



REPORT

Development Services

To: Mayor Côté and Members of Council **Date:** 6/25/2018

From: Jackie Teed **File:** 13.2620.05
Acting Director of Development
Services

Item #: 271/2018

Subject: Renovictions Action Plan: Update

RECOMMENDATION

THAT Council receive this report for information.

PURPOSE

The purpose of this report is threefold:

- (1) to update Council on the status of renovictions in New Westminister;
- (2) to update Council on actions that the City has taken in regards to address renovictions;
- (3) to update Council on legislative changes to the “Residential Tenancy Act” that impact renovictions.

EXECUTIVE SUMMARY

The practice of renovictions, in which some landlords evict their tenants to perform renovations and then significantly increase the rent on those units, is becoming more commonplace in New Westminister and elsewhere in the Province. Since the last report on renovictions went to Council on June 26, 2017, the City has undertaken additional actions and there have been related legislative changes to the Residential Tenancy Act. The City will continue to advance its actions to inform and protect tenants at risk of renovation. This report discusses these updates.

POLICY AND REGULATIONS

Official Community Plan

The City's Official Community Plan (2017) includes the following policy (policy 8.3):

- Foster a rental housing stock in which tenants have adequate opportunities to live in healthy, safe and secure housing.

Affordable Housing Strategy

The Affordable Housing Strategy (2010) contains the following goal:

- To preserve and enhance New Westminster's stock of safe, appropriate and affordable rental housing.

Secured Market Rental Housing Policy

The Secured Market Rental Housing Policy (2013) contains the following objectives:

- Reduce the likelihood that the existing purpose-built market rental housing stock will be redeveloped.
- If demolition occurs, reduce the impact of the loss of the rental housing stock on tenants.

Tenant Relocation Policy

The Tenant Relocation Policy (2015) applies to Rezoning applications and Heritage Revitalization Agreements which involve the demolition of six or more purpose-built market rental housing units and offers additional compensation, as well as assistance, to tenants than provided for under the Residential Tenancy Act.

Rent Bank

In October 2016, Council approved \$60,000 in funding (i.e., \$20,000 per year for three years) to cover the administration costs of the New Westminster Rent Bank Program and Judy Darcy's Constituency Office secured a \$35,000 endowment from local financial institutions. The rent bank, which opened in June 2017, provides short-term funding in the form of loans for households at-risk of eviction and to date, has provided loans to 26 households.

BACKGROUND

Previous Council Direction

In a report to Council on May 2, 2016, recommended actions were provided which would inform tenants of their rights and facilitate enhanced access to information and resources. Council approved the following resolution:

THAT Council endorse the recommended actions as outlined in the report dated May 2, 2016, which would inform tenants of their rights and facilitate enhanced access to information and resources.

At its meeting of June 13, 2016, Council approved the following resolution:

THAT Council endorse the recommended Union of BC Municipalities (UBCM) resolution related to tenant evictions through renovations.

THAT Council direct staff to forward the resolution and background documentation to UBCM and to actively seek municipal support for the resolution.

At the regular meeting of Council on June 26, 2017, Council endorsed a further UBCM resolution as follows:

Whereas the practice of renovictions, by which some landlords evict their tenants under the guise of performing major renovations and then significantly increase the rent of those units, is on the rise in our province.

Whereas this practice is very disruptive to those impacted, including the elderly, low-income families and new immigrants, and contributes to housing unaffordability and homelessness.

Whereas municipalities are limited in their ability to address this issue and many tenants are unaware of their rights or are reluctant to exercise them.

THEREFORE, BE IT RESOLVED:

THAT the Union of BC Municipalities urge the Provincial Government to undertake a broad review of the Residential Tenancy Act including, but not limited to, amending the Residential Tenancy Act to:

- allow renters the right of first refusal to return to their units at a rent that is no more than what the landlord could lawfully have charged, including allowable annual increases, if there has been no interruption in the tenancy;

- require that the Residential Tenancy Branch eliminate or amend fixed-term tenancy agreements to prevent significant rent increases upon renewal; and,
- require that the Residential Tenancy Branch amend the dispute resolution application process to accept one application representing more than one affected tenant.

Definition

According to the Pivot Legal Society, renoviction is defined as the practice of exploiting a clause in the Residential Tenancy Act which allows a landlord to evict their tenants under the guise of performing major renovations and then significantly increasing the rent on the unit or units.

Legislation

The Residential Tenancy Act discusses evictions for the purpose of renovations in section 49, noting that: A landlord may end a tenancy in respect of a rental unit if the landlord has all the necessary permits and approvals required by law, and intends in good faith, to do any of the following: renovate or repair the rental unit in a manner that requires the rental unit to be vacant. The Residential Tenancy Act also sets out levels of compensation (equivalent compensation to one month's rent) and notice (four months' notice, up from two months previously) for tenants who have to vacate their unit due to major renovation or repair.

DISCUSSION

Prevalence

Over the last two years, there is evidence that renovictions have occurred in at least nine rental buildings in New Westminster, affecting at least 215 units, and there may be other occasions that have not come to the attention of the City. As such, there is concern that this practice is becoming more commonplace and that it could affect more rental buildings and tenants in the future.

Impacts

Tenants may not understand their rights and may not be aware of the Residential Tenancy Act or the dispute resolution process. They may also not be aware of resources to assist them such as the Pivot Legal Society or the Tenants Resource and Advisory Centre. Additionally, some tenants may be reluctant to exercise their rights given the cost or time involved or the fear of potential repercussions. This is particularly true of certain groups such as isolated seniors, new immigrants and refugees, people with disabilities, and those with lower levels of literacy.

Current Actions

As a result of the Renovictions Action Plan (2016), the City has undertaken the following actions:

- incorporating information on the City's website related to tenants' rights and resources and regularly updating this information;
- developed and circulated a renovictions fact sheet and resource guide;
- working with tenants to determine if the landlord has all the necessary permits and approvals in place in situations where tenants have received an eviction notice;
- employing stop work orders and tickets in situations where the necessary permits and approvals are not in place;
- responding to requests for information where tenants have not yet received an eviction notice but have been advised by the landlord, or heard through a neighbour, that an eviction notice is forthcoming ;
- circulating, via mail (to persons in affected buildings), in person (to tenants who visit City Hall) and email (responding to electronic inquiries), copies of the Tenant Survival Guide, as well as relevant updates to the "Residential Tenancy Act" that have occurred over the past year;
- partnering with non-profit societies, such as Tenants Resource and Advisory Centre, to hold information sessions related to tenants' rights and resources. The City is also referring tenants to the Tenant Resource and Advisory Centre for receiving advice on tenancy issues;
- implemented a tracking and reporting mechanism for renovictions and providing an annual update to Council;
- participating in community meetings on topics related to tenants' rights and other housing issues.

Changes in the Residential Tenancy Act in 2017/2018

There are recent changes to the Residential Tenancy Act of relevance that came into force on December 11, 2017 and May 17, 2018 and include:

- Landlords will no longer be able to include a vacate clause in a fixed-term tenancy agreement except in certain circumstances. A vacate clause requires a tenant to move out on the date the agreement ends. (came into force on December 11, 2017);
- Landlords must give four months' notice to end tenancy for demolition, renovation or repair, or conversion, and tenants have 30 days to dispute the notice. (came into force on May 17, 2018);

- A tenant has a right of first refusal to enter into a new tenancy agreement at a rent determined by the landlord if the landlord ends their tenancy to renovate or repair the rental unit. This right of first refusal applies only to a rental unit in a residential property containing five or more units. (came into force on May 17, 2018);
- A landlord must compensate a tenant 12 months' rent (unless excused by an arbitrator in extenuating circumstances) if the tenant exercises a right of first refusal and the landlord does not give the tenant:
 - a. a 45 day notice of availability
 - b. a tenancy agreement to sign. (came into force on May 17, 2018);
- A landlord or purchaser if applicable must compensate a tenant 12 months' rent (unless excused by an arbitrator in extenuating circumstances) if a landlord or purchaser ends a tenancy under section 49 (landlord use) and they don't:
 - a. take steps to accomplish the stated purpose for ending the tenancy under section 49 within a reasonable period after the effective date of the notice, or
 - b. use the rental unit for that stated purpose for at least six months beginning within a reasonable period after the effective date of the notice. (came into force on May 17, 2018)

Future Actions and Opportunities

The City will continue to undertake its current actions as needed to help inform and protect tenants at risk of renovations.

The Provincial Government has appointed a Rental Housing Task Force that will advise on how to improve security and fairness for renters and rental housing providers throughout the Province. Their work includes:

- Talking to the public, rental housing providers, renters and stakeholders on their views and experiences with current tenancy laws and processes;
- Identifying options to improve security and fairness for both renters and rental housing providers, while addressing the challenges of affordability;
- A review of the existing laws and how they apply to different housing situations;
- A review of innovative approaches in other jurisdictions.

There is currently a public engagement process, including opportunities for on-line submission and community meetings associated with this Task Force.

The Task Force will report findings and make recommendations to the Premier and the Ministry of Municipal Affairs and Housing in fall 2018.

FINANCIAL IMPLICATIONS

Renovictions are having a significant and disproportionate impact on the Development Services Department and its three Divisions – e.g., Building, Licensing and Integrated Services, and Planning. In the past year, there have been increasing numbers of inquiries to all three Divisions. Given that these inquiries are often sensitive and emotional, each inquiry typically takes between 30 and 45 minutes to address. In order to ensure consistency in messaging, all inquiries are now directed to the Acting Manager of Planning, the Social/Housing Policy Planner and a Planning Analyst.

In order to address the growing number of housing and social services inquiries that the City is receiving, staff brought forth a report to the regular meeting of Council on March 12th, 2018 in regards to hiring a Housing and Social Services Coordinator as a pilot project. Council endorsed the proposed pilot project for a Housing and Social Services coordinator as outlined in the report. Council also directed staff to approach neighbouring municipalities to determine their interest in potentially participation in the proposed pilot project. Council also directed staff to explore possible funding sources for the proposed pilot project, including with the Provincial Government.

Complicating matters is the limited ability to refer tenants to housing outreach, referral and advocacy services. Over the past several years, cuts to these services amount to \$382,000 per year in New Westminster. As a result, this is placing increasing pressure on Bylaw Enforcement and Social Planning staff to assist tenants. It is also contributing to homelessness, which impacts other City Departments.

OPTIONS

There are three options for Council's consideration:

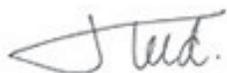
1. That Council receive this report for information.
2. That Council provide staff with other direction.

Staff recommends option 1.

This report has been prepared by:
Tristan Johnson, Planning Analyst

This report was reviewed by:
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Approved for Presentation to Council



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