

Residential Rental Tenure Zoning



Background

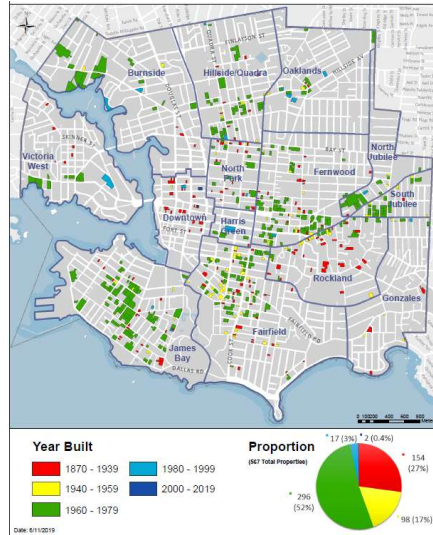
- December 13, 2018 – Comprehensive Council motion related to RRTZ directing staff to:
 1. Introduce RRTZ into zoning bylaws. **(Complete)**
 2. Apply RRTZ to new zones for purpose built rental projects and projects seeking bonus density as per inclusionary housing policy. **(Underway)**
 3. Include RRTZ as a priority Housing Strategy action. **(Complete)**
 4. Participate in RRTZ study organized by UBC. **(Underway)**
 5. Apply RRTZ to zones permitting secondary suites and garden suites.
 6. Report back with a work plan for applying RRTZ to existing purpose-built multi-unit residential (market) rental properties.



Residential Rental Tenure Zoning (RRTZ)

Multi Unit Residential (Market) Rental Properties

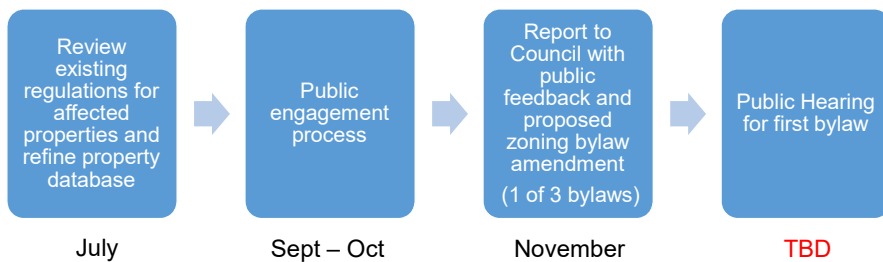
- Approx. 500 properties with over 16,000 individual dwelling units.
- Excludes properties owned and operated by non-profits or government.
- 96% of rental properties constructed prior to 1980.
- Most older properties may need significant capital improvements and may be at risk of redevelopment.



Residential Rental Tenure Zoning (RRTZ)

Proposed Approach

Option 1 (Recommended)



Residential Rental Tenure Zoning (RRTZ)

Public Engagement

- Focused consultation with property owners, property management companies, communities, development industry, and interested members of the public.
- Structured to share information and receive feedback on overall project, potential impacts, benefits, and desired outcomes.
- Use of City website (Engagement Portal) and open houses.
- Notification of public engagement opportunities to be mailed to affected property owners.
- Website will include a searchable database and interactive map to provide information on affected properties.



Residential Rental Tenure Zoning (RRTZ)

Effectiveness of RRTZ

- Potentially effective tool for supporting ongoing delivery of rental housing.
- Provides improved clarity through zoning that rental is the only permitted form of tenure.
- Reduces potential redevelopment pressure to non-rental housing.
- Change to RRT zoning requires Council decision (Rezoning).
- City will continue to use housing agreements to address affordability, target income groups and other requirements as part of a rezoning process.
- Some existing rental properties may already have zoning, housing agreements or other legal agreements to secure the provision of rental housing.



Residential Rental Tenure Zoning (RRTZ)

Feedback from 2019 Housing Summit

Key Themes:

- RRTZ supports retention of rental properties.
- Should only be applied through individual rezonings and on strategic locations that align with land use policies.
- Municipalities should develop incentives to encourage property owners to seek RRTZ through (applicant initiated) individual rezonings.
- Need to consider legal risks and impacts on land value.
- May impact a property owner's ability to borrow from the property equity for maintenance and upgrading.
- Will not result in affordability or prevent existing buildings from being redeveloped, as it only regulates tenure.



Residential Rental Tenure Zoning (RRTZ)

RRTZ Economic Impact Study and Workshop

- Housing Research Collaborative (UBC) is currently completing an economic impact study and compiling feedback from an RRTZ workshop that was held in Victoria.
- Findings from the study and workshop will be used to support the City's public engagement and consultation efforts later this year.



Residential Rental Tenure Zoning (RRTZ)

Secondary Suites and Garden Suites

- Potential for unintended consequences on the operation and use of these dwelling units:
 - Property owners would not be able to use space for personal use or to accommodate immediate family without a formal rental agreement.
 - Contradicts terms of legal agreements for previously issued secondary suite grant program (5-year restriction on rental only).
 - May deter property owners from seeking City-authorized building permits for secondary suites and garden suites.
- Existing zoning regulations already include restrictions for short-term rentals.



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Recommendation

That Council direct staff to:

1. Prepare draft zoning bylaw amendments to apply residential rental tenure zoning to existing purpose-built market rental properties through a phased approach.
2. Exclude the application of residential rental tenure zoning from secondary suites and garden suites.
3. Undertake focused consultation with affected property owners and the public to seek feedback on the draft zoning bylaw amendments and report the outcomes to Council.
4. Prepare zoning bylaw amendments for first and second readings for consideration at separate public hearings.



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