

## **Policy Intent:**

The Tenant Assistance Policy has been developed to help mitigate the potential impacts of displacement on tenants by providing guidelines for developers and property owners to provide additional supports for tenants who are displaced as a result of renovations or development.

## **Context**

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, lower-density, rental stock. With a proportionally high percentage of renters in the City (60% of the total population) and low vacancy rate (under 1%) for the past several years, 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.

The demolition and replacement of rental buildings results in the displacement of tenants, an issue that is exacerbated by significantly higher rents in new buildings. This poses a particular challenge given the current low vacancy rate in the city, as new rental housing is not always readily available or affordable.

Lack of affordable housing, especially affordable rental stock, is a significant factor that contributes to relatively high levels of homelessness in the city, with significant social and economic costs and impacts. Any loss of rental stock and displacement of existing tenants, especially vulnerable tenants, is a serious challenge.

Responsible development must minimize displacement in the City's highly constrained rental market and must ensure that the impact of redevelopment or renovation activity on tenants is considered as part of any land use approval. In cases of redevelopment where tenant relocation is a necessity, this Tenant Assistance Policy is intended to provide guidance for property owners on appropriate measures to mitigate negative impact of redevelopment on existing tenants.

## **Policy**

For any renovation or redevelopment that requires relocation of existing tenants, the property owner must develop a Tenant Assistance Plan that addresses the following issues:

- Early communication with the tenants
- Appropriate compensation
- Relocation assistance
- Moving costs and assistance
- Right of first refusal

## **Application**

1. This Tenant Assistance Policy is applicable to rezoning applications to redevelop or demolish an existing purpose-built building with more than four residential rental units.
2. This policy offers best practice guidelines that can also be used by all applicants who are seeking to renovate or redevelop existing rental buildings.
3. This policy is intended to guide applicants and City staff as part of the application process but it is not intended to fetter Council's discretion when dealing with individual applications, each of which will be evaluated on its own merits.

This policy is particularly targeted towards vulnerable tenants, for whom the impact of displacement may be more acute. Vulnerable tenants may include:

- Long-term tenants who may be paying significantly below market-rent, and for whom entering the current market may present financial challenges
- Tenants with specific housing needs due to a disability
- Seniors, who may be long-term tenants and living on a fixed income
- Families with young children, who may have difficulty finding appropriate units

## **Guidelines for the Tenant Assistance Plan**

Each application will require a unique Tenant Assistance Plan that best meets the needs of the tenants, given their unique circumstances, within the particular redevelopment proposal. The following guidelines for the various components of the Tenant Assistance Plan are offered as a minimum expectation but are not binding. Alternative arrangements that provide similar level of assistance to tenants may be appropriate depending on the circumstances of a proposed renovation or redevelopment.

## **Communications with Tenants:**

Applicants should communicate their intention to apply for rezoning with tenants both prior to the application and following issuance of rezoning as well as application and issuance of development permit. The Tenant Assistance Plan should be developed with input from tenants and once finalized, the full plan should be communicated to tenants.

Advanced notice can be given to tenants when development proponent is in application stage. Once necessary permits and approvals are in place, Council's expectation is that a minimum of three months' notice would be given to end tenancy.

Both advanced and three months' notice shall be posted within the building in a conspicuous place

## **Compensation:**

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

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Compensation is recommended to be based on length of tenancy:

- Tenancies up to 5 years: 3 months' rent
- 5 to 9 years: 4 months' rent
- 10-19 years: 5 months' rent
- 20+ years: 6 months' rent

### Moving expenses and assistance:

One of two options should be provided to displaced tenants, at the discretion of the landlord:

(1) An insured moving company may be hired by the applicant, with all arrangements and costs covered

OR

(2) Flat rate compensation (based on unit size) provided to the tenant at the rate of:

- \$500 for bachelor and 1-bedroom households; and
- \$750 for two or more bedroom households.

It is recommended that vulnerable tenants who may have difficulty moving or making arrangements of their own be provided with option (1).

### Relocation assistance:

Tenants can request assistance finding new accommodations. An experienced **Tenant Relocation Coordinator** should be hired or appointed by property owner or landlord, to assist tenants with finding alternative rental housing options.

The Tenant Relocation Coordinator's contact information should be posted within the building in a conspicuous place and they should be contactable at regular and consistent hours.

At least three housing options should be presented to tenant. The new units should be comparable in terms of size, location, and rent amount (unless otherwise agreed to by tenant) with a minimum of one option within same neighbourhood.

### Right of First Refusal:

Tenants should be offered the opportunity to return to the building, with rent rates discounted by 10% off starting rates.

### Procedure

A Tenant Assistance Plan is to be submitted alongside the rezoning or development permit application and should include the following information:

- Number of units in building
- Current rent rate of units
- Length of tenancy

## City of Victoria – Tenant Assistance Policy – May 1, 2018

- Identification of vulnerable tenants
- Details of what has already happened:
  - Communications with tenants
  - Tenant Relocation Coordinator – name and contact information
- Plans for:
  - Amount of compensation
  - Moving expenses and assistance
  - Relocation assistance
  - Right of first refusal - discounted amount

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