

Council Member Motion For the Committee of the Whole Meeting of Jan. 23rd, 2020

To: Committee of the Whole Date: Jan. 21st, 2020

From: Councillor Loveday and Councillor Dubow

Subject: AVICC and UBCM advocacy motions passed by the Renters Advisory

Committee

BACKGROUND

The City of Victoria's Renters' Advisory Committee drafted a suite of eight advocacy resolutions that will help deliver access to safe, adequate, and affordable rental housing. The committee debated and prioritized three advocacy motions for Council to consider sending to AVICC and UBCM. Council's policy which governs the reporting mechanisms for committees dictates that if issues are time sensitive, Council liaisons will bring forward the approved committee resolutions to Committee of the Whole for consideration. The following resolutions were passed on Jan. 21st, 2020 to be forwarded to Committee of the Whole in time to make the deadline to send resolutions to the Association of Vancouver Island and Coastal Communities.

Reccomentations:

That Council receive and consider each of the following three motions separately:

1. That Council endorse the following resolution and forward it for consideration at the Association of Vancouver Island and Coastal Communities convention:

Title: Tax Land and Improvements Separately

BACKGROUND:

Resolutions to support split-rate taxation have been passed at the UBCM before, in 2007 (sponsored by Victoria, and aimed at encouraging investment in vacant land and derelict buildings); and in 2008 and 2011 (sponsored both times by Lake Cowichan, and aimed at encouraging investment in properties and reducing the impact of sudden fluctuations in property values). While those resolutions made good arguments for the policy, this one argues that land value taxation - increasing the property tax rate on land value and lowering it on improvement value - would

also help correct the imbalance between ownership and rental housing development.

Buildings start to depreciate in value as soon as they are built, but land value will continue to rise; in other words, the unaffordable housing crisis is largely driven by high land values, not expensive buildings. Land value also reflects the speculative gains that come from property ownership – the fact that housing is a rising asset, and people are willing to pay higher and higher costs to get onto the ladder.

Rental housing doesn't enjoy that same speculative gain, which means that building for the ownership market is more profitable for developers. It also means that private ownership developers can afford to pay more for buildable sites. Purpose-built rental housing development is therefore at a disadvantage, a supply-side problem that contributes to the rental crisis of low vacancy rates, high rents, and intense competition.

Increasing property tax on land would reduce speculation, because taxes would rise faster when land value rises. This would reduce the profitability of developing for the ownership market and thereby make rental housing development more competitive.

Resolution:

WHEREAS unaffordable housing generally reflects high land values that are driven up by speculation, which makes ownership very expensive to buy but profitable for sellers and developers, and puts rental housing at a disadvantage when competing for buildable sites;

AND WHEREAS a lower property tax rate on improvements and a higher rate on land value could be made to keep taxes the same or lower for most properties, but would reduce the speculative gain from ownership and make rental housing developments more competitive;

THEREFORE BE IT RESOLVED that the Union of British Columbia Municipalities request that the Province amend the Community Charter to grant municipalities the option of setting different property tax rates for land and improvements.

2. That Council endorse the following resolution and forward it for consideration at the Association of Vancouver Island and Coastal Communities convention:

Title: Establish a provincial Standards of Maintenance Policy

BACKGROUNDER:

The Residential Tenancy Act (RTA) and the Manufactured Home Park Tenancy Act (MHPTA) both require landlords to repair and maintain their properties in accordance with health and safety standards required by law. However, many

jurisdictions lack regional and municipal standards (eg. health authority standards and city bylaws) and therefore tenants are left with no standards to rely on. The lack of local health and safety policies also mean that tenants cannot rely on professionals such as bylaw officers to conduct inspections and assessments that would be useful evidence in arbitration hearings to support the need for maintenance.

Consequently, tenants are left powerless and unable to hold landlords accountable for serious repair and maintenance problems such as mold, pests, fire hazards, and structural issues. A suite of property maintenance standards would establish a set of requirements that would give tenants a basis for requesting services and repairs, as well as hold home owners accountable to preserve valuable housing stock.

Resolution:

WHEREAS property maintenance standards are vital for protecting existing housing stock and tenants as they help to ensure that living environments are safe, secure, and appropriate;

AND WHEREAS many jurisdictions currently lack regional and municipal standards or regulations, including municipal bylaws or health standards;

THEREFORE BE IT RESOLVED that the Province establishes a provincial standards of maintenance policy that sets out a breadth of health, safety, and security standards, and establishes enforcement mechanisms that ensure adherence to these standards.

3. That Council endorse the following resolution and forward it for consideration at the Association of Vancouver Island and Coastal Communities convention:

Title: Amend the Residential Tenancy Act to reduce or eliminate "no pet" clauses in lease agreements

BACKGROUNDER:

Almost 80% of B.C. residents favour legislation that gives tenants the right to keep pets. However, under current legislation, a landlord can choose whether they permit tenants to keep pets, as well as the number, size, and types of pets they will allow. The leverage afforded to landlords inherently reduces the amount of rental stock available to pet owners, thus resulting in tenants facing limited housing options and increased rental rates due to competition.

The Residential Tenancy Act has mechanisms that protect landlords from the potential risks of allowing pets, including the right to require a pet damage deposit, and provisions that empower landlords to seek compensation for damages.

Given this context, the Province should eliminate the blanket authority that landlords have over pets in rental units by establishing legislation that gives pet owners fair rights to affordable and appropriate housing.

(BC SPCA Renters Guide)

Resolution:

WHEREAS companion animals have significant quality of life and health benefits for pet owners, and there are also significant benefits to landlords of pet-friendly housing, such as higher rents and longer-term and more reliable tenants;

AND WHEREAS no pet clauses in lease agreements greatly reduce the availability and adequacy of rental suites for renters who own pets, further exacerbating extremely challenging rental market conditions for renters;

THEREFORE BE IT RESOLVED that the Province amend the Residential Tenancy Act to eliminate "no pet" clauses in lease agreements in British Columbia.

Respectfully submitted,

Councillor Loveday

Councillor Dubow