



## Tenant Assistance Policy

### Victoria Housing Strategy 2016 – 2025

## 1.0 Introduction

### 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<sup>1</sup>. With a proportionally high percentage of renters in the City, (61% of the total population)<sup>2</sup> 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)<sup>3</sup>.

### 1.2 Rental Housing Challenges

A healthy vacancy rate for a city is considered to be between three to five percent. With Victoria's growing population, high demand for rental housing, and low vacancy rate (1.0%)<sup>4</sup>, combined with limited increases in income and limited new supply of purpose-built rental housing in recent decades, the cost of housing for renters is not sustainable and continues to increase. Not only has the cost of renting increased but so too has cost of home ownership, creating even more challenges for many households to purchase a home. The impact of higher home ownership costs is that households that would have previously sought to buy a home are opting to rent, putting additional pressure on the rental market. While renters at every income level have experienced a dramatic increase in rents over the past number of years, the impact has been felt most acutely by those on fixed or low incomes and single person households, such as seniors, low-income families, single parents, and low wage workers.

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. 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 tenants with additional assistance needs, is a serious challenge.

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<sup>1</sup> Market Rental Revitalization Report 2018

<sup>2</sup> Statistics Canada Census 2016

<sup>3</sup> Statistics Canada Census 2016

<sup>4</sup> CMHC Rental Market Report 2021

### 1.3 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 major renovations or redevelopment.

## 2.0 Role of British Columbia Residential Tenancy Act

British Columbia's Residential Tenancy Act (RTA) regulates all tenancy agreements in residential units across the province. The Tenant Assistance Policy and Guidelines are intended to augment the RTA and address challenges unique to Victoria. While these Guidelines outline some of the requirements for tenant support included in the RTA, they are not a comprehensive nor complete guide. In some instances, the RTA outlines penalties for non-compliance for items both included in these guidelines and omitted. It is important that both landlords and tenants understand their rights and responsibilities under the RTA.

For more information on residential tenancy policy and guidelines, please refer to the Provincial Government's [Tenancy Policy Guidelines](#).

### 2.1 Notice to End Tenancies

The RTA sets out minimum notice that a landlord must give tenants to move out in case of renovations to or demolition of an existing building. A landlord may issue a *Notice to End Tenancy* only after all necessary permits have been issued by the City. In addition, landlords must give four months' notice to end tenancies for renovation, demolition, and conversions. Tenants have 30 days to dispute the notice.

For more information, please refer to the [Landlord Notice to End Tenancy](#).

### 2.2 Renovations and Repairs

Under the RTA, renovations and repairs must be so extensive that they require the unit to be empty for them to take place, and the only way to achieve the necessary emptiness or vacancy is by terminating a tenancy. The RTA and associated guidelines provide specific guidance pertaining to whether a landlord may end a tenancy to undertake renovations or repairs to a rental unit.

For more information, please refer to [Ending a Tenancy for Landlord's use of Property](#).

### 2.3 Right of First Refusal

In instances of renovations or repairs requiring vacancy, the RTA requires tenants be offered the right of first refusal to enter into a new tenancy agreement at a rent determined by the landlord. This right of first refusal applies only to a rental unit in a residential property containing 5 or more units, and there are financial penalties for non-compliance.

For more information, please refer to [Tenant Notice: Exercising Right of First Refusal](#).

### 3.0 Policy Target

The application of the Tenant Assistance Policy are as follows:

- The Tenant Assistance Policy is applicable to rezoning applications to redevelop or demolish any building that will result in loss of existing residential rental units.
- This policy offers best practice guidelines that can also be used by all applicants who are seeking to renovate or redevelop existing residential rental units.
- 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.

### 3.1 Applicable Housing Types

The applicable housing types are as follows:

- *Market Rental Housing* – private rental housing with rent determined by the market
- *Non-Market or Social Housing* – housing that is rented at a price that is not set by market forces but set and controlled over time by some other means

For *missing middle* housing types, refer to section 6.0, *Tenant Assistance Plans for Missing Middle Housing Development*.

### 3.2 Eligible Tenants

Eligible Tenants are tenants who should be included in the Tenant Assistance Plan and includes all tenants who have resided in the building for one year or more at the time a rezoning application is submitted.

A tenant who has not resided in the property long enough to be an eligible tenant, including a tenant that moves into the property after the rezoning or development permit application is submitted to the City, is not required to be included in the Tenant Assistance Plan (but may be included at the applicant's discretion).

In cases where an eligible tenant moves out prior to receiving a Notice to End Tenancy from the landlord, they are still entitled to full financial compensation and the additional support they are eligible for under the Tenant Assistance Policy.

### 3.3 Developing a Tenant Assistance Plan

For any renovation or redevelopment that requires relocation of existing tenants, the property owner must create 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.

The City has developed a Tenant Assistance Plan template that is available for applicant use. The template includes the required FOIPPA section 27(2) privacy notification which should be identified for tenants.

### 3.4 Communication with Tenants

Applicants should communicate their intention to renovate or redevelop with tenants prior to submitting any application to the City and continue to communicate throughout the process. The Tenant Assistance Plan should be developed with input from tenants, and once finalized, the full plan should be communicated to tenants. Communication with tenants could include:

- A written letter or email sent by the applicants to all tenants outlining the proposed project and expected timeline
- Providing a primary point of contact for tenants
- Providing the City's *Frequently Asked Questions (FAQ)* handout sheet
- Providing a *Request for Tenant Assistance Form* to tenants to identify tenant assistance needs
- Informing tenants about the City's Tenant Assistance webpage and the Residential Tenancy Branch webpage
- Ongoing communication regarding the process of the development and tenant assistance process at each stage of the process (prior, during, and at the conclusion of the project) in the form of a meeting, letter, email, etc.

## 4.0 Tenant Assistance Plan for Market Rental Housing Development

The guidelines in this section are intended to be used for renovation or redevelopment in Market Rental Housing developments, as defined in section 3.1 Applicable Housing Types.

### 4.1 Compensation

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

For market rental housing, compensation is recommended to be based on length of tenancy at either:

- (1) The higher of CMHC average rent for the City of Victoria (as identified in CMHC's Annual Rental Market Report, adjusted annually and identified in Table 1 – *Rental Compensation*<sup>5</sup>, below) or the tenant's existing rent; or
- (2) Free rent in a different building

**Table 1 - Rental Compensation**

CMHC Average Rent <sup>6</sup>	Length of Tenancy
<ul style="list-style-type: none"> <li>• Bachelor: \$1,024</li> <li>• 1BR: \$1,205</li> <li>• 2BR: \$1,580</li> <li>• 3BR+: \$1,975</li> </ul>	<ul style="list-style-type: none"> <li>• Up to 5 years: 3 months' rent</li> <li>• 5 to 9 years: 4 months' rent</li> <li>• 10-19 years: 5 months' rent</li> <li>• 20+ years: 6 months' rent</li> </ul>

<sup>5</sup> Table 1 is provided for reference only. Applicants should consult the latest CMHC Rental Market Report for appropriate rent rates.

<sup>6</sup> CMHC Rental Market Report 2021

For tenants receiving government or rental assistance where program eligibility is based on taxable income, such as BC Housing's Rental Assistance Program (RAP), Shelter Aid for Elderly Renters (SAFER), Income Assistance, Disability Assistance, etc., compensation in the form of free rent in a different building is preferable.

## 4.2 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 within Greater Victoria; or
- (2) Flat rate compensation (based on unit size) provided to the tenant at the rate of:
  - \$750 for bachelor and one-bedroom households
  - \$1,000 for two-bedroom households
  - \$1,250 for three or more -bedroom households

When a tenant is exercising the Right of First Refusal (Section 4.4), moving expenses should be provided for both the move out and return to the building.

Tenants may request moving compensation different than that proposed by the Landlord per item 7.0: Tenants Requiring Additional Assistance.

## 4.3 Relocation Assistance

### Tenant Relocation Coordinator

An experienced Tenant Relocation Coordinator should be hired or appointed by property owner or landlord to assist tenants with finding alternative rental housing options. A roster of local Tenant Relocation Coordinators can be found on the City's webpage.

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

### Alternate Housing Options

At least three housing options should be presented to the tenant(s). The units should be:

- Comparable in terms of size, location, and rent amount (unless otherwise agreed to by tenant)
- Located in the Capital Regional District, with at least one in the same neighbourhood (unless the tenant has indicated preference for another location)
- Rent at no more than the Canadian Mortgage and Housing Corporation (CMHC) average rents for the City of Victoria, or at a rate comparable to the tenant's current rate if current rent is higher than CMHC average
- Tailored to the tenant wherever possible (e.g., pet friendly, accessible, smoke-free, etc.)

#### 4.4 Right of First Refusal

Tenants should be offered the Right of First Refusal, which is the right for the tenant being displaced to return to the building once renovations or redevelopment is complete. Returning tenants should be offered rents at 20% below starting market rents for the new units, with the following considerations:

- If a tenant's current rent is higher than the proposed 20% below market rent level, the right of first refusal can be offered at the tenant's current rental rate
- Tenants should be offered to be moved back to the building with moving expenses covered per Section 4.2

### 5.0 Tenant Assistance Plan for Non-Market Rental Housing Development

The guidelines in this section are intended to be used for renovation or redevelopment in Non-Market Rental Housing developments, as defined in section 3.1 Applicable Housing Types.

#### 5.1 Compensation

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.

These guidelines may be flexible for non-market or social housing developments, where negotiating for reduced compensation for tenants may be possible (for example when tenants are relocated in comparable accommodation within an organization's existing portfolio of affordable housing).

#### 5.2 Moving Expenses and Assistance

Refer to Section 4.2.

#### 5.3 Relocation Assistance

##### Tenant Relocation Coordinator

An experienced Tenant Relocation Coordinator should be hired or appointed by the property owner or landlord to assist tenants with finding alternative rental housing options. A roster of Tenant Relocation Coordinators can be found on the City's webpage.

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

### Alternate Housing Options

At least three housing options should be presented to the tenant(s), where securing housing for the tenant(s) is recommended. The alternate units should be:

- Comparable in unit size and type (unless otherwise agreed by the tenant)
- Located in the Capital Regional District, with at least one in the same municipality
- For tenants paying Rent-Geared-to-Income, rents are to be no higher than what the tenant is eligible for under the current subsidy program
- For all other tenants, rents are to be no more than the higher of either 30% of household gross income or the tenant's current rent at the time of development application
- Tailored to the tenant wherever possible (e.g., pet friendly, accessible, smoke-free, etc.)

Preference should be given at the tenant's discretion to (in priority sequence):

- Phased renovations or redevelopment where tenants can be relocated in stages to other properties on the site without ending tenancies
- A unit within the non-profit's existing portfolio
- A unit within another non-profit's portfolio
- Other forms of subsidized housing (e.g., a portable rental supplement)

### **5.4 Right of First Refusal**

Tenants should be offered the Right of First Refusal, which is the right for the tenant being displaced to return to the building once renovations or redevelopment is complete.

- Applicants should provide all residents with the right of first refusal to return to the new development at rents described in section 5.4
- Tenants offered to move back to the building should have moving expenses covered at rates described in Section 4.3
- Projects proposing new social housing, or in instances where rental units are replaced with social housing, returning tenants must meet eligibility requirements for the new social housing units and any criteria described in a Council-approved Housing Agreement

## **6.0 Tenant Assistance Plan for Missing Middle Housing Development**

The guidelines in this section are intended to provide direction to Missing Middle housing projects in the Traditional Residential Urban Place Designation.

### **6.1 Compensation**

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

For tenants displaced by missing middle development projects, compensation is recommended to be either:

- (1) a. For market rental – One months' rent at the higher of CMHC average rent for the City of Victoria (as identified in CMHC's Annual Rental Market Report, adjusted annually and identified in Table 2 – *Rental Compensation*<sup>7</sup>, below) or the tenant's existing rent; or

- (1) b. For non-market rental - One months' rent; or
- (2) Free rent in a different building

**Table 2 - Rental Compensation**

**CMHC Average Rent<sup>8</sup>**

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- Bachelor: \$1,024
  - 1BR: \$1,205
  - 2BR: \$1,580
  - 3BR+: \$1,975

For tenants receiving government or rental assistance where program eligibility is based on taxable income, such as BC Housing's Rental Assistance Program (RAP), Shelter Aid for Elderly Renters (SAFER), Income Assistance, Disability Assistance, etc., compensation in the form of free rent in a different building is preferable.

These guidelines may be flexible for non-market or social housing developments, where negotiating for reduced compensation for tenants may be possible (for example when tenants are relocated in comparable accommodation within an organization's existing portfolio of affordable housing).

**6.2 Moving Expenses and Assistance**

Refer to Section 4.2.

**6.3 Combined Compensation**

To satisfy this policy, a developer is required to provide combined total compensation under sections 6.1 and 6.2 up to a total value of \$4,000.

Any additional compensation to displaced tenants, above \$4,000 will be at the developer's discretion.

**6.4 Relocation Assistance**

While relocation assistance is not required as part of missing middle developments, the assistance in identification of alternative housing options for displaced tenants is considered best practice and should be undertaken whenever possible. See section 4.3 Alternate Housing Options for guidance.

**6.5 Right of First Refusal**

For missing middle housing developments, there are no Right of First Refusal requirements - which is the right for the tenant being displaced to return to the building once renovations or redevelopment is complete - beyond those included in the RTA.

<sup>5</sup> Table 1 is provided for reference only. Applicants should consult the latest CMHC Rental Market Report for appropriate rent rates.

<sup>6</sup> CMHC Rental Market Report 2021



## 7.0 Tenants Requiring Additional Assistance

This policy is particularly targeted towards tenants requiring additional assistance, for whom the impact of displacement may be more acute. Tenants requiring additional assistance may include (but not limited to):

- 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 (physical and/or mental health issues)
- Seniors, who may be long-term tenants and living on a fixed income
- Families with young children, who may have difficulty finding appropriate units
- Newcomers (recent immigrants and refugees)
- Households with very low (<\$19,999) to low (\$20,000 - \$34,999) income
- Self-reporting of additional assistance required by tenants (disclosure to the applicant on the reason for requiring assistance is NOT required)

The City may, at its discretion, request that additional financial compensation or support be provided to tenants requiring additional assistance. Additional supports could include:

- Providing additional compensation in the form of free rent, lump sum payments or a combination of both
- Hiring a Tenant Relocation Coordinator to assist individual tenants
- Providing professional movers (costs and arrangements covered) and additional funds for moving expenses
- Working with non-profit agencies to offer alternative accommodation
- Prioritizing rent-gear-to-income tenants for relocation assistance
- Continued support for housing search options above the relocation assistance requirements
- Identifying an alternative housing option that is within 10% of the tenant's current rent, if the tenant has a low income and is paying significantly lower than CMHC average rent for the area
- Offering right of first refusal rents at 20% below starting market rents for the new units
- For tenants in subsidized housing, right of first refusal units offered at existing rents in the new building

## 8.0 Vacant Units

Special requirements apply where the rental building is vacant at the time of a rezoning application as a consequence of:

- A vacant possession having been a condition of property purchase; or
- A Notice to Vacate issued without proper permits and necessary approvals in place.

In these cases, the rezoning application will need to be supplemented with additional information as requested by the City, which may include on request supporting documents and legal notices delivered to the tenants, so as to afford the City the ability to confirm and verify that the process by which the building was vacated was, to the best of their knowledge, carried out in compliance with this Policy and the RTA.

## 9.0 Procedure for Implementation, Documentation, and Final Report

Once the Tenant Assistance Plan has been approved by City staff and Council in a rezoning application, the applicant is responsible for communicating the plan to tenants, and for implementing the plan as

described in this policy.

Throughout implementation, landlords should keep good records of communication with tenants, including housing options provided and offers and acceptances of alternate housing provided, and be able to produce these records to the City on request.

A final Tenant Assistance Report should be submitted prior to the issuance of an occupancy permit. The City has developed a Final Tenant Assistance Report template that is available for applicant use. At minimum, the report should include:

- Names of tenants eligible for the Tenant Assistance Plan
- A summary of the financial compensation and assistance given to each tenant (e.g. moving costs, rent, etc.)
- Outcome of their search for accommodation
- Tenants who have exercised the right of first refusal

## 10.0 Freedom of Information and Protection of Privacy Act

This policy recognizes that for the Tenant Assistance Plan to operate effectively, tenants' personal information will need to be collected, used, and disclosed. Therefore, every tenant assistance plan will be administered in compliance with the following privacy requirements contained in the *Freedom of Information and Protection of Privacy Act*:

- Personal information can only be collected, used and disclosed for the purposes described in this policy
- Personal information must be protected at all times from unauthorized collection, use, access and disclosure
- Tenants must be made aware that providing their personal information is voluntary and non-disclosure does not prevent them from participating in the Tenant Assistance Plan
- Tenants have the right to know how their personal information is being used
- Tenants have the right to access their personal information and to request corrections of it where applicable
- Tenants will not be asked to provide any personal information that is not necessary to assist them under the Tenant Assistance Plan
- Tenants' personal information will not be retained longer than is necessary to assist them under the Tenant Assistance Plan
- Tenant Assistance Plans should not be forwarded to anyone, City staff or otherwise, not directly involved in the completion, participation in, or evaluation of the plan.