



Council Member Motion
For the Committee of the Whole Meeting May 1, 2025

To: Committee of the Whole **Date:** April 25, 2025
From: Councillor Hammond
Subject: More compensation for evicted tenants due to re-development

BACKGROUND

There is something ironic about hoping for cheaper rents over time, using principles of supply and demand, while at the same time allowing tenant evictions through re-development of buildings where many existing tenants already have more affordable housing.

City Council can't, and won't, want to get in the way of people wanting to re-develop their own properties if it fits all laws and regulations. And when that re-development causes the evictions of existing tenants, it is up to Council to give as much protection as possible. With 61% of Victoria residents being renters, this is a group of people who deserve better protection. And with the new OCP giving a green light for tearing down existing rental properties to build much larger rental properties, new protections for this significant part of our community can't be put on hold.

The City's existing Tenant Assistance Policy from January 2023, sums up the importance of tenants in our city with the wording in the introduction which states:

1.1 Victoria Renters

Renters account for a significant portion of the City of Victoria's population and are an important part of the City's social fabric.

Many of the renters live in older and lower-density rental stock, where over 80% of which were built in the 1960s and 1970s. With a proportionally high percentage of renters in the City, (61% of the total population) this rental stock is a vital component of the City's overall supply of rental housing, with rental rates that are often lower than market average.

Renting also allows for median income households to live in Victoria. The median annual income of renters is \$44,165, significantly lower than that of homeowners (\$80,986).*

[*These income figures come from Statistics Canada for 2016, however more recent income data shows the continued significant disparity between household income for renters and home owners.]

As a result, the City owes its renting residents more protections when they are displaced due to re-development and at the moment, the payment to existing tenants who are evicted, is not enough. To quote Councillor Marg Gardiner on April 27, 2025, “the most affordable housing is existing housing.” When existing housing comes to an end, then fair and reasonable compensation is needed.

Section 5.1 of the City’s Tenant Assistance Policy states:

Compensation should be given to displaced tenants. Compensation may take the form of free rent, lump sum payment, or a combination of both.

Compensation is recommended to be based on length of tenancy:

- Up to 5 years: 3 months’ rent
- 5 to 9 years: 4 months’ rent
- 10 to 19 years: 5 months’ rent
- 20+ years: 6 months’ rent

In the case that compensation in the form of a lump sum payment may affect the tenants’ eligibility for housing, then compensation in free rent in a different building is preferred.

In the new Official Community Plan (OCP) proposal, under the “New Tenant Protection Bylaw and Development Permit Area” document, the only addition to the compensation noted directly above includes tenants with 1 year or less will receive 2 months’ rent.

Other aspects of the new proposed Tenant Protection Bylaw appear to be quite helpful during a very stressful time of being forced out of one’s home.

While City staff work on the new OCP Bylaw language for Council, it would be prudent to consult more widely with tenants rights groups, such as the Victoria Tenants Union, the Tenant Resource and Advisory Centre and any other groups devoted exclusively to tenants’ rights and protections. And of course, any proposed changes to the policy need to be discussed with the home building and development community.

When enquiring about consultation done to date, a senior City staff member responded with the following:

- “Emails were sent to 36 tenants who had previously gone through a [Tenant Assistance Plan] TAP and indicated that they were willing to be contacted by the city. The email invited them to discuss their experience and provide feedback on the existing policy to inform potential changes in the new bylaw. Six responses to this invitation were received. Three tenants attended the feedback session. I have attached a copy of the email.
- The City’s tenant assistance planner has engaged in a number of ‘one-on-one’ conversations with tenants who are in the midst of a TAP and has recorded their feedback.
- Staff met with a group from the Together Against Poverty Society (TAPS) – this organization provides legal support and advocacy about renters’ rights.
- Staff tried to engage with the Victoria Tenants’ Union but did not receive a reply.
- Conclusions from these conversations are included in Attachment E of the OCP report.”

Following up on the lack of response from the Victoria Tenants' Union, a spokesperson for the Union noted they were not aware the City was reaching out to them. Unintentional mis-communication can happen, however, the Union spokesperson said they want to be consulted by the City.

Fairness: If we look at employment common law, no one will think it fair to terminate an employee without cause, with no payment, very little payment or the minimum amounts as outlined in employment standards legislation. While a Canadian court noted that reasonable notice is "an art not a science" it's not unheard of for employees to receive approximately one month of pay for every year of service with their employer. And unless an employee receives "salary continuance" (where they are paid until they find a job), any long service employee could receive a lump sum payment of say six, twelve, or eighteen months and then find a similar paying job the next day.

However, with a long-term renter, they may have to move far away from their previous home and/or pay significantly more for rent for the rest of their lives and any lump sum payment will only "subsidize" their new higher rent for a limited number of years. Hence, it becomes important to give previous tenants as much "cushion" as possible.

With the exception of government or non-profit organizations, rental accommodations for tenants is a business. Often we can think of a re-development as crunching numbers to ensure a building owner receives a reasonable profit. And while ensuring that business is profitable, when tenants are evicted, it's more than numbers and profits; it's about being fair and reasonable for people who have made that building their home.

Worth of land: Any payment to an existing tenant will add to the final cost of any re-development. When the City sets out clearly defined costs for supporting evicted tenants, then the buyer of a building with an eye on re-development will be able to add these expected costs to their balance sheet before making an offer on the property.

For example, if a piece of land with a building on it, has a market value of \$10 million and the cost to evict existing tenants for re-development is \$500,000, then a prospective buyer would know the true market value of that land and building is \$9.5 million. If the purchaser of that land and building prepares for a re-development after paying the full \$10 million and pleads their case that the cost of evicting tenants is too much, or that they need more density to pay for these eviction costs, the City can easily say, "you paid too much" for that land or "you didn't do your homework." This is where crass number crunching will determine the true value of that land and building at the time of purchase.

Policy vs. Bylaw: One of the important differences between the City's Tenant Assistance Policy and the new proposed Tenant Protection Bylaw and Development Permit Area is the ability to enforce the tenant protections.

As per the new "Tenant Protection Bylaw and Development Permit Area" [DPA] document found in Attachment E of the 10-year OCP Update Tenant Protection, it states (page 1), "This new [provincial] legislation means that Tenant Assistance Plans can now be required outside of the rezoning process, and they can take form of regulations, rather than just policy.

At page 3, it states, "Transitioning the existing policy to a bylaw (with adherence required through a DPA) will ensure these supports and protections continue to function as intended, while allowing the ability to apply tenant support to more land use applications with enhanced enforceability."

Hence, if enforcement is an important aspect to creating a bylaw, then it is hoped City staff can take on this added consultation to the OCP plan, bringing back recommendations to Council that can be amended prior to any public hearing or further consultation.

Timelines: While it would be preferable to have these changes to City bylaws done in tandem with the upcoming bylaws for all the changes coming from the OCP, senior City staff have indicated this will greatly hamper the ability of staff to do everything at the same time. If the recommendation were to proceed, it will require serious consultation with a report back to Council before further changes to City bylaws. Hence, in the spirit of listening to staff and being realistic about what can be done, this is proposed for a short time after the new OCP bylaws are enacted.

RECOMMENDATION

That Council direct Staff to:

- 1) Consider increasing compensation to tenants who will be displaced by re-development of their rental homes with no less than two months payment for up to two years of tenancy and then an additional month payment for each year of tenancy to a maximum of 18 months;
- 2) Consult with organizations exclusively involved in tenants rights and in the housing/development business;
- 3) Do an economic analysis to determine the impact of additional compensation to tenants;
- 4) Report back findings and suggestions to Council no later than six months after the OCP bylaws are adopted.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen Hammond", written in a cursive style.

Councillor Stephen Hammond