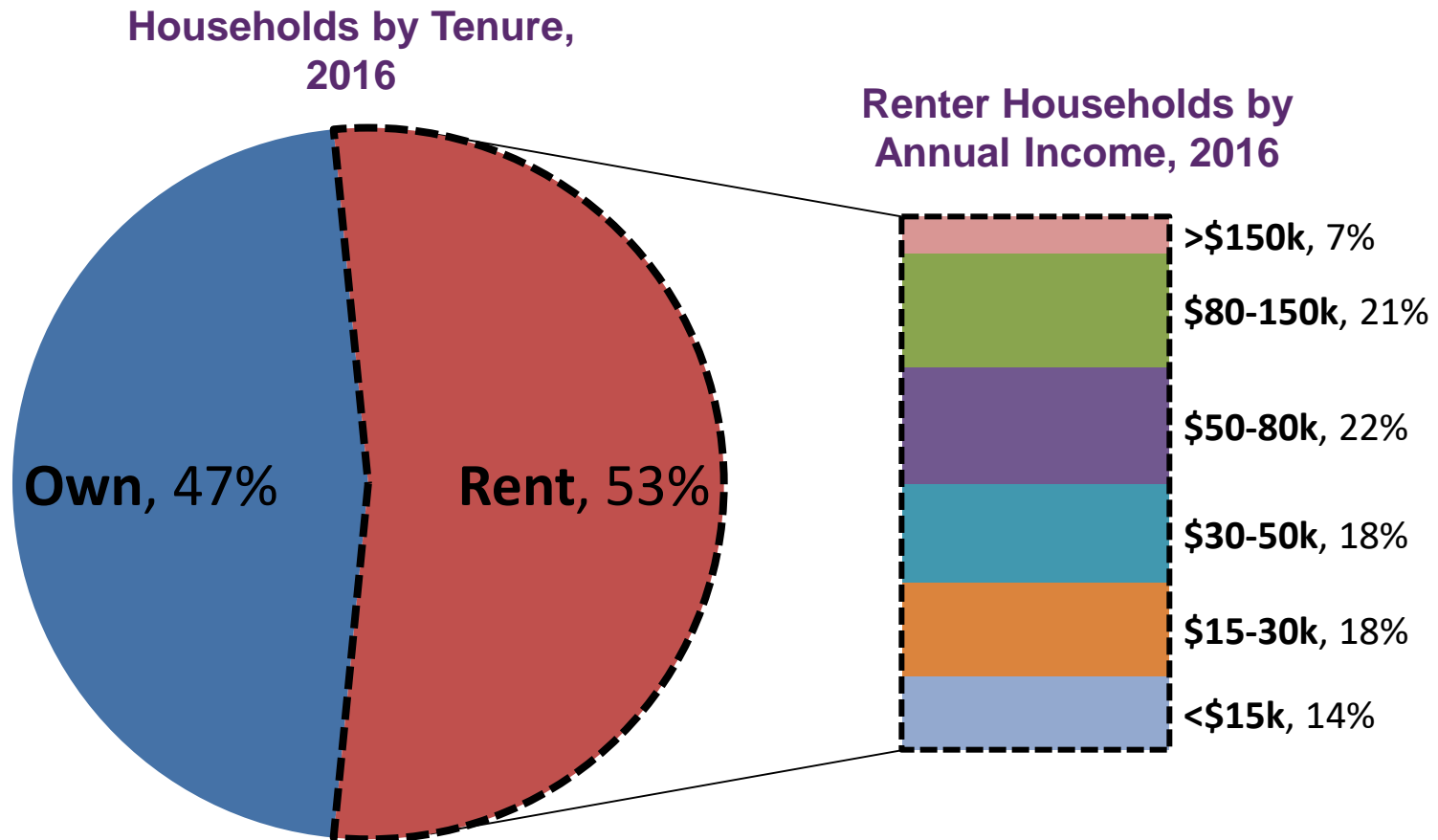
Other Municipality Actions

- New Westminster: Rental Revitalization Initiative
- Burnaby: Zoning bylaw amended to allow rental zoning (policy to come)
- Port Moody: Rental zoning considered for individual sites



Challenges for Renters Across the Income Spectrum

Income diversity among renter households



Housing Vancouver has strategies to support renters of all incomes



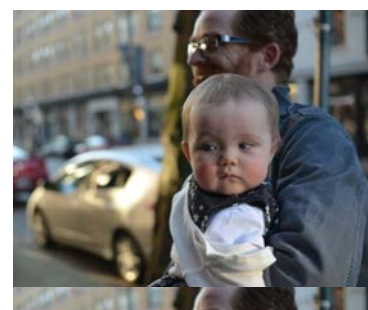
\$0-30k

\$30-50k

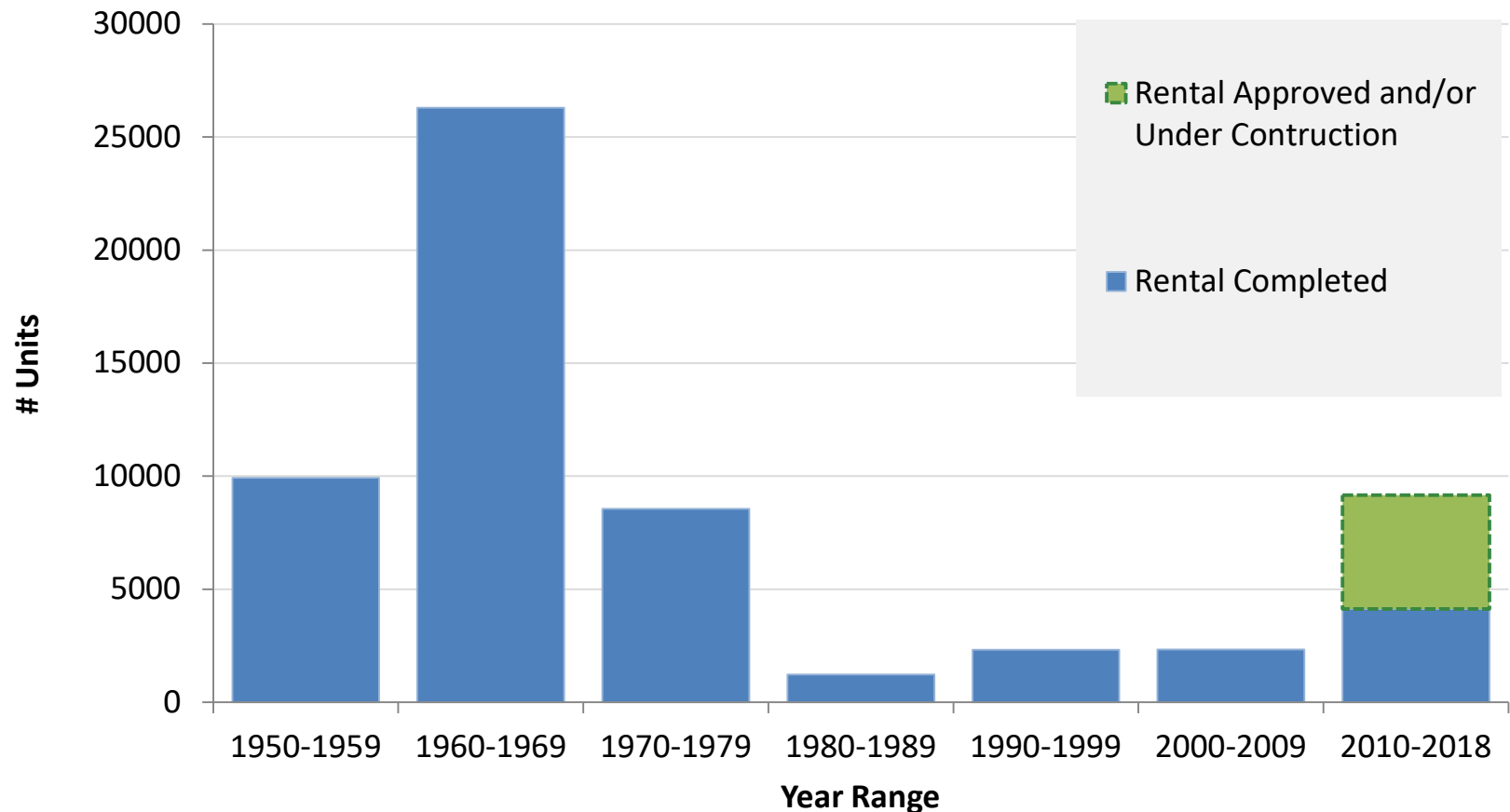
\$50-80k

\$80-
150k

\$150k+

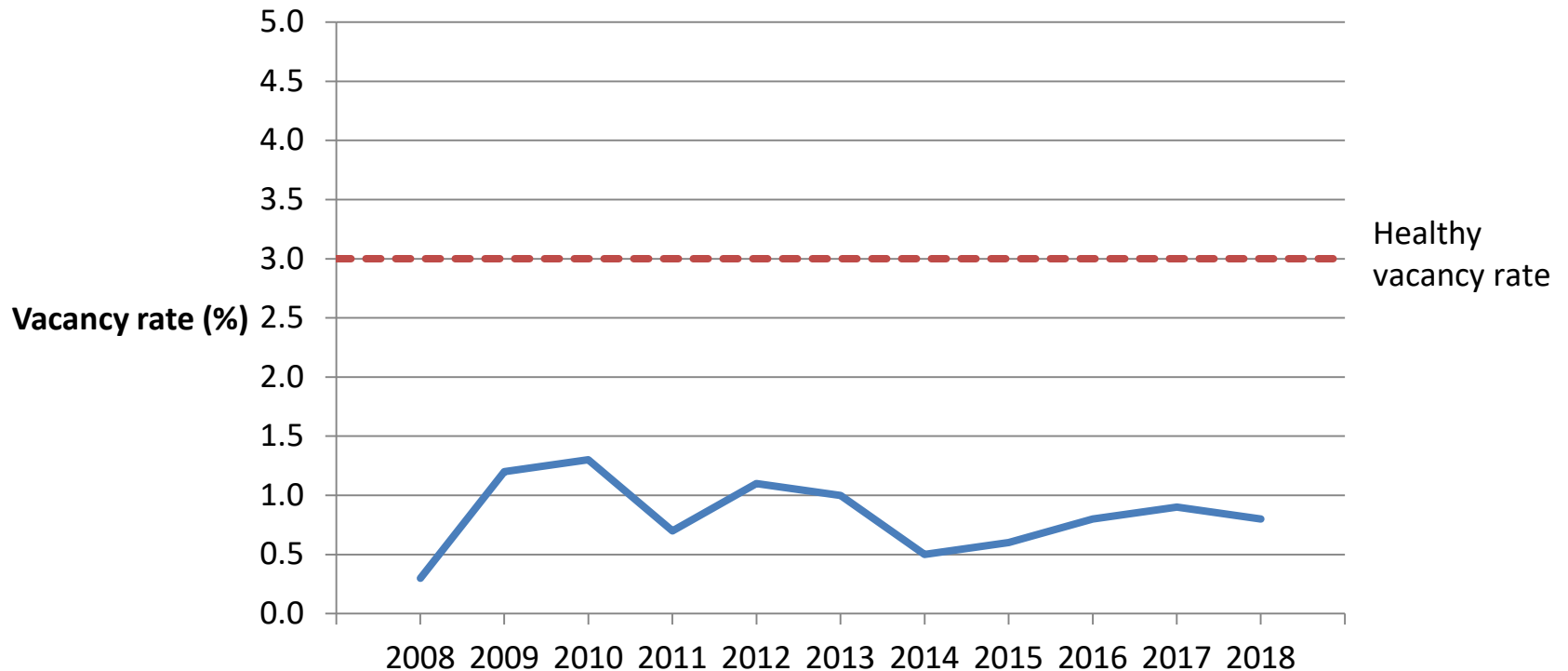


Very little new rental constructed until recently



Persistently low vacancy rate

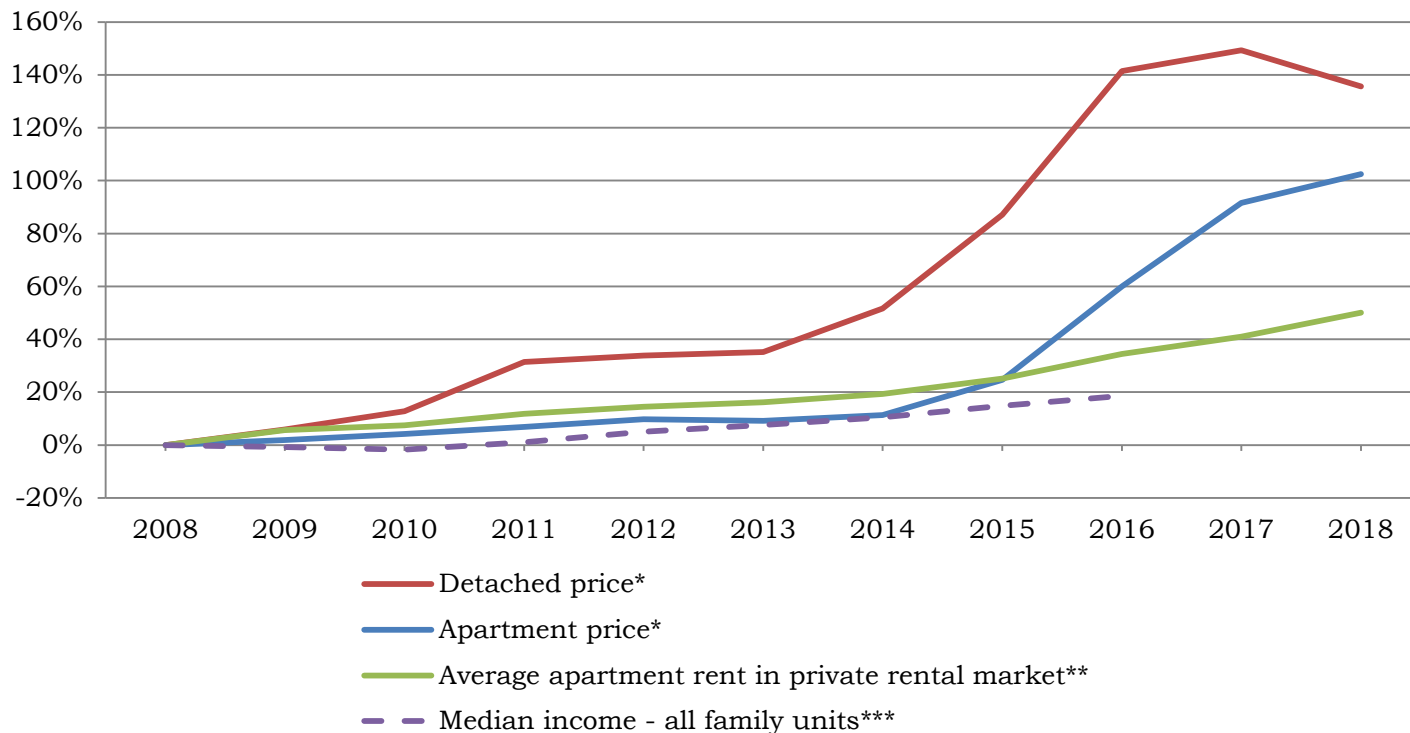
City of Vancouver Private Rental Apartment Vacancy Rate



Source: CMHC Rental Market Survey

Cost of ownership has far outpaced rental – moderate income renters are priced out of ownership

Percentage change in housing costs and median household income from 2008 levels, 2008-2018



* Source: Benchmark prices from MLS Home Price Index. All data for Vancouver East in October of each respective year.

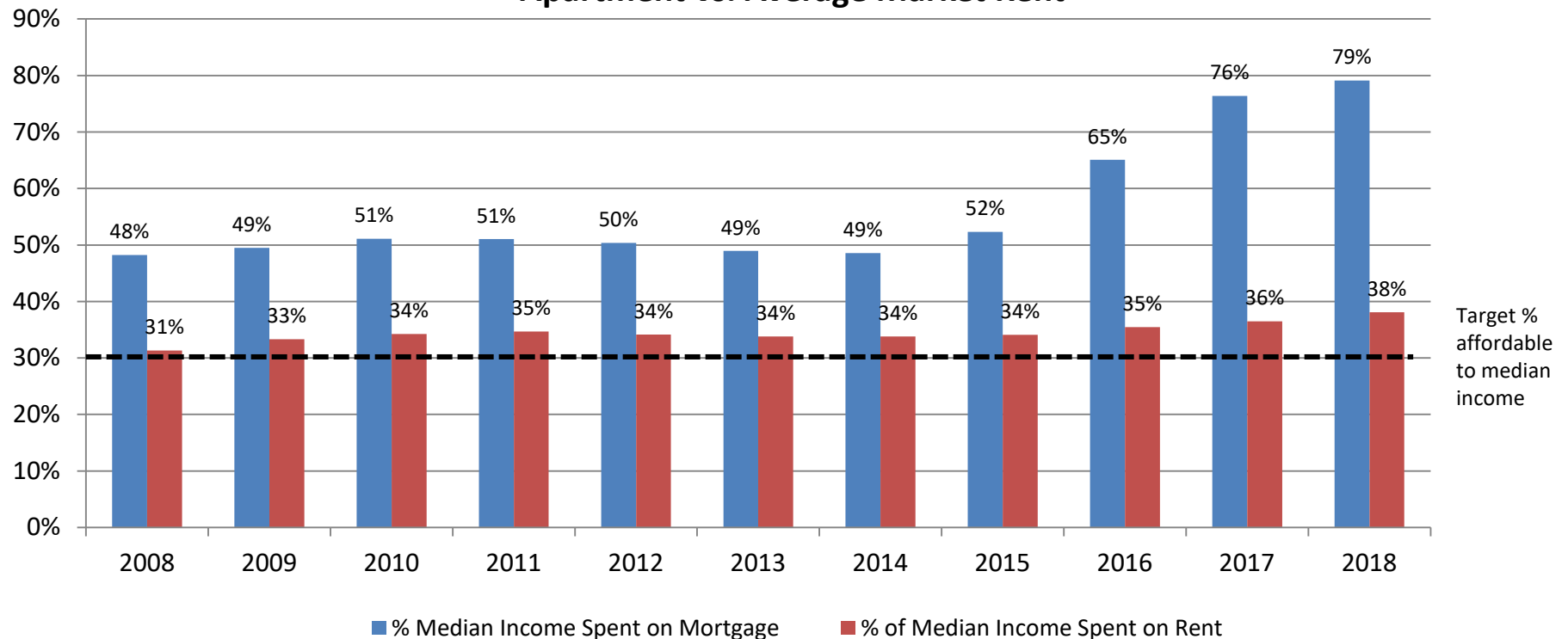
** Source: CMHC 2018 Rental Market Report.

*** Source: Statistics Canada Income Statistics Division, 2016. Median Income is shown for all family units

For all data, increases are from 2008 levels.

Home ownership is out of reach for many households, even more so today

**% of Median Household Income Required to Afford Benchmark Ownership
Apartment vs. Average Market Rent**

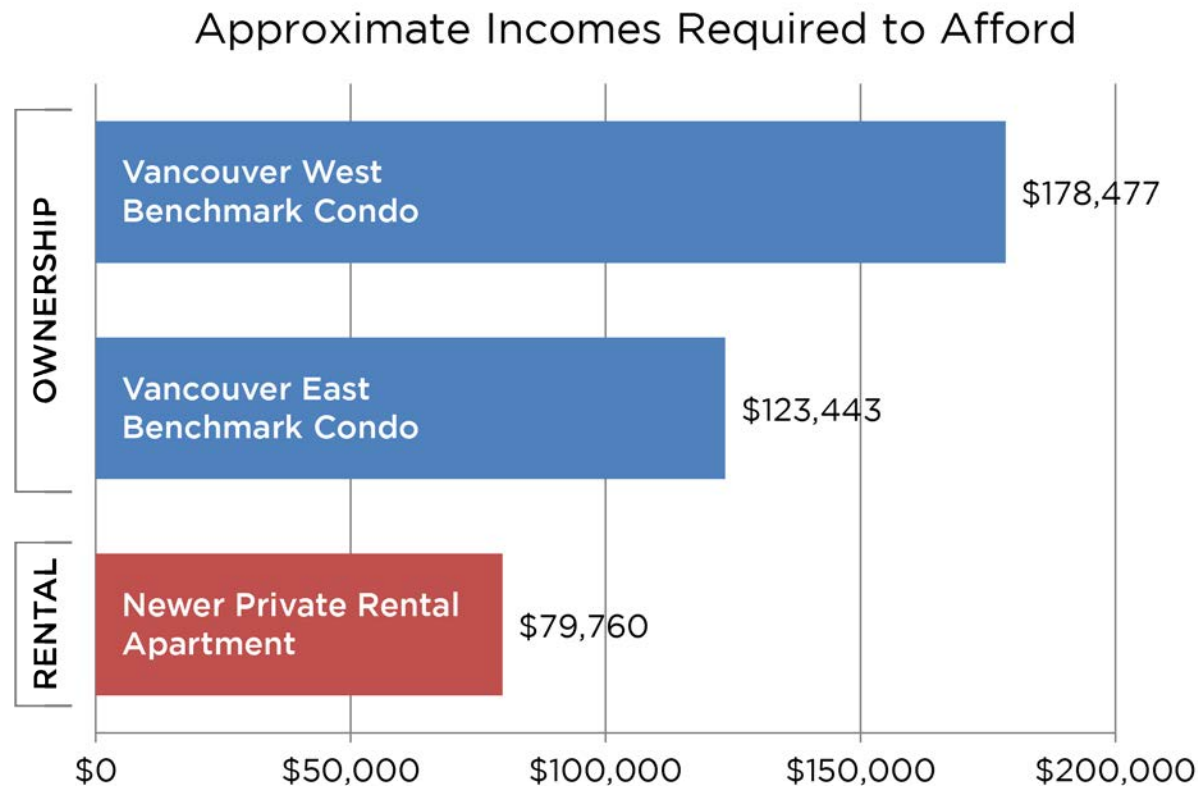


Sources: MLS Home Price Index, Statistics Canada Income Statistics Division, CMHC Mortgage Calculator, CMHC Rental Market Survey

Notes:

- Benchmark prices are for Vancouver East apartments. Average market rent is for private rental apartment units.
- Median income is before-tax household income for all family unit types
- Due to lack of income data for 2017 and 2018, median household income for 2016 was increased by 2% per year
- As per Statistics Canada, affordable housing is defined as shelter costs equal to less than 30% of before-tax household income
- Housing costs include mortgage payments with CMHC mortgage insurance, assuming a 5% interest rate, 10% down payment, and 25 year amortization period. Housing costs do not include strata fees, property taxes, or maintenance.

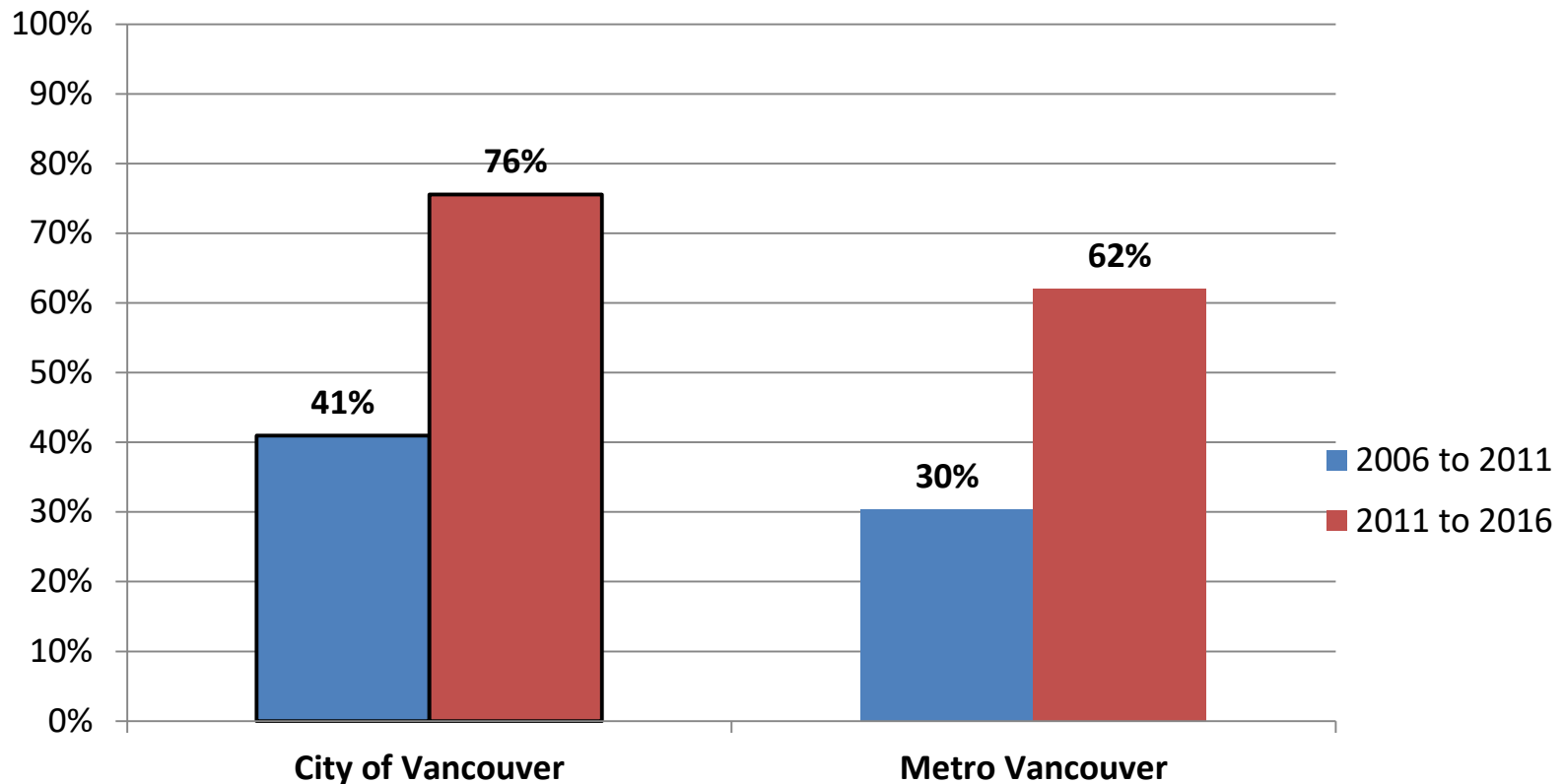
Income required to afford home ownership



1. Ownership costs assume 5% interest rate, 25-year amortization, and 10% downpayment.
2. A monthly strata fee of \$200 is added to home ownership costs.
3. Property tax rate of \$2.47 per \$1,000 of purchase price is applied for all ownership housing. Property taxes are actually applied on assessed value. Considering that addresses are not available for this calculator, assessed value is assumed to be the same as the purchase price.
4. Mortgages are compounded semi-annually in this model, consistent with Canadian regulated mortgage rules.
5. CMHC mortgage insurance is not included in ownership costs.
6. Private apartment rents are from October 2018 and are for all bedroom types in private rental apartments built in 2008 or later. Data comes from CMHC Rental Market Survey.

The rising cost of ownership is one reason why new Vancouver households are increasingly opting to rent

Renter Household Proportion of Net New Households

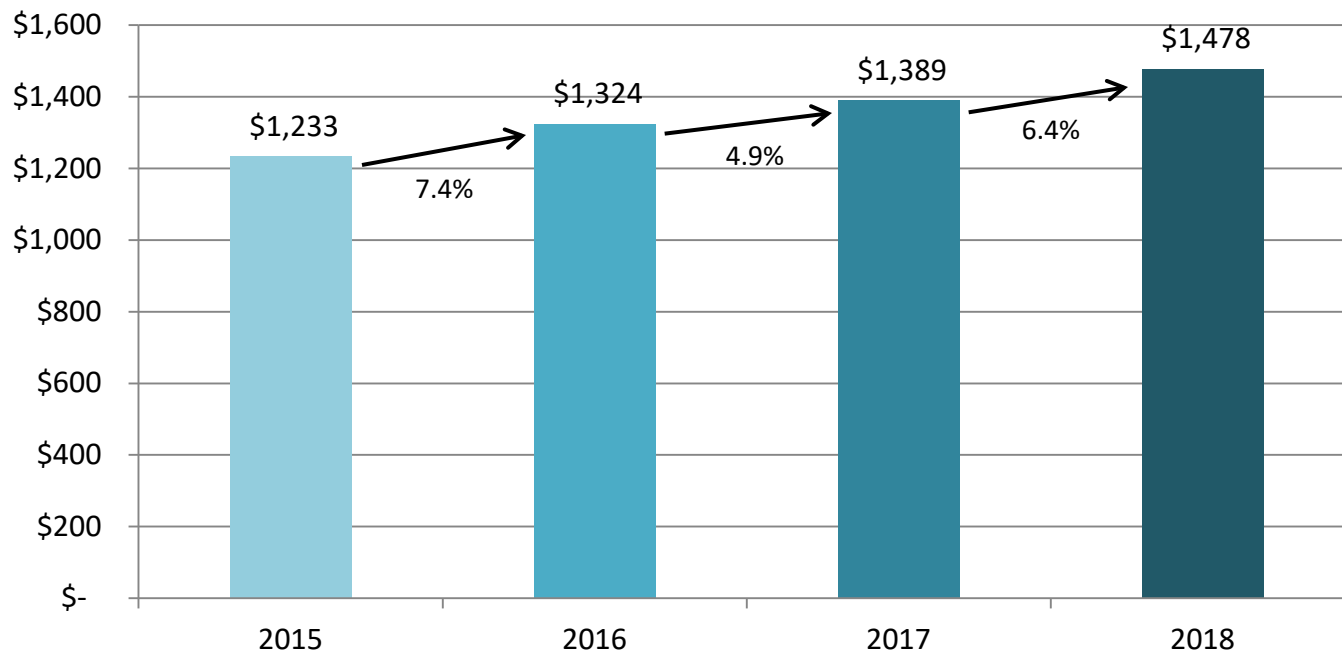


Source: Statistics Canada Census and National Household Survey

Note: Renter household proportion of net new households is calculated by dividing change in # of renter households by change in # of total private households

Low vacancy + higher renter incomes means rising rents

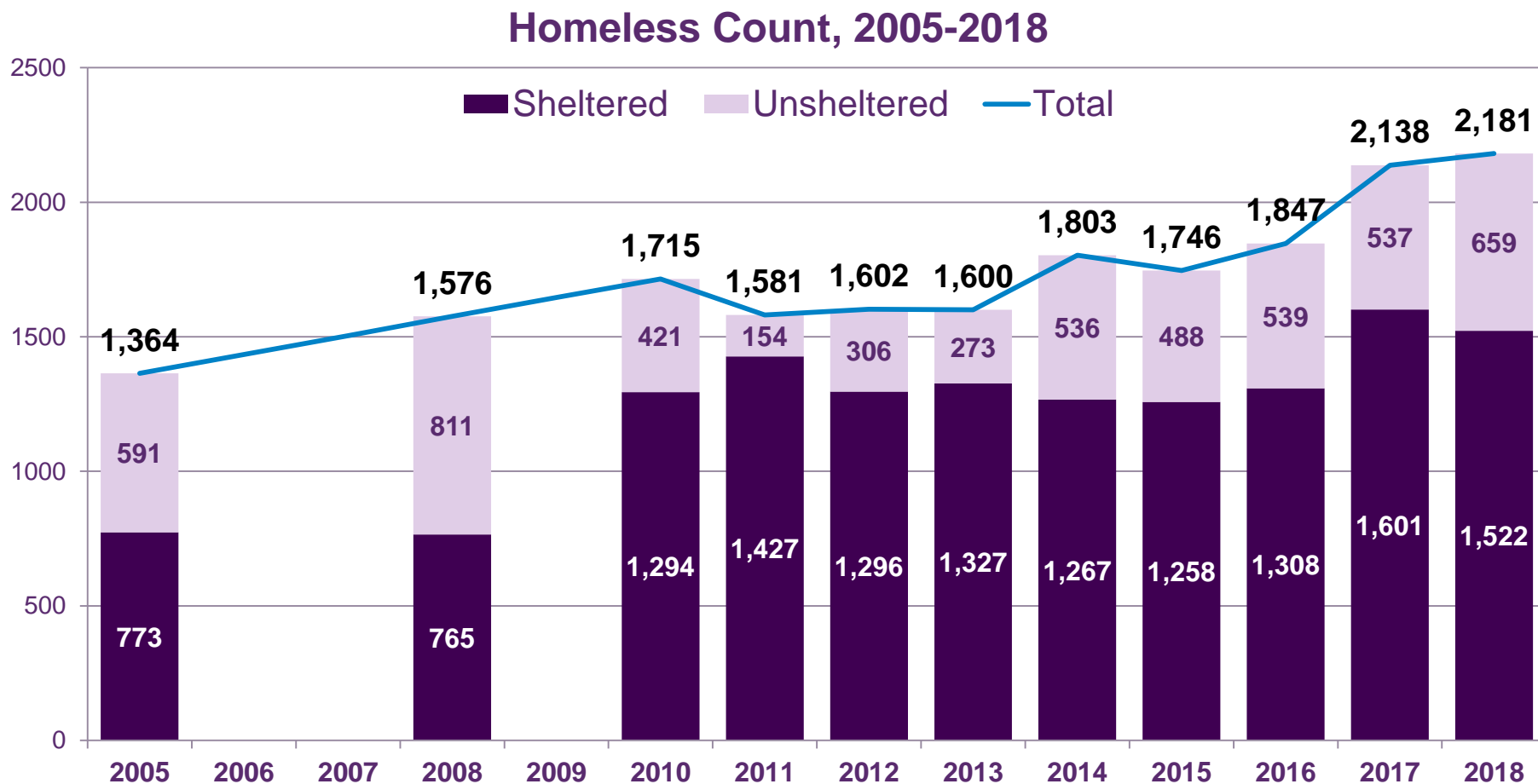
Average Private Apartment Monthly Rent and Percentage Increase from Previous Year, 2015-2018



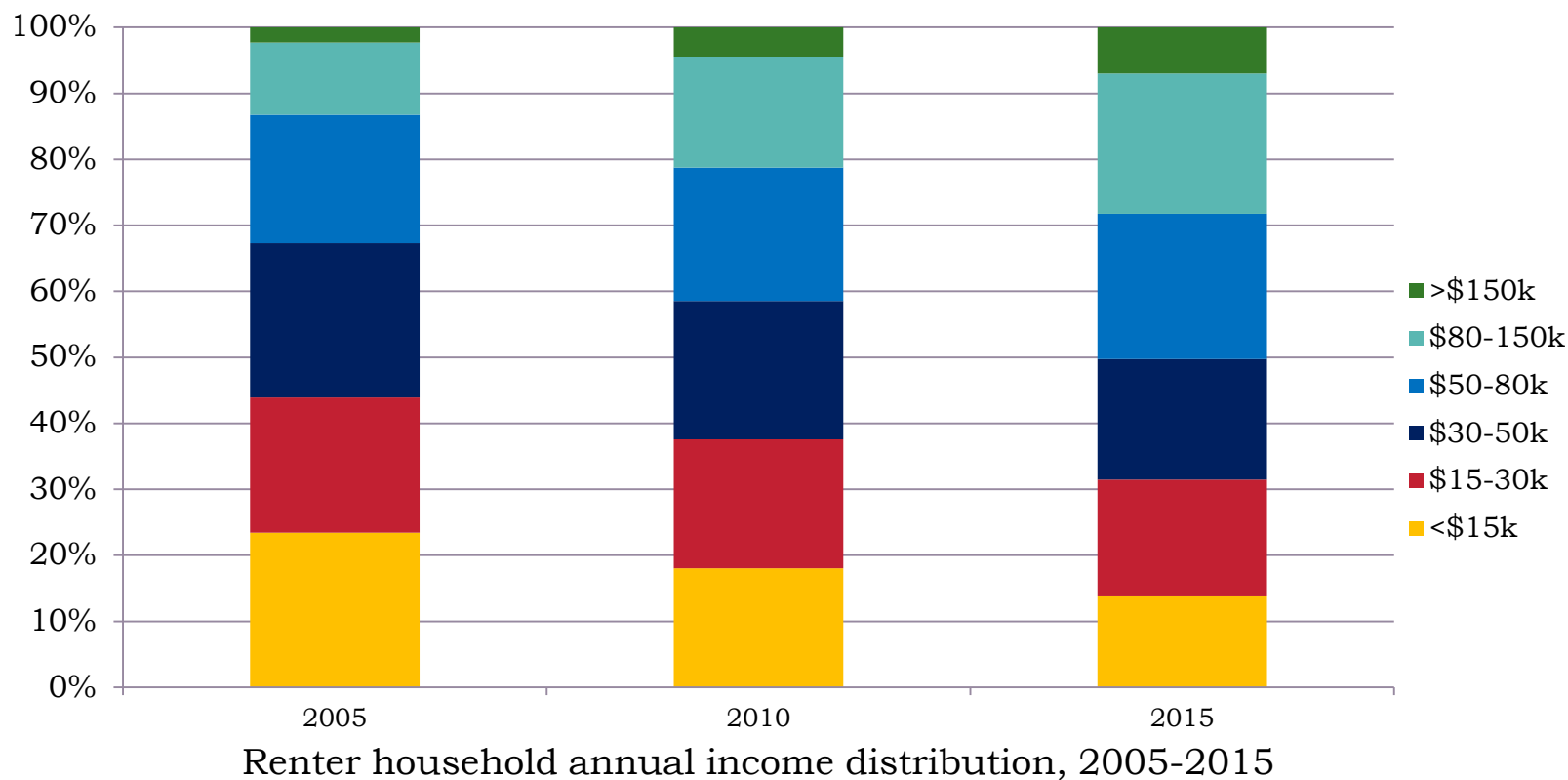
Note: Private apartment units consist of all bedroom types

Source: CMHC Rental Market Survey

Limited options for displaced renters



Changing income distribution among renters



The share of renter households earning <\$50k/year has fallen by ~17% in the past 10 years

Work to Date and Addressing New Challenges

Vancouver has a long history of leadership in protecting tenants and creating new rental



Rental Housing Stock ODP protects existing rental housing

Areas covered by the Rental Housing Stock ODP



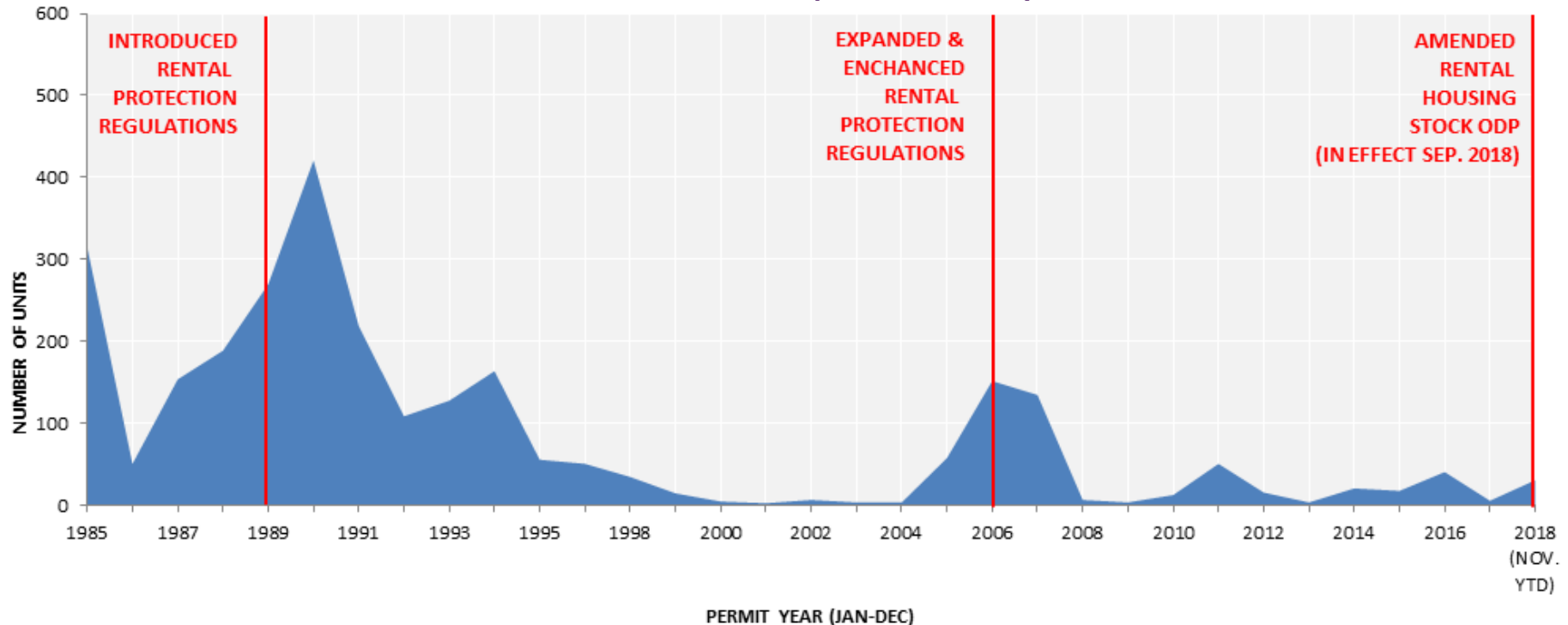
Requires **one-for-one replacement** of existing rental housing on new developments of 3 or more units in certain multi-family areas of the city

The RHS ODP applies to **77%** of the city's purpose-built rental stock (**53,475 units**)

Long-standing rental stock protections have helped prevent demolitions

First introduced in 1989 then expanded in 2007 and amended in 2018, these protections are unique in the region

Market Rental Units Demolished in Rental Housing Stock ODP Areas (1989 – 2018)



Notes

*Demolitions represent rental buildings with 3 units or more

**Demolitions of CD-1 sites were counted after the Rental Housing Stock ODP was expanded in 2006

First Metro Vancouver municipality to introduce renter protections as condition of development

Tenant Relocation and Protection Policy - introduced in 2007, expanded in 2016

Applies to purpose-built rental developments— rezoning and under existing zoning

Policy requirements

- Financial compensation for tenants based on length of tenancy & moving expenses
- Assistance finding alternate accommodations
- Right of first refusal with discounted rent



10 years of rental incentives – means new rental in Vancouver after decades of no construction

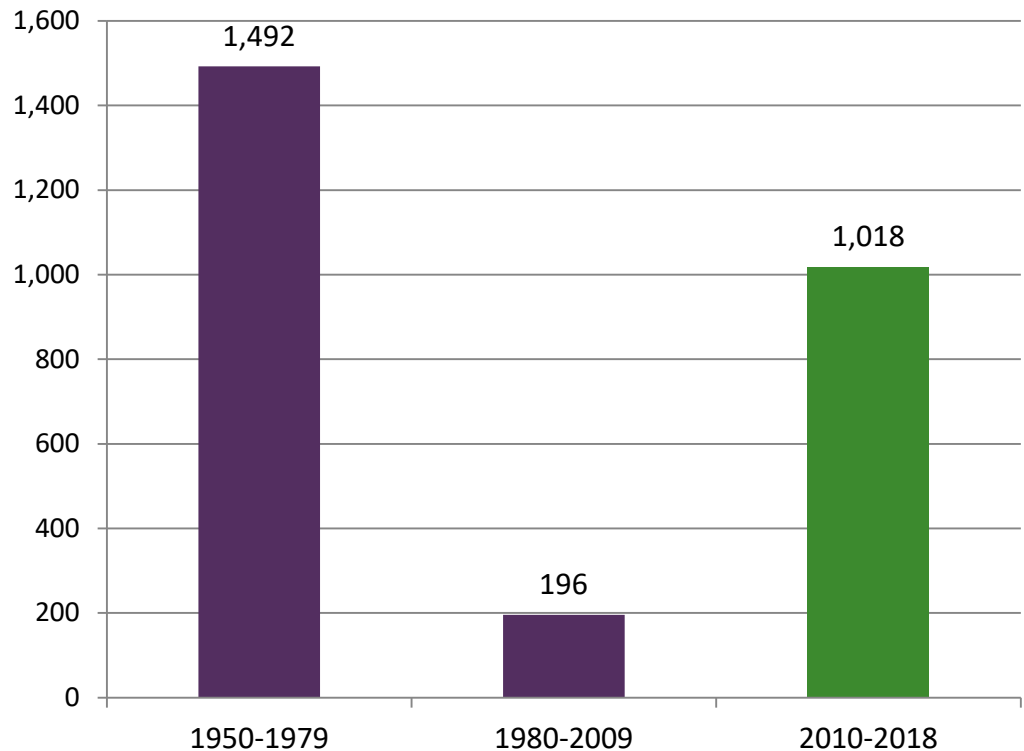
Background

- First introduced in 2009, our Rental Incentive Programs were created to address shortage after decades of no rental construction
- Targeted toward households that can't afford home ownership

Incentives offered

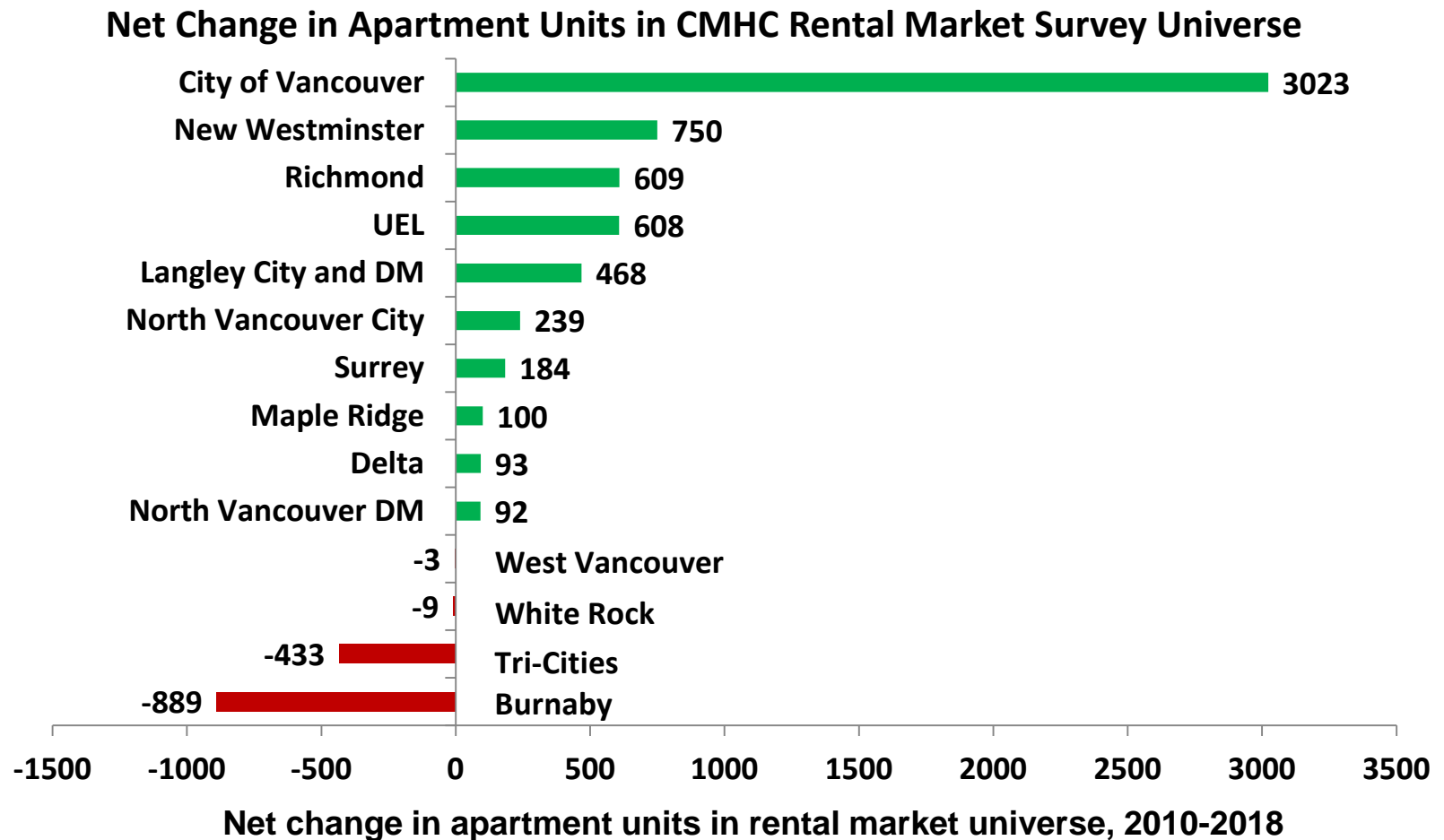
- Increased density
- Reduced parking
- Waiver of levies (e.g. DCLs)

Average annual # of market rental units completed*

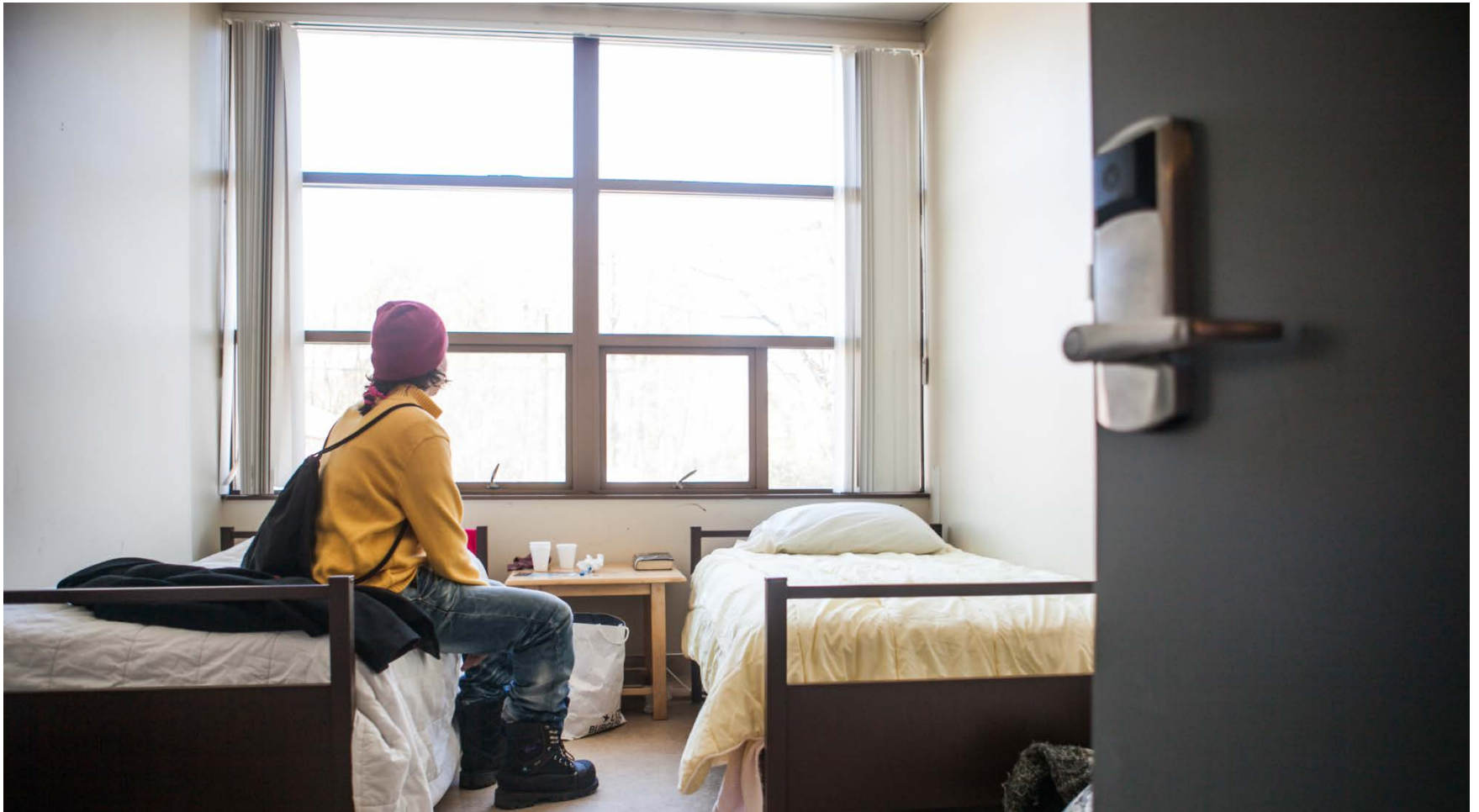


*Average annual units completed for 2010-2017 also includes units approved or under construction

As a result, Vancouver is leading the region in net new rental



However, there are still gaps



Gaps in existing policy at all levels

Provincial

- Need to **clarify and strengthen renter protections in case of evictions for renovations**
- Limited funding for **rental development and renewal**

Federal

- Opportunity to **incentivize rental reinvestment** via grants, tax incentives
- Work toward a **housing benefit to support renters**

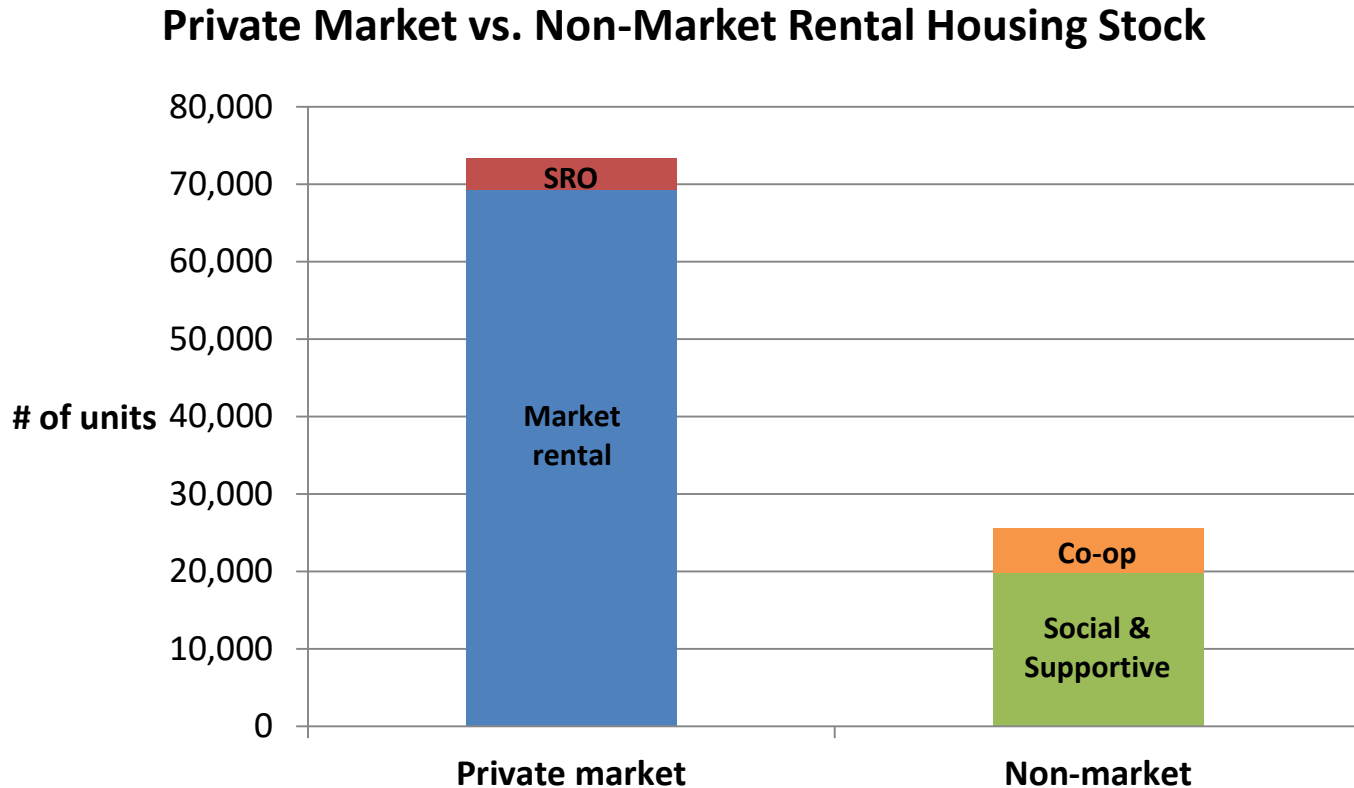
Municipal

- Gaps in **notification of renters** impacted by renovations
- Limited **enforcement tools** in response to rental issues
- Opportunities to **strengthen Tenant Relocation and Protection Policy** and better align with RTA
- Limited tools to **expand housing options** for renters

Considerations involved in addressing policy gaps

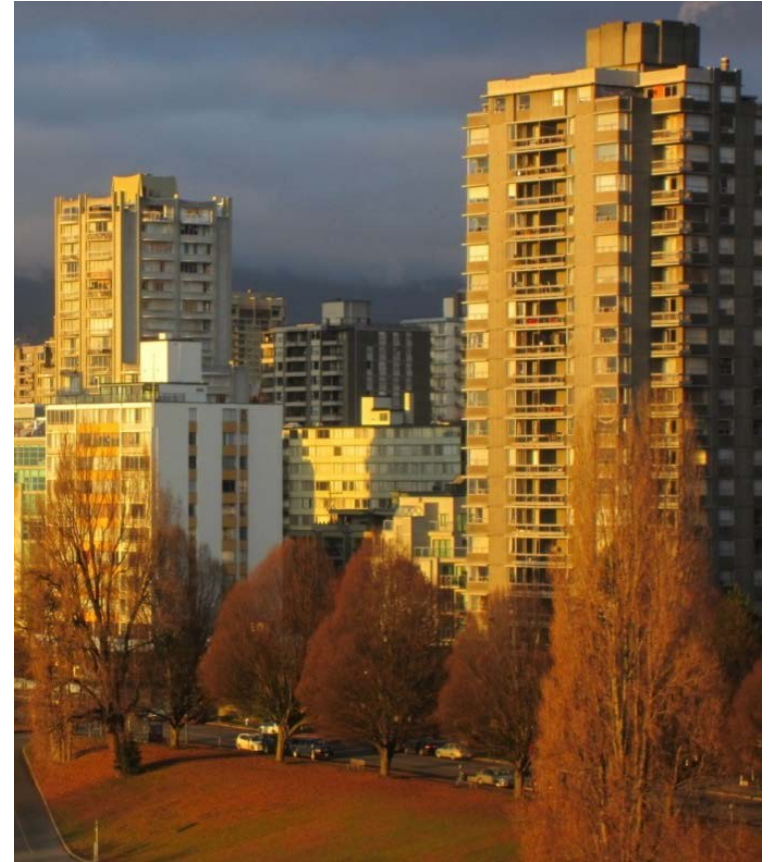
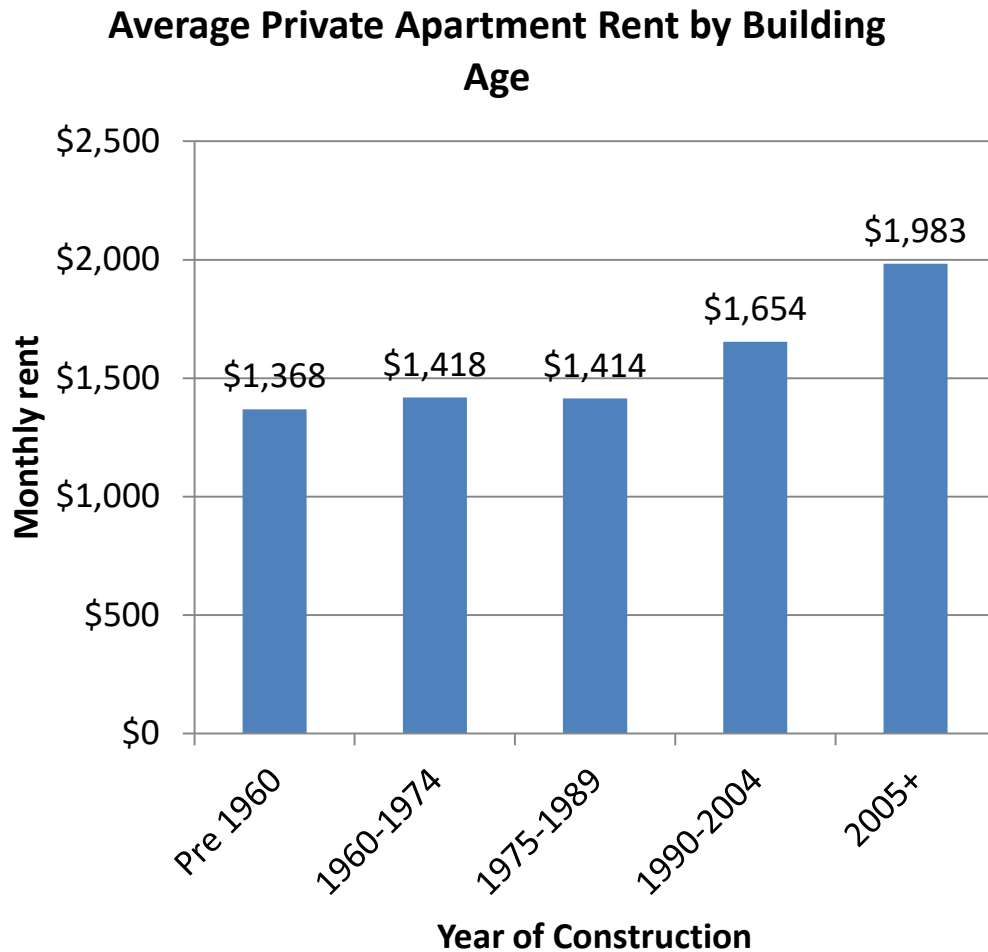


Consideration 1: Majority of rental housing affordable to moderate incomes is delivered by private market



Source: 2018 Housing Vancouver Progress Report & Data Book. Housing stock numbers up to date to

Consideration 2: Market rental more affordable over time



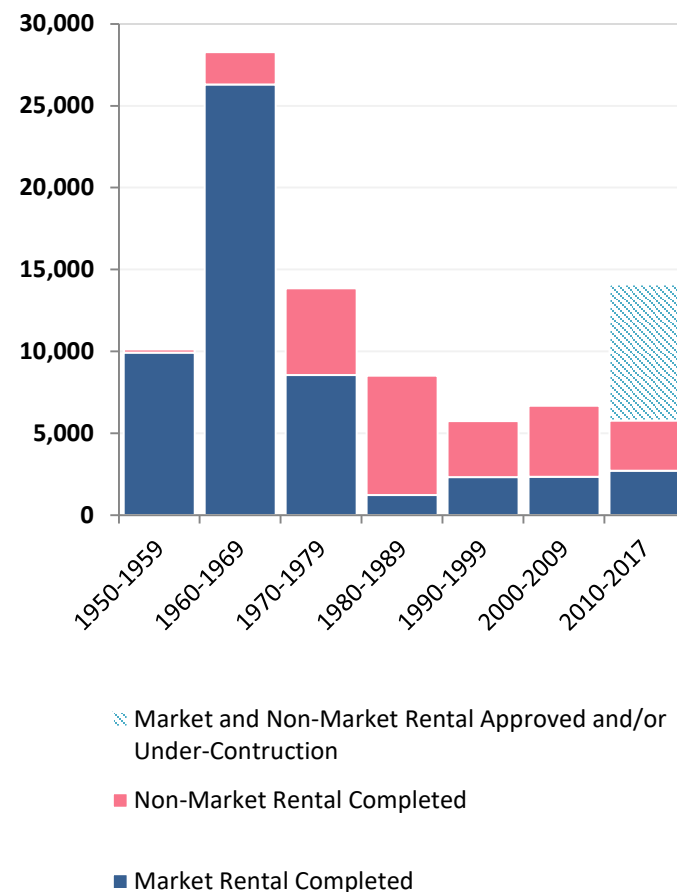
Consideration 3: Existing rental is aging and needs reinvestment

- Existing rental apartments are reaching 40+ years of age – major systems are nearing end of life.
- Most older rental buildings constructed pre modern seismic and energy standards
- Barriers to undertaking major upgrades

Barriers to major renewals

- High cost of major upgrades means landlords need a business case to reinvest
- Limited capacity among smaller landlords
- Health risks and disruption to tenants

Historical Rental Housing Development



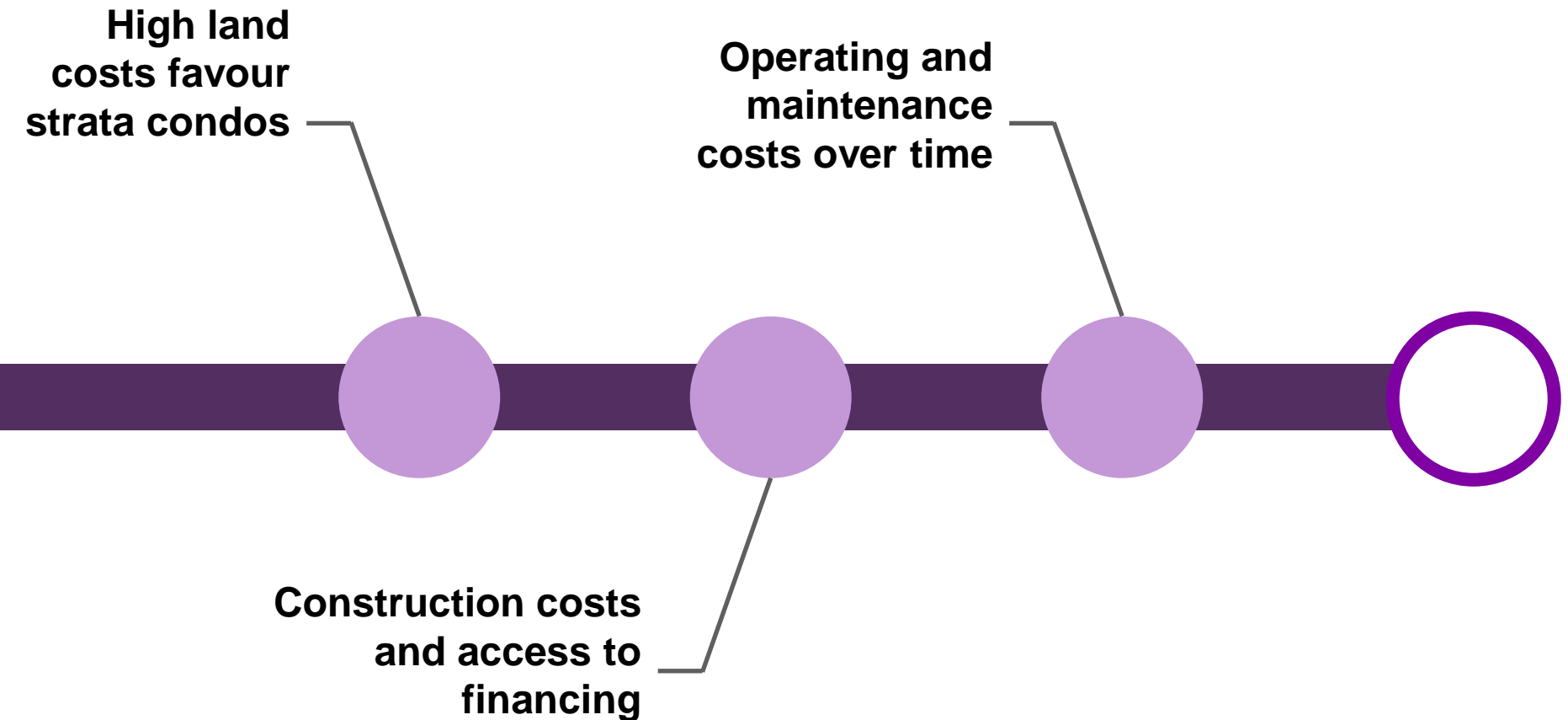
Source:

CMHC Market Rental Survey



HOUSING
VANCOUVER

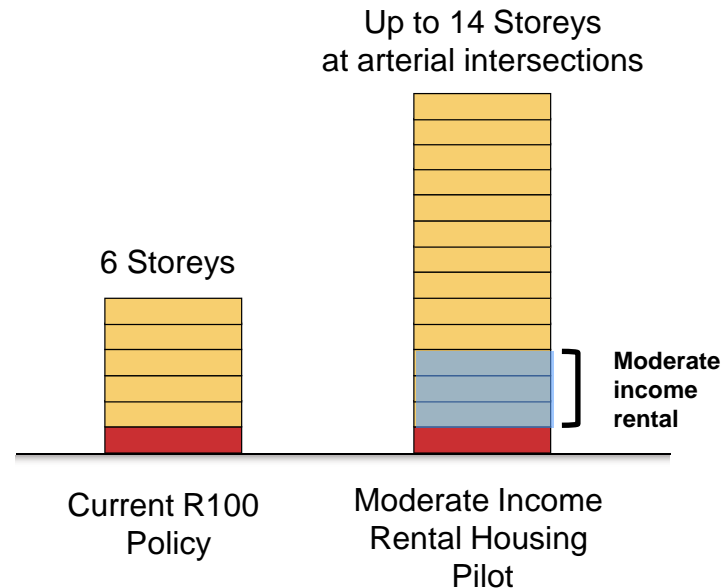
Consideration 4: Many obstacles to creating new rental



Consideration 5: Deeper affordability in new rental is a challenge

Without funding from senior levels of government, significant extra density is needed to deliver moderate income rental with secured affordability

The City's Moderate Income Rental Housing Pilot Program (MIRHPP) encourages development of 100% secured rental projects, with at least 20% of residential area made available to moderate income households (\$30-80k) for the life of the building.



Commercial Zones

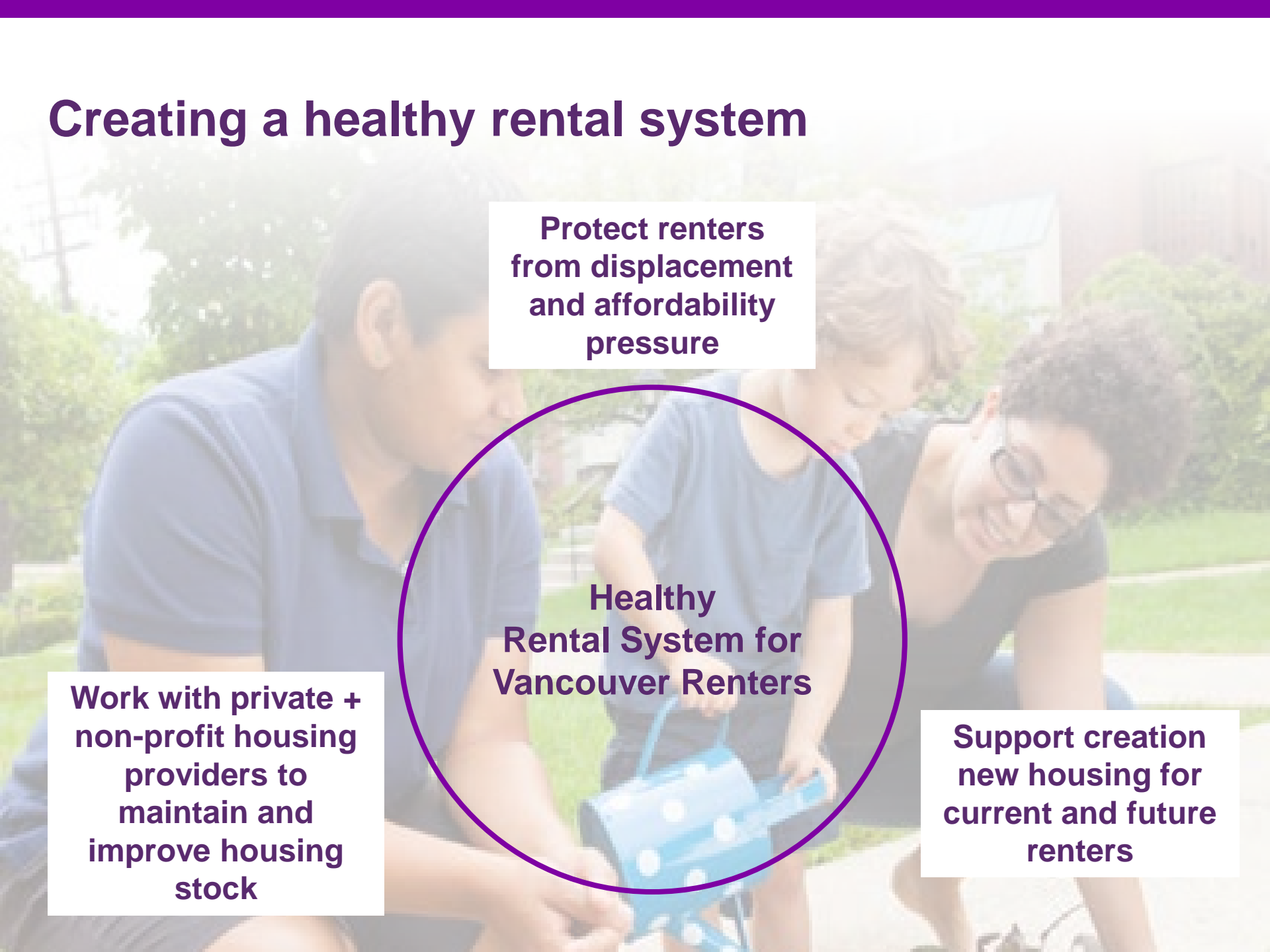
Creating a healthy rental system

**Protect renters
from displacement
and affordability
pressure**

**Healthy
Rental System for
Vancouver Renters**

**Work with private +
non-profit housing
providers to
maintain and
improve housing
stock**

**Support creation
new housing for
current and future
renters**



Action Plan to address Council Motions

B.10: Protecting Tenants from Renovictions and Aggressive Buy-outs

B.2: A Renters' Office at the City of Vancouver



**Improve
Protection &
Service to
Renters**

Today's Focus

Actions

**Encourage
Reinvestment &
Resilience of
Aging Rental
Stock**

**Support Creation
of New Housing
Options for
Current + Future
Renters**

Improve Protection & Service to Renters

Housing Security

**Address
renovictions**

**Increase
protections**

Strengthen RTA

**Proactive
notifications**

Renters office

**Enhance
enforcement**

**Support vulnerable
residents**



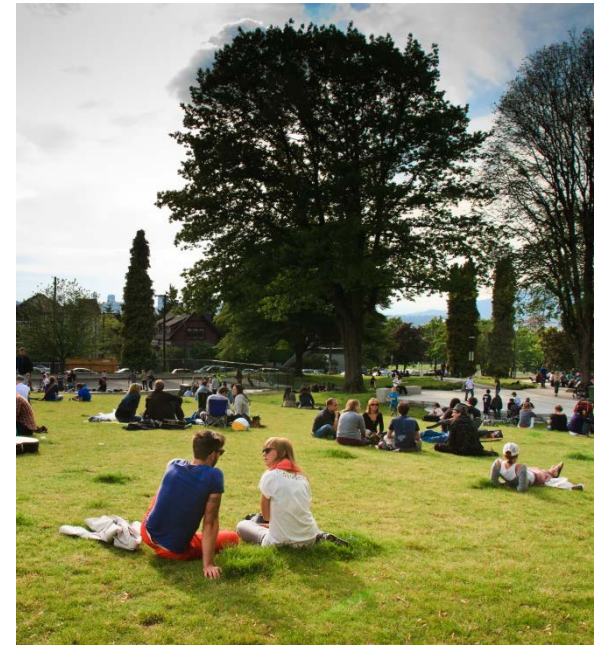
City of Vancouver Renters Office

Council directed staff to report back on a Renters Office that can:

- Track, monitor and report on the state of renters
- Provide a central point of coordination on renter issues and respond to renter concerns and questions
- Improve legal advocacy and support services for renters
- Coordinate and collaborate with City departments to improve services, access to information and engagement between Renters and the City of Vancouver
- Proactive outreach and education for renters and landlords
- Eliminating barriers for renters trying to access supports

Next Steps:

- March/April – Stakeholder Consultation
- April – Report to Council on recommended Renters Office

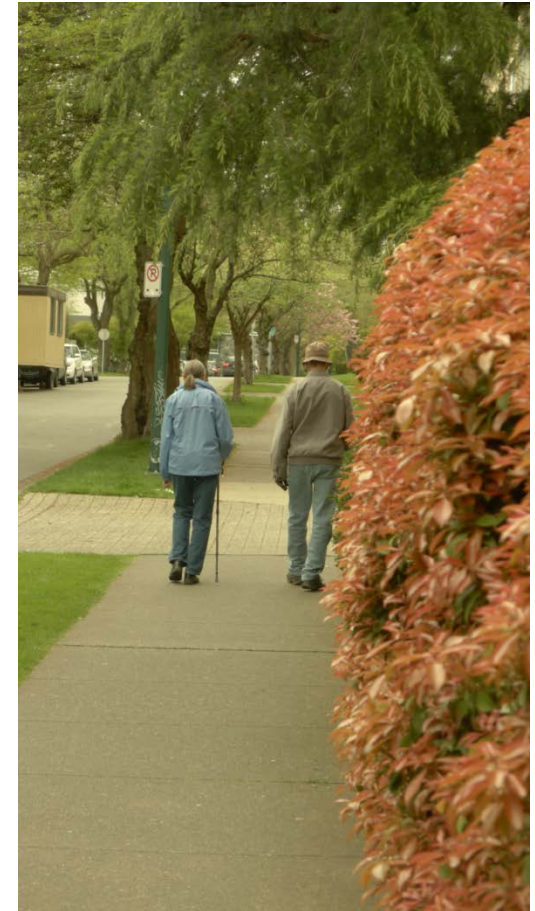


Strengthen City Protections for Renters

Amend the Tenant Relocation and Protection Policy to increase protections and improve accountability

Priority Actions to Explore with Stakeholders

- Right of First Refusal with increased affordability for vulnerable tenants
- Develop criteria to define vulnerable tenants and an assessment tool
- Add a temporary relocation option for renovations
- Increase communication and outreach between landlords and tenants and increase staff oversight (e.g. require owners to hold a renters meeting with staff attendance)
- Develop options for social housing providers that focus on rehousing, rather than compensation



Strengthen City Protections for Renters

Next Steps:

- March/April – Stakeholder Consultation
 - Renter groups
 - Industry and landlords
 - Legal support services
 - Other municipalities and Province
- May – Policy development
- June – Report to Council with amended Policy



Proactive Notification Pilot

Notify renters in recently sold buildings when a building permit application is made

- Create a public database of recently sold rental buildings (last 5 years)
- Send a standard notice out to renters when an application comes in for one of these buildings
- Send a proactive notice to purchaser on rights and obligations
- Explore providing tenant workshops on renter rights
- Review and potentially expand long-term based on capacity and learnings



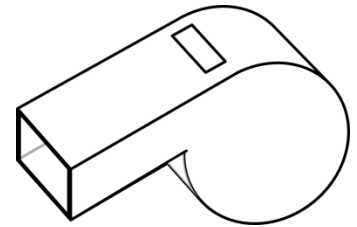
Next Steps:

- Immediate trial on urgent cases while building the notification system
- Full pilot implementation by September 1, 2019
- Alignment and coordination with New Renter's Office

Targeted Enforcement Against Violations

Actions to Explore

- Explore enhancements to the Business License By-law to respond if the license holder is not in good standing with the RTA, or is not meeting all City by-law and code requirements
- Improve public visibility of Rental Property Standard database via new Renter Web Portal
- Improve access to information on complaints process for renters



Next Steps

- Draft bylaw amendments
- Consultation with stakeholders
- Alignment with New Renter's Office

Work with Province to Strengthen the RTA

Follow-up with the Province on Task Force Recommendations

Priority Actions

- Work collaboratively to develop **guidelines** to prevent renovations
 - Identify types of work that can be done with tenants in the building
 - Clarify what happens when a tenant is willing to vacate – develop temporary relocation options



Next Steps:

- Provincial/Municipal joint working sessions to inform guidelines
- Public Education workshops – Industry, Landlords, Renters



**Improve
Protection &
Service to
Renters**

Actions

**Encourage
Reinvestment &
Resilience of
Aging Rental
Stock**

**Support Creation
of New Housing
Options for
Current + Future
Renters**

Finding New Solutions to Building Investment

Actions to explore:

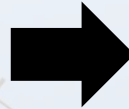
- Explore opportunities to encourage critical upgrades, including financial incentives or grants, development easements, and regulatory options.
- Align renter actions with work underway to develop a strategy for energy and seismic retrofits in existing buildings
- Develop a pilot program to support critical energy retrofits in existing buildings, including rental, with conditions including no permanent displacement.



Rental Incentive Review Underway

Key Questions

- How can we make rents more affordable?
- How can we improve design and livability?
- How can we better use our incentives better (e.g. DCL waiver)?



Products

- New R100 policy combining all rental policies into one document
- Amended C-2 district schedules
- Enabling by-law/new definitions in Z&D bylaw to allow rental tenure zoning
- Amendments to the DCL and Utilities By-law

Next steps:

- Review of current policy incentives – report back Q3 2019
- Consultation – Q1/Q2
- Policy recommendations – report back Q4 2019

Thank You