

APPENDIX 2: Benchmarking - Measures to Promote the Preservation and Renewal of Rental Housing Stock

A number of measures have been implemented to promote the preservation and renewal of existing rental housing at the municipal level. Measures to retain and/or renew rental housing include rental housing protection by-laws to regulate conversion and demolition, rental replacement and tenant relocation policies, moratoriums, a rental use zoning policy, and standard of maintenance by-laws. In the case of regulating conversion and demolition through rental housing protection by-laws, many municipalities set conditions under which conversion and demolition are permitted. The findings show that these conditions often include a municipal vacancy rate of 3% or higher, or conditions for all rental housing units to be replaced with new units that are similar in size, type, and rent, with the provision of tenant relocation and assistance during redevelopment.

Measure	Municipality	Description
<p data-bbox="212 835 488 898">RENTAL HOUSING PROTECTION BY-LAWS</p> <p data-bbox="207 942 496 1161">A Rental Housing Protection By-law allows municipalities to preserve existing rental housing by prohibiting demolition and conversion of rental housing without a permit.</p>	<p data-bbox="526 856 699 884">Mississauga, ON</p>	<p data-bbox="732 758 1438 947">In the City of Mississauga, a permit shall be approved where an application demonstrates that the vacancy rate for the City is equal to or above three percent (3%); and the rents for all rental units are equal to or more than 1.75 times Average Market Rent (AMR) by unit type. If these conditions are not met, a permit may still be issued if rental replacement requirements are met.</p> <p data-bbox="732 953 1110 980">Requirements for replacement are:</p> <ol data-bbox="776 987 1430 1562" style="list-style-type: none"> 1. requirements to replace the rental units proposed for demolition, or retention of proposed converted units as rental units, at similar rents and for a defined term; 2. requirements that the owner of the residential rental property notify any tenants who reside in rental units affected by the approval of the relevant provisions in the Residential Tenancies Act, 2006; 3. requirements that the owner of the residential rental property provide information from time to time sufficient to verify that the terms of an agreement are being met; 4. requirements securing tenants' right to return to the replaced or retained rental units at similar rents, and associated notification requirements; 5. provisions concerning the applicant's entitlement to claim or act until the conditions imposed have been satisfied or secured, to the satisfaction of the Commissioner.
	<p data-bbox="545 1713 680 1740">Toronto, ON</p>	<p data-bbox="732 1640 1430 1858">Under the City of Toronto's Rental Housing Protection By-law (under s. 111 of the <i>City of Toronto Act, 2006</i>), no property containing six dwelling units or more shall be demolished or converted unless a section 111 permit has been received. A person who wishes to demolish or convert residential rental property shall submit an application for approval. Applications to demolish or convert a residential rental property to a purpose</p>

		<p>other than the purpose of a residential rental property may be approved if:</p> <ol style="list-style-type: none"> 1. The residential rental property at the time of the application has six or more dwelling units, but less than six rental units. 2. The residential rental property at the time of the application has six or more rental units, and: <ol style="list-style-type: none"> (a) The date an application for approval of a demolition or conversion under this chapter has been filed with the Chief Planner and is considered complete for the purposes of the application, as determined by the Chief Planner; and (b) The date a related application has been made or, if applicable, accepted as complete by the applicable approving authority. <p>The Chief Planner may impose conditions to the approval, including:</p> <ol style="list-style-type: none"> 1. A requirement that the owner of the residential rental property notify any tenants, who reside in the rental units affected by the changes permitted under the approval, of the relevant provisions in the <i>Residential Tenancies Act, 2006</i>. 2. In the case of a demolition, requirements to replace the rental units with rental units at similar rents, and for tenant relocation and other assistance, including the right to return to the replacement rental housing. 3. In the case of a conversion to a condominium, requirements relating to the cost impacts on tenants.
<p>RENTAL REPLACEMENT AND TENANT RELOCATION POLICIES</p> <p>These policies ensure no net loss of rental housing, and are often included in demolition and conversion by-laws.</p>	<p>Mississauga, ON</p>	<p>Demolition Projects</p> <p>Where demolitions of rental units are proposed and replacement of the affordable rental units is required, the City and the applicant will be required to enter into legal agreement(s) registered on title to secure the replacement obligations, which will be based on the following:</p> <ul style="list-style-type: none"> • One-to-one (100%) replacement of affordable rental units for a period up to 20 years. • Each affordable rental unit will be replaced with the same type of unit (unit type is defined by the number of bedrooms). • Replacement units will have similar rents for a period of 10 years. Similar rents are defined as the last rent paid by the tenant with an increase no higher than the annual Provincial Guideline and a one-time capital allowance of 3%. • Affordable rental units may be replaced on-site, off-site or through a cash-in-lieu contribution associated with replacement or retention requirements. Cash-in-lieu contributions for the replacement value of the units may be considered where units cannot be replaced on-site as specified in the Rental Housing Protection Bylaw. Cash-in-lieu contributions include the cost to acquire land and construct the unit without parking. The

		<p>requirement to include parking costs will be defined on an individual case-by-case basis.</p> <p>Conversion Projects Where conversions to condominium tenure of rental units are proposed and retention of the affordable rental units is required, agreements will be needed to retain the units based on the following:</p> <ul style="list-style-type: none"> • One-to-one (100%) retention of affordable rental units for a period up to 20 years. • Retained units will maintain similar rents for a period of 10 years. • A cash-in-lieu contribution to a housing reserve fund may be permitted in-lieu of retention associated with retention requirements. <p>Tenants</p> <ul style="list-style-type: none"> • Applications for conversion and demolition will include information on tenants’ proof of notice of the application within 14 days of the submission of the application. • Applicants for demolition or conversion of affordable rental units will be required to inform tenants of their rights, including a consultation program. • City will require proof that tenants have been informed of the application, have demonstrated they understand their rights and retained or waived their right of first refusal for affordable rental units.
	<p>Toronto, ON</p>	<p>Notice to Vacate Rental Units After the demolition application is approved by the City Council, tenants will be given at least four months’ notice to vacate their rental unit when demolition is close to occurring.</p> <ul style="list-style-type: none"> • During this time tenants are entitled to good building maintenance • Tenants should not be subject to harassment • Tenants can leave as early as 10 days after receiving the notice, or stay until the end of the notice period. <p>Compensation and Moving Allowance Tenants may be eligible for compensation. If so, they will receive notice alongside their notice to vacate.</p> <ul style="list-style-type: none"> • Tenants may also receive a moving allowance • Or other financial compensation based upon the length of their tenancy • During construction, tenants may be given the option of moving into an alternative unit at a different property owned by their landlord. This would serve as temporary housing until their replacement unit is ready.

		<p>Right to a Replacement Unit If the right to return applies, tenants will be sent a notice of eligibility along with their notice to vacate before the demolition. This will allow them to sign up for a replacement unit.</p> <ul style="list-style-type: none"> • Tenants must sign the lease for their replacement unit about two to three months before occupancy to confirm it. • The replacement unit will be the same bedroom type as they currently have and generally the same size as well. <p>Rent Increases After Demolition and Construction If tenants decide to move into a new replacement unit, their rent will be based on the same rent that they currently pay, and a one-time ‘new building allowance’ increase of 4% will be permitted.</p>
	<p>Vancouver, BC</p>	<p>The City of Vancouver’s Tenant Relocation and Protection Policy applies to all rezoning and development permit applications where tenants will be affected or displaced due to major renovation or redevelopment. All tenants residing in an applicable housing type for one year or more at the time the rezoning or development permit application is opened are eligible for compensation and assistance under this policy.</p> <p>In all cases, landlords issuing a notice to end tenancy for landlord’s use for renovation, demolition, or conversion must still provide renters with notice, compensation, and right of first refusal as required by the <i>Residential Tenancy Act</i>. A landlord may end a tenancy no earlier than 4 months after the date the tenant received the notice; tenants are entitled to an amount that is equivalent of one month’s rent payable under the tenancy agreement, and; a tenant has a right of first refusal to enter into a new tenancy agreement at a rent determined by the landlord. Applicants seeking a rezoning or development permit for redevelopment or major renovations resulting in permanent relocation of tenants in existing residential rental units will provide a Tenant Relocation Plan, which must include early communication with tenants, financial compensation provided based on length of tenancy, arrangement for an insured moving company or a flat rate payout for moving expenses, assistance finding new accommodations, assistance with relocation, and right of first refusal.</p>
<p>MORATORIUMS</p> <p>This is a tool that can prevent the immediate loss of rental buildings;</p>	<p>Vancouver, BC</p>	<p>In Vancouver, a moratorium was proposed in July 2018 to halt the demolition of older purpose-built rental buildings for one year or more until staff reported back to Council with recommendations arising from a report titled <i>Measures to Retain the Rental Housing Stock</i> and measures to protect the existing rental housing stock were implemented.</p>

<p>however, preventing demolition should operate in combination with a replacement policy or other rental preservation policy.</p>		<p>This moratorium was proposed because, although the City's <i>Rental Housing Stock Official Development Plan</i> protects against the loss of rental housing in terms of ensuring there is 1:1 replacement of rental units that are demolished, it does not protect the affordable rents that the older rental housing stock provides.</p>
	<p>New Westminster, BC</p>	<p>In New Westminster, a moratorium on strata conversions was implemented. Due to the limited development of rental housing in recent years, purpose-built rental structures are comprised primarily of older rental housing. The City experienced a loss of no more than 3% from redevelopment, due to the moratorium on strata conversion of older purpose-built rental buildings.</p>
<p>STRATA CONVERSION POLICY</p>	<p>Abbotsford, BC</p>	<p>Strata conversion allows an owner to divide a previously occupied building into strata lots, which can be transferred to third parties. Under the <i>Strata Property Act</i>, Council must consider the priority of rental accommodation over privately owned housing in the area. Council will not normally give favourable consideration to applications for conversion of existing rental residential premises containing five or more dwelling units at any time when the apartment vacancy rate in the City, as determined by CMHC, is 2.0% or lower for a period of two successive CMHC rental surveys (one year), unless 75% of the building tenants desire and qualify to purchase a unit in the proposed strata titled building.</p> <p>Applicants shall develop a relocation plan that will, at a minimum, outline options available to tenants with respect to purchase options and relocation assistance. The applicant shall identify available market and non-market rental units within the Abbotsford market and provide that information to dislocated tenants. Applicants shall also provide existing tenants with a right of first refusal to purchase prior to the applicant giving notice to tenants that they must vacate their unit.</p> <p>Recognizing the impact strata conversions may have on the supply of affordable and/or rental housing in the City, applicants are encouraged to make a voluntary per-unit contribution to the City's <i>Affordable Housing Reserve Fund</i> at a rate based on a percentage (3%) of the average apartment value for sales in Abbotsford as established by Fraser Valley Real Estate Board monthly sales statistics.</p>
<p>RENTAL USE ZONING POLICY</p>	<p>Burnaby, BC</p>	<p>In Burnaby, Council passed a Rental Use Zoning Policy with the overall goal of increasing the provision of rental housing and providing an approach for the implementation of rental use zoning. The four policy streams that make up the policy are:</p>

		<ol style="list-style-type: none"> 1. Rental Replacement <ul style="list-style-type: none"> • A policy requiring the 1:1 replacement of rental units lost to redevelopment in the City’s Community Plan areas, at the same rent levels, adjusted for permitted <i>Residential Tenancy Act</i> rent increases. 2. Inclusionary Rental <ul style="list-style-type: none"> • A policy requiring 20% of all new multiple-family units in Community Plan areas to be below-market rental provided at 20% below CMHC Market Median Rents. 3. Voluntary Rental Housing in Commercial Districts <ul style="list-style-type: none"> • A policy that enables new rental housing to be constructed with unused commercial densities in Town Centre, Urban Village, and Mixed-Use areas. 4. Protection of Existing Rental Sites through Zoning <ul style="list-style-type: none"> • Existing rental buildings will be zoned for rental use to ensure rental housing remains on these sites. This protects existing rental units from being lost to redevelopment without suitable replacement. All non-stratified rental buildings were rezoned to the corresponding rental zone (e.g. RM3 was rezoned to RM3r), which enshrines rental as a land use on the property and removes the possibility of redevelopment for non-rental purposes under prevailing zoning¹.
<p style="text-align: center;">STANDARD OF MAINTENANCE BY-LAW</p> <p>A maintenance by-law is a tool to preserve the existing rental housing stock and maintain building health and safety over time.</p>	<p>Toronto, ON Ottawa, ON Delta, BC North Vancouver, BC Richmond, BC Surrey, BC</p>	<p>This is a tool for local government to order repairs to rental housing to ensure housing meets minimum standards for health and safety. Typically, there is lack of adequate enforcement – the cost and effectiveness of these By-laws is related to the degree to which they are enforced. It can be cumbersome to get landlord compliance and fines are too low to cover municipal costs. Considering additional measures of enforcement including removal of business license, increasing fines can increase effectiveness.</p> <p>The City of Toronto has developed a regulatory by-law for Apartment Building Standards Program called <i>RentSafeTO</i> that applies to apartment buildings with three or more stories and ten or more rental units. The by-law requires rental property owners to register the building and to prepare a waste management, cleaning, and a state of good repair capital plan.</p>

¹ These changes capitalize on the provincial enactment to the *Residential Rental Tenure Zoning Amendment Act* (May 2018) which enables local governments to establish rental housing as a specific land use in multi-family residential areas.

<p>ACQUISITION OF EXISTING RENTAL PROPERTIES</p> <p>To preserve and provide stable stock of purpose built rental units.</p>	<p>Montreal, QC</p>	<p>Direct municipal purchase of rental property or enabling a non-profit group to purchase an existing rental property can help to preserve existing rental. Municipalities can purchase rental property directly and/or establish affordable housing funds.</p> <p>Montreal has an acquisition program for rooming houses. Under this program, the City has acquired and renovated about 400 rooms in 15 housing projects. Management of the properties has been transferred to non-profit associations.</p>
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