

Tenant Protection Bylaws

Interim Guidance

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Planning and Land Use Management Branch

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Website: https://www2.gov.bc.ca/gov/content/housing-tenancy/local-

governments-and-housing/housing-initiatives

Introduction

In the Fall of 2023, the Province passed a suite of legislation to shift to a more proactive planning and zoning approach, collectively known as the <u>local government housing initiatives</u>. This shift enables more housing to be built, in the right places, faster. The transition to proactive planning will change how local governments secure tenant protections, placing less emphasis on negotiations during rezoning processes. The Province is taking measures to ensure that municipalities have the tools they need to support tenants that may be impacted by redevelopment.

In the Spring of 2024, the B.C. Legislature passed <u>Bill 16 the Housing Statutes Amendment Act</u>. 2024 which made changes to the <u>Community Charter</u> and the <u>Local Government Act</u> to provide municipalities with explicit authority to develop tenant protection bylaws (TPBs). Municipalities can adopt these bylaws to require developers to provide added support for tenants facing displacement in cases of redevelopment.

Comprehensive guidance for tenant protection bylaws is being developed by the Province and will provide more technical information, best practices, and further considerations to support effective implementation of this tool.

Overview of tenant protection bylaws (TPBs)

The *Community Charter* provides explicit authority for municipalities to adopt TPBs as a tool to protect tenants facing displacement in cases of redevelopment.

TPBs can require the **owners of residential property** to give tenants one or more of the following:

- notice or information with respect to a redevelopment, a proposed redevelopment or other matters outlined in the TPBs;
- financial compensation for the termination of tenancy agreements;
- financial and/or other assistance to find and relocate to comparable replacement units;
 and

• the opportunity to exercise rights to enter into a new tenancy agreement in another building owned by them at a particular rent level in comparable replacement units ("right of first refusal").

In addition, under the Local Government Act municipalities may also require:

- adherence to TPBs as a condition of receiving a development permit; and
- that the municipality be provided with information about the anticipated impacts of a proposed redevelopment to help municipalities better understand the effect on displaced tenants.

A detailed description of TPBs and examples are included as **Appendix A.**

Tenants continue to have provincial protections under the *Residential Tenancy Act*. Local tenant protection bylaw supports are in addition to tenant protections under the *Residential Tenancy Act*. See page 6 below (*Residential Tenancy Act*) for more information.

Authority to create TPBs

Sections 63-63.3 of the Community Charter set out municipalities' authority to enact TPBs.

This authority does not apply to regional districts. However, Bill 16 created related tools under the *Local Government Act* that can help regional districts mitigate the impact of redevelopment on tenants, such as the ability to designate development permit areas and request development approval information. However, they will not be able to create TPBs.

These authorities do not apply to the City of Vancouver as it is governed by the Vancouver Charter.

Application of TPBs

Tenants who are being evicted due to redevelopment and who live in a municipality with a TPB could be eligible for assistance, but it will depend on the municipal bylaw.

Municipalities are encouraged to consider how TPBs may best serve their population. For example, municipalities should consider:

- the application of TPBs to tenants (e.g., the period of time that tenant(s) must have occupied a rental unit in order to benefit from TPBs; how the extent of benefits is determined);
- types of buildings (e.g., purpose built rental buildings with 5 or more units); and
- types of property owners (e.g., market vs. non-market rental housing, community housing operated by non-profit organizations, government organizations, Indigenous housing organizations, co-ops, etc.).

Municipalities should consider how applicable bylaws and policies may overlap or impact one another. For example:

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- the characteristics of a "comparable replacement unit" and how those align with relocation assistance and right of first refusal objectives;
- if there are situations where the nature and extent of compensation or assistance required changes (e.g., if a tenant has accepted an offer for a comparable replacement unit that is available based on a "right of first refusal", they may not need further assistance from a relocation coordinator); or
- if notices or information required to be provided should include information to tenants about other assistance available (e.g., six months' notice prior to eviction, financial compensation, relocation assistance, or a right of first refusal).

Development Permit Areas and TPBs

By designating development permit areas, municipalities can require compliance with tenant protection bylaws in these areas.

Once municipalities have designated a tenant protection development permit area, a development permit issued by the municipality may include requirements to comply with all or part of a TPB.

Any land subject to a permit must be developed in strict accordance with the terms of the issued permit (s.501(2), LGA). Enforcement may include civil proceedings, prosecution under the Offence Act, bylaw offense ticketing, and other measures as prescribed by regulations.

For more information on development permit areas, please see <u>Development permit areas</u>.

Development Approval Information

All local governments can designate areas or circumstances in which development approval information may be requested from developers on anticipated impacts of redevelopment on tenants who are or may be displaced by a redevelopment. This information can be used to understand community needs and will provide better data on the impacts of redevelopment on tenants.

To establish these requirements, all local governments must complete two key steps:

- 1. Amend their OCP(s); and
- 2. Establish, by bylaw, procedures and policies on the process for requiring development approval information.

In their OCPs, local governments can specify the circumstances in which development approval information is required and/or designate specific areas where this requirement applies. These OCP amendments must include a description of the special conditions or objectives that justify these specifications and designations. To implement these OCP provisions, local governments must establish accompanying procedures and policies by bylaw. These procedures and policies should

clearly articulate the types and extent of information that must be provided, as well as the format and method of submission.

Impact of Bill 16 on Existing Tenant Protection Policies

Municipalities are advised to obtain their own legal advice on the use of existing tenant assistance policies until TPBs are passed in their communities.

Ensuring compliance with TPBs

Across B.C., many property owners and developers are already aligning with tenant assistance expectations set by municipalities, recognizing that these expectations are part of established development processes.

Municipalities are encouraged to engage with developers who are active in their communities when developing TPBs. This pro-active engagement improves the likelihood of a bylaw that strikes an appropriate balance between bylaw requirements (e.g., financial compensation for displaced tenants) while supporting new housing development.

Municipalities can develop TPB enforcement frameworks, which can provide increased certainty that requirements will be met. For a TPB enforcement framework to be effective, the bylaw should clearly articulate requirements that developers and/or property owners must observe. If a municipality has adopted a TPB it has several options to enforce noncompliance with these requirements, as detailed below.

Bylaw enforcement powers of municipalities are set out in Part 8 of the Community Charter, and include enforcement by way of civil proceedings, prosecution in accordance with the *Offence Act*, ticketing for bylaw offences, and, subject to the regulations, proceeding by bylaw notice under the *Local Government Bylaw Notice Enforcement Act*.

Municipalities should obtain their own legal advice when developing bylaw enforcement frameworks.

Application for Regional districts

TPBs are likely to be most effective in high-growth, urban communities where there is strong demand for higher density redevelopment of existing rental properties. While regional districts do not have the authority to develop TPBs, they do have the authority to require that developers and/or property owners provide development approval information on impacts to displaced tenants as a result of redevelopment. Gathering this information can support regional districts in developing stronger rental housing frameworks in their communities.

Development Approval Information and Regional districts

For regional districts interested in developing strong rental housing frameworks in their communities, setting requirements for developers and/or property owners to provide development approval information can serve as a foundation. Examples of information that regional districts may consider requiring include:

- Total number of tenants who will be displaced as a result of the redevelopment;
- Current rates at which tenants are renting their units; and
- Rental rates in the new development.

Such information can provide regional districts with an enhanced understanding of local rental market contexts in the electoral areas they are responsible for administering. This information can support the refinement and/or development of regional district housing and land use policies that aim to address local rental housing challenges.

For information on how to establish these requirements, please see page 3 above on Development Approval Information.

Regional districts can also help coordinate the collection and dissemination of development approval information collected by member municipalities. Such work could improve regional understandings of rental market and tenant displacement concerns.

Relationship to other tools

Inclusionary Zoning

Municipalities are encouraged to consider how TPBs are able to operate in tandem with inclusionary zoning. For example:

- Municipalities could implement bylaws that give tenants displaced due to redevelopment priority access to affordable units created under inclusionary zoning.
- Municipalities should consider how inclusionary zoning and TPBs will work together. For
 example, municipalities may wish to consider how "affordable and special needs housing"
 for inclusionary zoning may overlap with the defined characteristics of a "comparable
 replacement unit" in TPBs.
- If both TPBs and inclusionary zoning apply to a development site, their requirements should not be "stacked" (i.e., developers should not be required to produce the same units twice under both inclusionary zoning and TPB requirements). In these situations, municipalities may wish to specify which requirements apply to a development.

Residential Tenancy Act

TPBs do not replace or override the rights and responsibilities of landlords and tenants under the *Residential Tenancy Act* (RTA). The Residential Tenancy Branch is responsible for resolving tenancy disputes under the RTA.

Municipalities with TPBs are responsible for enforcing their own bylaws. For example, tenants being evicted due to redevelopment who live in a municipality with a TPB may be eligible for assistance under a TPB. If a tenant does not receive assistance as required under the TPB, the municipality is responsible for any enforcement action that may be required. The Residential Tenancy Branch does not enforce TPBs.

TPBs only apply to tenancies that are ended in the case of redevelopment as defined in the Community Charter, s.63.1:

- a) to demolish residential property for the purpose of constructing a new structure on the parcel on which the property was located;
- b) to partially demolish residential property to the extent that one or more rental units within the residential property are completely and irreversibly destroyed.

The RTA applies to a broader range of no-fault evictions. For more information, please see the <u>RTA</u> webpage on evictions.

Financial compensation

Compensation owed to tenants under the RTA is netted out from the total compensation owed to tenants under TPBs. For example, if a tenant lives in a municipality where a TPB exists, and the tenant is eligible for 1 month's rent equivalent compensation under the RTA (e.g. \$1500.00), and 4 month's rent equivalent compensation under the TPB (e.g. \$1500.00 x4), the tenant would get \$6000 compensation in total.

If compensation under the RTA changes, municipal TPBs will not need to be updated.

Impact on developers

Municipalities are encouraged to consider the impact of TPBs on the overall viability of development. The purpose of TPBs is to provide a framework to ensure redevelopment is done in a thoughtful way that mitigates impacts on tenants.

The legislative authority to create TPBs is not intended to deter development. However, if there are several sites suitable for a development, the costs of compensation set through tenant protection bylaws may lead the developer to prefer to pursue the project on one of the sites that does not involve tenant displacement.

When creating bylaws, municipalities should consider the impact on developers, including whether financial compensation amounts and assistance requirements are sufficient to support tenants, while ensuring that the development needs of the community can still be met.

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Monitoring

The Province will be monitoring the implementation of TPBs to ensure that these tools are achieving the intended outcome.

More Information

Comprehensive guidance on TPBs will be published at a later date. More information on local government housing initiatives is available on the Ministry of Housing website located at: https://www.gov.bc.ca/housingInitiatives

Please direct any questions to:

Ministry of Housing, Planning and Land Use Management Branch

Telephone: 250-387-3394 Email: PLUM@gov.bc.ca

Appendix A: Tenant Protection Bylaws

Bylaw	Description	Examples
Notices or information of redevelopment	Municipalities may enact TPBs that require property owners to give tenants notice or information with respect to a redevelopment, a proposed redevelopment or other matters outlined in TPBs.	 TPBs may require property owners to: provide written notification to tenants or to provide information about a proposed redevelopment early in the process (e.g., pre-approval stage); provide a certain number of notices at specified intervals and/or provide information to tenants about their rights, including rights under the RTA or TPBs.
Financial compensation for termination of a tenancy	Municipalities may enact TPBs that require property owners to provide financial compensation for the termination of a tenancy. TPBs may provide for the nature and extent of compensation and assistance, the manner in which it is determined, the manner in which it is given to tenants and the period under which it must be given. Note: Compensation owed to tenants under the Residential Tenancy Act is netted out from the total compensation owed to tenants under TPBs. See page 3 under Residential Tenancy Act for more details.	 TPBs may provide for the nature and extent of compensation property owners are required to give, such as: compensation equivalent to a minimum amount of rent (e.g., at least 3 months' rent); and/or compensation based on the length of the tenancy (e.g., more compensation for tenants that have lived in their rental units for a longer period of time). TPBs may require property owners to: provide compensation within a specified time period (e.g., 3 months before expected displacement); and/or provide compensation in a specific manner (e.g., cash or cheque depending on tenant preference, or free rent).

Financial or other assistance to find a replacement rental unit	Municipalities may enact TPBs that require property owners to provide financial or other assistance to find and relocate to comparable replacement units. TPBs may provide for the nature and extent of compensation and assistance, the manner in which it is determined, the manner in which it is given to tenants and the period under which it must be given. TPBs may define the characteristics of a "comparable replacement unit".	 TPBs may require property owners to provide: compensation for moving costs and the manner in which that assistance is determined (e.g., a flat rate, a range such as \$800-\$1200, or other financial model as appropriate); access to a relocation coordinator; and/or additional financial supports for vulnerable tenants in accordance with human rights legislation (e.g., persons with disabilities, seniors, etc.). TPBs may require property owners to: provide compensation within a specified time period (e.g., 3 months before expected displacement); provide financial compensation in a specific manner (e.g., cash or cheque depending on tenant preference or free rent); provide other assistance, such as relocation assistance, within a specified time period (e.g., provide tenants with
		several relocation options 3 months before expected displacement); and/or • provide relocation assistance in a specific manner (e.g., access to an on-site relocation coordinator). TPBs may define the characteristics of a "comparable replacement unit", which may include a consideration of location, number of bedrooms, square footage, rent costs, etc.
Right of first refusal	Municipalities may enact TPBs that require property owners to give tenants the opportunity to exercise rights to enter into a new tenancy agreement for the rental of a comparable replacement unit in a property in	 TPBs may require property owners to: give displaced tenant(s) the opportunity to enter into a tenancy agreement if the property owner has (or will have)

which the owners have an interest ("right of first refusal").

TPBs may require that those units be made available to displaced tenants:

- in priority to other persons, and
- at a rental rate that is less than the rate provided for under an applicable zoning bylaw or housing agreement.

TPBs may define the characteristics of a "comparable replacement unit" for the purpose of this requirement.

- comparable replacement units available in priority to other persons; and
- provide the unit to the displaced tenant at a lower rental price than what the municipality has imposed through zoning or a housing agreement.

TPBs may also consider the practical application of the right of first refusal, including:

- the general information that owners must provide to tenants, and the manner and time period under which that information must be provided (e.g., a requirement that the owner provides written notice explaining rights of first refusal, the proposed development plan, expected new unit availability, the proposed date regarding when the unit will be ready for occupancy);
- a requirement that, if there is a change in the expected date when the unit(s) will be ready for occupation, tenants are notified of this change;
- the manner and time period for the tenant to respond to an opportunity to exercise their right of first refusal (e.g., a written response required within 60 days of receipt of notice from the owner, and if no response is received by a certain date, the unit(s) may be made available to other persons at market rent); and
- a requirement that, if the right of first refusal is not feasible for all displaced tenants, the owner must provide it in accordance with priority criteria established by bylaw (e.g., priority for longer-term tenants or tenants who qualify based on income).

		TPBs may define the characteristics of a "comparable replacement unit", which may include a consideration of location, number of bedrooms, square footage, rent costs, etc.
Enforcement Frameworks	If a municipality has adopted a TPB, they may develop TPB enforcement frameworks, which can provide increased certainty that requirements will be met.	Municipalities should obtain their own legal advice to develop enforcement frameworks, which could include: • civil proceedings; • prosecution in accordance with the Offence Act; • ticketing for bylaw offences; and/or • proceeding by bylaw notice under the Local Government Bylaw Notice Enforcement Act (subject to the regulations).