Easing Demoviction:
Tenant Relocation Policies in Vancouver and
Burnaby

by
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Abstract

A proliferation of demolition-related displacement has affected renters across the Metro Vancouver area. This study examined tenant relocation assistance in Burnaby and Vancouver, the two municipalities that have been the most heavily impacted by this trend. A jurisdictional scan of San Francisco, Toronto, and Austin is used to uncover policy responses in areas that are facing comparable levels of redevelopment. Interviews with key informants are supplemented with policy and planning documents to provide further context to the ways in which governments are coping with an aging stock of purpose-built rental housing. This study recommends that local governments further assist the most vulnerable displaced tenants through the provision of subsidies.

Keywords: rental housing; displacement; eviction; relocation; Metro Vancouver; demolition
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<th>Full Form</th>
</tr>
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<tbody>
<tr>
<td>ACORN</td>
<td>Association of Community Organizations for Reform Now</td>
</tr>
<tr>
<td>BC</td>
<td>British Columbia</td>
</tr>
<tr>
<td>CACs</td>
<td>Community Amenity Contributions</td>
</tr>
<tr>
<td>CMHC</td>
<td>Canada Mortgage and Housing Corporation</td>
</tr>
</tbody>
</table>
Executive Summary

A development boom has persisted across the Metro Vancouver area, leading to a rise in the demolition of purpose-built rental housing. The two cities most affected by this trend are Burnaby and Vancouver, with a total of more than 2,600 unit demolitions over the preceding decade. Those displaced due to the demolition of their housing are entitled to receive compensation through their corresponding municipalities’ tenant relocation assistance programs; this compensation varies depending on a renter’s tenure. The policy problem arises when people who have been tenants for a considerable amount of time are unable to locate alternative accommodation at an affordable rate. This is because renters who have been in place for any significant duration are locked into shelter rates that are more affordable due to rent control.

This policy problem is examined through a series of expert interviews and a jurisdictional scan. The expert interviews are complemented with a review of policy documents, and the key findings deal with tenant variation, staging, rent burdens and gaps in the coverage of provincial rent subsidies. The jurisdictional scan covers cities that have faced similar issues with rapid development, such as San Francisco, Toronto and Austin. In San Francisco, the city council attempted to enact a by-law in which property owners were responsible for making up the difference in a displaced tenant’s rent for a duration of 2 years. Ultimately, this by-law was struck down in a court challenge brought forward by interest groups supporting property owners’ rights. In Toronto, a comprehensive policy ensures that developers are responsible for the provision of interim housing at similar rates; tenants are also able to return to the newly constructed units at their former rents. Tenant relocation assistance in Austin, Texas, is means-tested and only applies to those in a specified income bracket (less than 70% of the median household income for the area).

Four policy options are proposed to remedy the situation. The first is to maintain the status quo. The second is to hold the status quo steady and provide a subsidy designed to make up the difference between a tenant’s old and new rent. The subsidy is means-tested and only applies to those with demonstrated need. The third option is to mimic the Toronto Model in Vancouver and Burnaby. The final option is to double the compensation amounts while holding all other provisions equal.
All four options are adjudicated based on their performance against a set of criteria. The key objective is to reduce harm to renters and is measured by the duration of financial relief, the policy’s ability to make up the financial shortfall relative to one’s status quo and the likelihood that renters will be able to remain in their neighbourhood. The secondary considerations are equity, administrative complexity, stakeholder acceptance, cost and efficiency. The final recommendation is to offer a subsidy to those in greatest need, while using funds collected by the city through their amenity zoning schemes; both Vancouver and Burnaby collect significant revenue from these programs.
Chapter 1. Introduction

In June 2016, local broadcaster *Global News* ran a story featuring the plight of 79-year-old Don Gorman and his wife Eleanor (Global News, 2016), two residents of the Metrotown area in Burnaby, British Columbia (BC). The couple had been displaced from their rental housing twice within the last 2 years due to their buildings’ impending demolitions. Mr. and Mrs. Gorman experienced firsthand the growing pains of a redeveloping neighbourhood (Global News, 2016).

After calling the area home for 30 years, the couple packed up their things and moved further east to the neighbouring municipality of New Westminster, stating that there was no place left for them in Burnaby (Global News, 2016). Personal tales of evictions like this have echoed through the Metro Vancouver news cycle for the past several years. This has become such a frequent occurrence that the word *demoviction* (i.e., demolition-related eviction) is now part of the local vernacular.

Throughout the last decade, the Metro Vancouver region has seen 2,500 apartment units demolished (Metro Vancouver, 2019). The majority of these demolitions have taken place in the cities of Vancouver and Burnaby, where an aging rental housing stock provides an island of relative affordability in an area that has seen rental costs rise more than 40% in the last decade (Canada Mortgage and Housing Corporation [CMHC], 2018b).

While regional municipalities seek to accommodate new growth objectives, vulnerable renters are placed at risk. Those dealing with eviction face a host of challenges, such as locating an appropriate replacement rental in an area where rental apartment vacancy rates hover around 1% (CMHC, 2018c). In addition, those displaced have issues locating accommodation in the same price range as their previous units. In an attempt to allay renters’ concerns regarding displacement, municipalities across the region have enacted tenant relocation policies that often include compensation amounts, advance move-out notification, moving assistance, and, in some cases, the right of first refusal in the newly constructed building (City of Maple Ridge, 2018).

However, as renters are often forced to vacate affordable units and contend in a competitive and expensive rental housing market, current tenant relocation policies are
inadequate. This report addresses this issue through a jurisdictional scan, interviews with key informants, and a review of related policy and planning documents. Although demovictions have taken place throughout the Metro Vancouver area, the focus of this study is on the municipalities of Burnaby and Vancouver. These two cities have faced the highest level of purpose-built rental housing demolitions (Metro Vancouver, 2019).

1.1. Research Questions

The following inquiry questions were central to this research project:

- Are municipal governments doing enough to protect renters?
- Do municipalities that rely on amenity zoning as a revenue-generating tool balance equity considerations with the growth imperative?
- Is the present level of tenant assistance adequate to ensure renter stability in a challenging market?

1.2. Project Layout

In this report, I offer a discussion of the present-day context of the primary rental housing market in Vancouver and Burnaby. The report is organized as follows: Chapter 2 offers a background on rental housing issues in Burnaby and Vancouver, including the policies in place to ameliorate displacement; Chapter 3 provides a review of the methodology; Chapter 4 presents the jurisdictional scan; Chapter 5 discusses key findings; Chapter 6 puts forward policy options; Chapter 7 includes evaluation criteria; Chapter 8 presents policy evaluation; and Chapter 9 provides the conclusion.
Chapter 2. Background

2.1. Current State of the Rental Market in Vancouver and Burnaby

Approximately one third of households in Metro Vancouver are rental units. In this regard, the City of Vancouver is an outlier, with 51% of households currently renting (City of Vancouver, 2017a). Burnaby is more in line with the area’s average, with 38% of households maintaining renter status (Statistics Canada, 2018). The City of Vancouver is known to provide half of all the Metro Vancouver region’s rental housing (Coriolis Consulting Corporation, 2012), so it is no surprise that Vancouver’s numbers are markedly high.

The rental market is comprised of both primary and secondary rental housing. Primary rental housing is considered such if it contains three or more units and is constructed with the sole purpose of providing rental accommodation. The secondary market, which was beyond the scope of this study, contains rented individually owned houses and condominium units as well as other housing types such as laneway housing, and basement suites (for a discussion on the secondary rental market, please see Appendix A).

Much of the primary rental housing in these cities was constructed in an era when government incentives to build rental housing abounded (Crook, 1998). This means that in Vancouver approximately 80% of its existing primary rental stock is over 30 years old (City of Vancouver, 2015, p. 3). In Burnaby, 76% of low-rise and 53% of high-rise rental apartment buildings were constructed prior to 1990, for a total of 15,558 rental units (Metro Vancouver, 2018, p. 85). While these units often rent for less than newly constructed housing, in general, median rents for purpose-built apartments have risen over the preceding decade (see Figure 1).
2.2. Incomes and Housing

No discussion about the rental market in Metro Vancouver would be complete without covering the topic of affordability. In the past decade, rental housing costs have shot up a record 40% in the Greater Vancouver Area: 47% in Vancouver, and 41% in Burnaby (CMHC, 2018a). While there have been great gains in home equity for the majority of homeowners, renters have been left scrambling in a difficult rental market in which vacancy rates have hovered below 1% (Metro Vancouver, 2018). Adding to the strain, domestic incomes have little bearing on housing prices (Moos & Skaburskis, 2010), as locals have had to contend with the forces of globalization in their housing market (Gordon, 2016; Ley, 2017). This illustrates why British Columbians have the highest proportion of their population spending more than half of their income on rent at 21.3% (Canadian Rental Housing Index, 2018; Rental Housing Index, 2018). To add to these difficulties, renters tend to earn a lower wage than homeowners. This holds true in the context of both Burnaby and Vancouver (Metro Vancouver, 2018; see Table 1).

Figure 1. Median purpose-built rental rates (monthly, all units), 2007-2017, Burnaby and Vancouver.

Note. Based on data from the Metro Vancouver Housing Data Book 2018 report (Metro Vancouver, 2018).
Table 1

*Median household incomes (with household type): Renter Household, Median-Earning Household (city-wide) and Owner Household, Burnaby and Vancouver, 2016*

<table>
<thead>
<tr>
<th>City</th>
<th>Renter Household</th>
<th>Median Household</th>
<th>Owner Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burnaby</td>
<td>$45,839</td>
<td>$64,899</td>
<td>$80,492</td>
</tr>
<tr>
<td>Vancouver</td>
<td>$50,251</td>
<td>$65,423</td>
<td>$88,427</td>
</tr>
</tbody>
</table>

Note. Based on data from the *Metro Vancouver Housing Data Book 2018* report (Metro Vancouver, 2018).

In 2018, the average renter household in Burnaby earned about 70% of the median household income, while homeowners earn 124% (Metro Vancouver, 2018). In Vancouver, renters fared somewhat better and earned 77% of the median household income (Metro Vancouver, 2018). Again, owners do well in earning an average of 135% of the median household income annually (Metro Vancouver, 2018). These figures underscore the relatively meagre market-power of renters in both cities.

2.3. Demolitions

In Vancouver, a rate of change\(^1\) policy ensures that the rental housing stock in local neighbourhoods maintains its presence (City of Vancouver, 2007). On the other hand, Burnaby has operated free of rental replacement guidelines and has generally promoted strata-ownership options. This has been reflected in the numbers regarding demolitions, which I discuss shortly. Although Vancouver has enabled the demolition of its aging, purpose-built rental stock, it has enacted policy treatments in order to retain the number of purpose-built rental housing on the market. According to the *Rental Housing Stock Official Development Plan* (City of Vancouver, 2018a), for developments that require either major renovations or the complete demolition of a building, a housing agreement must be arranged that requires developers to provide a “one-for-one” (p. 4) replacement of the existing rental units, either onsite or within the same zoning district. If the developer should choose, it is also acceptable to replace a demolished rental suite

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\(^1\) The rate of change is the percentage net loss of rental units in a zoning district in the year preceding (City of Vancouver, 2007).
with another form of affordable housing, such as a social housing unit (ibid.). These housing agreements go in tandem with the up-zoning that developers seek from the city in order to maximize profit from redevelopment.

Although the Rental Housing Stock Official Development Plan applies to a wide swath of land that covers much of the purpose built rental housing in Vancouver, the city has seen over 1,700 units of its purpose-built rental demolished over the last decade (Metro Vancouver, 2018). In spite of this, the stock of rental housing has continued to grow (Metro Vancouver, 2018; see Figure 2). This can be credited to the municipal government’s one-for-one replacement regulations, as well as other development incentives such as the Rental 100 and STIR programs (City of Vancouver, n.d.). However, newly constructed rental units have been criticized for their lack of affordability (O’Connor, 2018a; Pablo, 2018a) and the city admits that older apartments rent for an average of 30% less than newly constructed units (City of Vancouver, 2017b).

![Figure 2. Purpose-built rental units, City of Vancouver, 2007–2017.](image)

*Note.* Based on data from the Metro Vancouver Housing Data Book 2018 report (Metro Vancouver, 2018).

In Burnaby, no such rental replacement guidelines exist. Recently, the city has proposed taking advantage of the newly granted rental-only zoning powers as well as enacting a bylaw to maintain the number of rental units, similar to policy considerations in Vancouver (Gawley, 2018b). As it stands, Burnaby’s primary rental stock has suffered
at the hands of the Supplemental Density Zoning Bylaw Amendment enacted in 2011 (Jones & Ley, 2016; see Figure 3).

![Figure 3. Purpose-built rental units, Burnaby, 2007–2017.](image)

*Note.* Based on data from the *Metro Vancouver Housing Data Book 2018* report (Metro Vancouver, 2018).

According to the council report on the amendment, by increasing densification of Burnaby’s four ‘Town Centre’ areas (which are zoned for multifamily residences), the pressure to increase density within single-family neighbourhoods would be alleviated and allow increased livability in areas well-served by transit (City of Burnaby, 2010, p. 3). The discussion of this bylaw amendment draws attention to the importance of capturing the re-zoning’s resultant land price lift as the city makes use of its Community Benefit Bonus Program (City of Burnaby, n.d.), a topic to be covered in more detail shortly.

The council report also states that the new density will allow the city to support a range of affordable housing initiatives, although a program update published by the City of Burnaby in 2014 noted that only 19 units of affordable or special-needs housing was constructed through the proceeds of the Community Benefit Program (City of Burnaby, 2014b, p. 13).

Meanwhile, cash-in-lieu contributions from the benefit program totalled 20% of the city’s revenue for the last fiscal year, and the city’s accumulated surplus now sits at a healthy $4 billion (City of Burnaby, 2018a, p. 22). Building permits have also steadily
contributed a growing amount to the city’s coffers; however, in order to gain a more robust understanding of this policy, policymakers must consider the amount of demolitions and displacement that have taken place in Burnaby.

As the chart in Figure 4 illustrates, Burnaby’s demolitions significantly increased after the 2011 amendment was passed (Metro Vancouver, 2018). In total, the city demolished 943 apartment units over the last decade (Metro Vancouver, 2018; see Table 2). While this seems less significant than Vancouver’s loss of 1,704 units, it is important to note the different remedies the City of Vancouver has implemented to deal with the loss of these relatively affordable rental units as well as the fact that Vancouver’s population is roughly triple that of Burnaby’s (Statistics Canada, 2017). Furthermore, a current scan of rental apartment buildings for sale in Burnaby are indicative of more demolitions to come (Goodman Report, n.d.; Pablo, 2018b).

\[Figure 4. \text{Annual apartment unit demolitions, Burnaby and Vancouver, 2007–2017.}\]

\textit{Note}. Based on data from the \textit{Metro Vancouver Housing Data Book 2018} report (Metro Vancouver, 2018).
Table 2

**Total Apartment Unit Demolitions, 2007–2017, Select Metro Vancouver Municipalities**

<table>
<thead>
<tr>
<th>Municipality</th>
<th>No. of Unit Demolitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>1,704</td>
</tr>
<tr>
<td>Burnaby</td>
<td>943</td>
</tr>
<tr>
<td>North Vancouver City</td>
<td>202</td>
</tr>
<tr>
<td>New Westminster</td>
<td>149</td>
</tr>
</tbody>
</table>

*Note. Based on data from the Metro Vancouver Housing Data Book 2018 report (Metro Vancouver, 2019).*

### 2.4. Moving On: Tenant Relocation and Assistance

Both the City of Burnaby and the City of Vancouver have guidelines in place to ensure a streamlined approach to dealing with tenants and their subsequent evictions when their buildings have been earmarked for demolition. Individual city policy was enacted more recently and is complementary to existing provincial legislation that is in place under the BC Residential Tenancy Act (2002), which lays out the requisite notification times and compensation amounts for tenants facing development-related eviction as well as the requirement that landlords must first assemble all the necessary permits and governmental approval in order to issue notice to their tenants. If a tenant were to face eviction due to redevelopment, an equivalent of one month’s rent must be paid out to the affected renter (Residential Tenancy Act, 2002). These compensation and notification allowances are applicable province-wide and were what displaced tenants were entitled to if they had been evicted prior to the enactment of the municipal regulations discussed in the paragraphs that follow.

In Vancouver, the City Council adopted its Tenant Relocation and Protection Policy in late 2015 (City of Vancouver, 2015). This policy is applicable to all purpose-built market rental housing with six or more dwelling units.\(^2\)\(^3\) As per the regulations,

\(^2\) In the planning literature, these are referred to as multi-family dwelling units.

\(^3\) Provided they fall with a certain zoning district. The districts cover almost all multifamily residential units (purpose built-rental buildings) in Vancouver. For a map, see Appendix B.
developers must assemble a comprehensive list of all the occupants in a building slated for redevelopment, including their length of tenancy, unit size, and amount of rent each tenant pays (City of Vancouver, 2015). As of May 2018, at least 4 months’ notice must be given to vacate the unit and compensation must be provided depending on length of tenancy (City of Vancouver, 2019a). The graduated amounts of remuneration are as follows: 2 months’ rent for residencies of 1-5 years, 3 months’ rent for 5-9 years, 4 months’ rent for 10 years and over and, finally, displaced tenants of over 20 years must receive 6 months’ rent (City of Vancouver, 2015, p.7). Payment can be made as a lump sum, free rent, or a combination of the two. Recently, Duggan (2018) reported developers going above and beyond the mandated amounts.

Tenants can also request assistance in locating new housing (City of Vancouver, 2015, p. 8). If this is the case, developers must highlight no less than three other comparable units within Vancouver (one must be in the same district), and this alternative housing should rent at no more than CMHC mean rents for the area (ibid.). In addition, developers must cover moving costs of up to $750 for bachelor and 1-bedroom suites and $1,000 for 2-bedroom or larger homes (ibid.). This can be paid out directly to the tenant or payment can be made to an insured moving company on behalf of the tenant. Displaced residents should also be offered right of first refusal (if the project is in a qualifying zoning district) at a discounted rate of 20% below market rents. Special considerations must also be made for vulnerable populations, such as the disabled or elderly (ibid.).

In Burnaby, the municipal government adopted its Tenant Assistance Policy (City of Burnaby, 2018b) in May 2015 (see also Metro Vancouver, 2016). Like Vancouver, the policy applies to buildings with six or more dwelling units and requires the developer to assemble the necessary tenant information such as the name, size of unit, and rate of rental (City of Burnaby, 2018b). The developer must also submit a communications plan to the city and keep a record of its correspondence with affected residents (City of

4 In the West End, two options within the neighbourhood must be given.
5 Unless the renter’s current rate is higher than the 20% discount. In that case, renters would be offered the suite at same amount as their rent.
6 Special considerations include identifying alternative accommodation within 10% of their former rents.
Additionally, developers must commit to providing interested tenants with alternative housing by offering those affected with either information on like rental properties or a right of return to the new developments (to rent if replaced by rental suites or, alternatively, to purchase in developments that have been converted to ownership models). The transition period is to be carried out by a professional relocation coordinator who is tasked with providing tenant resources and information.

Table 3

**Tenant Protections, Burnaby and Vancouver, 2018**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Burnaby</th>
<th>Vancouver</th>
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<tbody>
<tr>
<td>Min. Dwelling Size</td>
<td>6 or more</td>
<td>6 or more</td>
</tr>
<tr>
<td>Notice to Vacate</td>
<td>4 months</td>
<td>4 months</td>
</tr>
<tr>
<td>Compensation Amounts</td>
<td>3 months’ rent for tenants of up to 10 years; 4 months’ rent for tenants of over 10 years (No additional moving expenses)</td>
<td>2 months’ rent for tenants of up to 4 years; 3 months’ rent for tenants of 5-9 years; 4 months’ rent for tenants of over 10 years; 6 months’ rent for tenants of over 20 years Additional moving expenses: $750 for a studio &amp; 1-bedroom; $1,000 for two or more bedroom households</td>
</tr>
<tr>
<td>Assistance</td>
<td>Appointed Tenant Relocation Coordinator to assist in providing information on/locating rental units</td>
<td>Develop must identify 3 similar units in city, with 1 in same area. All at CMHC average area rents.</td>
</tr>
<tr>
<td>Right of Return</td>
<td>Offer to secure available rental housing if any in redevelopment otherwise offer to purchase the new unit</td>
<td>Right of first refusal at 20% less than starting rental rates when applicable as per the Official Development Plan</td>
</tr>
<tr>
<td>Special Circumstances</td>
<td>None</td>
<td>Provisions for seniors, people with disabilities, low-income renters, etc.</td>
</tr>
</tbody>
</table>

*Note. Based on the City of Vancouver’s (2015, 2018a) *Tenant Relocation and Protection Policy* and the City of Burnaby’s (2018b) *Tenant Assistance Policy*. In terms of compensation, City of Burnaby tenants are entitled to 3 months’ rent for tenancies of up to 10 years and 4 months’ rent for tenancies longer than that (City of*
Burnaby, 2018b). This financial package is intended to cover all moving expenses and utility fees and can be paid out in a lump sum or through the provision of free rent (ibid.). The developer is also required to provide 4 months’ notice to vacate (see Table 3 for a comparison of renter protections in Burnaby and Vancouver).

2.5. Amenity Zoning

As previously mentioned, the skyrocketing cost of housing in Metro Vancouver has led to a building boom. This is one of the main drivers of redevelopment in the area and the cause of development-related evictions, known colloquially as a demoviction. While the policies that both Vancouver and Burnaby have enacted are evidence of these municipalities’ sensitivity to the consequences of redevelopment on its residents, a discussion of amenity zoning is necessary to uncover the benefits to each city from redevelopment and to gain a greater understanding of each city’s tolerance toward displacement.

Amenity zoning\(^7\) encompasses both density bonusing and community amenity contributions (CACs) and allows cities to extract necessary enhancements and growth-related adjustments from developers (Government of BC, 2014). As cities can only legally require developers to fund certain infrastructural improvements from development cost charges (such as water, sewer, drainage, roads and park land), the Local Government Act (2015) offers municipalities another vehicle to extract community amenities when new developments are expected to cause an influx in population (Government of BC, 2014). The City of Vancouver utilizes both CACs and density bonusing; however, the proceeds from the former far outweigh the latter.

In Vancouver, a discretionary approach is used when identifying CACs. Although some area-wide direction (or targets) have been implemented, the overwhelming procedure that Vancouver has pursued is that of a site-by-site analysis. This means, in order to seek rezoning allowances or alterations to an Official Community Plan that enables increased density, a developer must engage the city in a process of negotiation to identify the value of a contribution. Contributions can take the form of in-kind

\(^7\) Amenity zoning can also be called density bonus incentives.
amenities, either on or off site (although restricted to the neighbourhood or can be a cash-in-lieu payment. Interestingly, requiring a CAC as a condition of rezoning is prohibited; rather, the process must be initiated by the developer or, alternatively, a contribution must materialize from negotiations between the developer and the city (Government of BC, 2014).

Due to their discretionary nature, CACs have been the subject of much debate and controversy (Cheung, 2018; Davidoff, 2017; Lee-Young & Fumano, 2018; Sawatzky, 2014). However, given the growing contributions being made to the city over time, this practice is likely to continue (see Figure 5).

![Figure 5. Community amenity contributions, Vancouver, 2013–2017.](image)

*Note. Based on data from the 2017 Annual Report on Community Amenity Contributions and Density Bonus Zoning report (City of Vancouver, 2018a).*

Burnaby has also collected a significant amount of revenue through its Community Benefit Program (City of Burnaby, 2018a). This program is connected to its density bonusing regime, the *Community Benefit Bonus Policy* (City of Burnaby, n.d.), which sees the city set baseline zoning parameters as well as the potential for extra (or bonus) density in identified areas (City of Burnaby, 2014b). In order to realize the additional density, the developer or applicant must satisfy the conditions (designated contributions) as set by the municipality (District of Maple Ridge, 2012). This approach is thought to be more straightforward, as it avoids the negotiation embedded in the CAC
process and, like Vancouver, can be made through in-kind contributions or cash-in-lieu payments. However, the blanket upzoning that density bonusing entails also threatens the stock of market rental buildings that have subsequently been cleared to make way for more profitable strata-ownership models (Jones & Ley, 2016). Undeniably, the city has reaped great financial rewards from the bonus density programme (see Figure 6); However, this comes at an unquantified social cost.

![Figure 6. Community benefit fund, Burnaby, 2013–2017.](image)

*Note.* Based on City of Burnaby (2014a, 2016, 2017b, 2018a) data.

### 2.6. Social Considerations

Increased density fits the present-day planning imperative of sustainability. For the Metro Vancouver region, the *Regional Growth Strategy* considers the environmental effects of expansion and promotes the ecologically sound planning of a compact urban area as a way to counter sprawl and its detrimental effects (Metro Vancouver, 2017). This building style is evidenced in new developments popping up in both Vancouver and Burnaby and serves the purpose of creating a compact, walkable, and environmentally forward city. However, this planning initiative has been criticized for having a “class-based dimension” (Quastel, Moos, & Lynch, 2012, p. 1076), as renters and potential in-migrants are often disadvantaged. For example, research has detailed how a neighbourhood’s class composition changed with the onset of densification (Quastel, Moos, & Lynch, 2012, p. 1062) wherein higher earners settled into new developments,
and lower income residents were pushed out to more suburban areas that are less-served by transit (Quastel, Moos, & Lynch, 2012, p. 1064). Additionally, this has been aptly documented by research on the region’s rapid transit corridor, using two evolving neighbourhoods in Burnaby as case studies (Jones & Ley, 2016).

In this research, the authors discovered that although the incumbent residents had enjoyed the recently added amenities paid for by the Community Benefit Bonus Program (Jones & Ley, 2016, p. 15), many feared their impending displacement (p. 16). They found their neighbourhoods welcoming, accessible, and relatively affordable but acknowledged the pace of growth happening around them. Residents reported being fearful of the anticipated difficulty of locating alternative rental housing of similar quality and price if they were to lose their housing to redevelopment. The authors concluded that the local government had downloaded their difficulties onto the disadvantaged inhabitants of the two neighbourhoods studied and pointed to the fact that market logic and environmental planning far outweighed social sustainability considerations (Jones & Ley, 2016).

A survey conducted by the Stop Demovictions Burnaby Campaign (2016), a local advocacy group, also drew attention to the effects of demolishing Burnaby’s aging rental housing stock. The researchers canvassed 15 buildings in the Dunblane Avenue area where tenants’ evictions were impending (Stop Demovictions Burnaby Campaign, 2016). Many respondents reported that they had failed to locate replacement housing within a month of their eviction, stating that higher asking rents were unaffordable (Stop Demovictions Burnaby Campaign, 2016). Those who had secured a new rental estimated that it was going to cost them 25% more than their current rent, or approximately $250 more monthly (Stop Demovictions Burnaby Campaign, 2016). Other interesting observations from the study included (a) many individuals surveyed reported to be living in overcrowded conditions due to the affordability restrictions; (b) of the long-term residents surveyed, many were senior citizens; (c) experiences of stress and anxiety due to displacement were reported; and (d) respondents expressed a desire to remain in the neighbourhood (Stop Demovictions Burnaby Campaign, 2016).

Studies on the effects of eviction complement the findings in Burnaby and should also give pause for concern. Research performed in Milwaukee, Wisconsin, focused on forced displacement from rental housing and discovered that renters who had
experienced an involuntary relocation moved to less desirable locations than the neighbourhoods from which they were evicted from (Desmond & Shollenberger, 2015). This included locations with greater instances of poverty and crime. Another study illustrated that single mothers who faced eviction experienced more material hardship and were more likely to suffer from depression than single mothers who had not been evicted (Desmond & Kimbro, 2015). This research should be considered when recalling the number of local renters who have experienced eviction from their housing due to demolition: throughout the last 10 years, 1,704 rental units in Vancouver and 943 in Burnaby have been lost (Metro Vancouver, 2018). Furthermore, both Burnaby and Vancouver’s low vacancy rates and high average rents mean that renters are likely to face great difficulties in securing affordable housing.

Providing additional evidence of the negative effects of demovictions, there has been growing organization and opposition to this problem. Activist groups such as the Vancouver’s Tenants Union (2018), Alliance Against Displacement (2018, 2019), Stop Demovictions Burnaby Campaign (2016), and Association of Community Organizations for Reform Now (ACORN, n.d.) Canada have taken up this cause. Some advocacy groups have pushed for a moratorium on demolitions and called for all levels of government to provide more housing and support for those being displaced (Alliance Against Displacement, 2018; Stop Demovictions Burnaby Campaign, 2016; Vancouver Tenants Union, 2018).

2.7. Policy Problem

Recently, efforts to ameliorate the effects of displacement have led to policy responses in both Vancouver and Burnaby. This is evident in both the Tenant Relocation and Protection Policy (City of Vancouver, 2015) and Tenant Assistance Policy (City of Burnaby, 2018b), enacted by the corresponding city councils. However, one must question the adequacy of these programs in alleviating the burden of losing one’s home and being forced to contend with an unforgiving rental market. While Vancouver’s guidelines offer a 20% discount to renters who opt to return to the newly constructed
units, this still leaves an affordability gap of 10% when taking into consideration that the city’s own research stated that older units rent for an average of 30% less than newly constructed replacement suites (City of Vancouver, 2017b, p. 59). In Burnaby, no such discount exists. Rather, renters are likely to be offered the first shot at purchasing a brand-new condominium at exorbitant market prices. Although some compensation is paid out to renters through the city’s policy, it is unlikely to carry them far in today’s pricey rental market. For these reasons, current tenant assistance policies offer inadequate protections to renters in both Vancouver and Burnaby.

2.8. Stakeholders

In the context of this problem, I have identified two major stakeholder groups. First and of greatest importance are those from the Vancouver and Burnaby renter populations who have suffered displacement or are likely to suffer displacement in the coming months and years. Second, I have identified the Metro Vancouver development community as a stakeholder in this assessment. While developers must abide by the terms of relocation plans as a prerequisite for redevelopment, they are also charged with paying a significant amount in compensation measures, CACs, and community benefits in order to secure redevelopment.

Developers may choose to instead convert replacement rentals to social housing units which the previous tenant may not be eligible for.
Chapter 3. Methodology

This section provides an overview of the methods utilized to further examine the policy problem, seek out possible solutions, and provide greater context to rental housing issues in Metro Vancouver. To do so, I conduct a jurisdictional scan, interviews with key informants and a review of relevant policy-related documents.

3.1. Jurisdictional Scan

In order to survey different policy approaches in areas that have faced similar development pressure and high housing costs, I performed a jurisdiction scan. In doing so, I gathered insight on possible alternative policy options for the Metro Vancouver area in BC. I chose Toronto, Ontario, as a jurisdiction for further study due to its housing market similarities such as a low vacancy rate and high number of housing developments slated for construction. I also selected San Francisco, California, due to issues with tenant evictions and its notorious affordability problem. Finally, I deemed Austin, Texas, an appropriate area to study because high population growth and an influx of technical jobs have put considerable pressure on its housing market.

3.2. Interviews with Key Informants

I conducted a number of qualitative interviews with a series of key informants such as policy professionals, the development community, interest groups, as well as local academics. I chose this data-gathering method to garner a well-rounded sense of the impact and efficacies of the current regulations and factors that contribute to the policy problem. I also gathered feedback on proposed policy alternatives in order to inform the analysis section.

3.3. Policy Document Review

I conducted a review of local community plans, grey literature, and policy documents. I undertook this policy document review to complement research findings from the jurisdictional scan and informant interviews.
Chapter 4. Jurisdictional Scan

As in Metro Vancouver, many other cities have experienced issues with renter displacement as rents have risen and the push to redevelop or convert rental housing into more profitable ownership models has increased. In this jurisdictional scan, I examined the cities of San Francisco, Toronto, and Austin to gather information on the policy treatments that have arisen as a result of their challenging rental climates. As these cities may not be facing Metro Vancouver’s problem of the demolition of the older purpose-built rental housing stock, the jurisdictional scan covers the wider theme of renter displacement and the resultant tenant relocation protections in place to mitigate harm.

4.1. San Francisco, California

4.1.1. Background

San Francisco is an apt comparison for Metro Vancouver for many reasons. It is situated on the West Coast and faces similar geographical constraints. Accordingly, San Francisco has experienced the same drastic increases in real estate wealth that Vancouver has seen (although much of this is related to a technical industry boom and the corresponding population and economic growth that has come along with it). Much like Vancouver, a large proportion of households are renters, at approximately 60% (SF Housing Data Hub, n.d.). According to RentJungle.com, the current average monthly rent for an apartment is $3,677 USD (Rent Jungle, n.d.), up from $2,451 USD in 2011, a 50% increase. Much of this growth has been accompanied by concerns over the numbers of evictions facing tenants in the city. Evictions in San Francisco are divided into two types: “For Cause … [and] No-Fault” (City and County of San Francisco, 2013, p. 8). A for-cause eviction applies to situations such as non-payment of rent, committing a nuisance, tenant breach of rental agreement, and so forth. A no-fault eviction is evoked under such instances as the owner moving in, condo conversion, or building demolition; these evictions entitle tenants to tenant relocation assistance as governed by the San Francisco Rent Board (City and County of San Francisco, 2013, p. 8).
4.1.2. The Rent Ordinance

Chapter 37 of the municipal administrative code, better known as the Rent Ordinance, guides rent stabilization and arbitration in San Francisco and applies to all rental units constructed prior to June 1973 (City and County San Francisco, 2019). Landlords must give tenants of less than 1 year 30 days of notice to vacate and tenants of more than 1 year 60 days of notice to vacate. Under Section 37.9c, those who have been issued a no-fault eviction notice and have resided in their rental for 1 year or longer are entitled to relocation expenses. Tenants must also be notified that they are entitled to relocation expenses. At present, the amounts to be paid out are approximately $6,630 per tenant, with a maximum amount of $19,897 per unit<sup>9</sup> (City and County of San Francisco, 2019). If the unit contains an elderly person, a disabled person, or any children, an additional $4,419 per person meeting the criteria is due. Half must be paid at the time notice is served and the other half is due upon the tenant’s departure of the unit. Notices must also be filed with the Rent Board within 10 days of notice given; this allows the Rent Board to track cases and ensure that tenants are properly compensated. The original tenant relocation assistance rules were enacted in August 2006 (City and County of San Francisco, p.10). Monetary figures are tied to the consumer price index and are reassessed each year.

4.1.3. Tenant Buyout Agreements

Due to strict conditions regarding rent control, tenant buyouts have become a common practice in San Francisco, and the city began to require registration of these agreements in 2015 (City and County of San Francisco, 2019). This allows landlords to circumvent eviction regulations and negotiate directly with tenants the terms regarding the end of their tenancy. Many consider provisions under the Ellis Act (1985) responsible for the rise in buyouts. Introduced in 1985, the Ellis Act is a state law that gives landlords the unalienable right to remove their property from the rental market and “exit the business” (California Apartment Association & San Francisco Apartment Association, ...

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<sup>9</sup> Amounts vary slightly depending on the type of cause of eviction. For owner/relative move-in or demolition, the amount is $6,627/tenant, $19,881/max per unit and $4,419/elderly, disability, minor, and so forth. For Ellis Act (1985) evictions (removal from the rental market), the amount is $6,632/tenant, $19,897/max per unit and $4,212/elderly, disability, minor, and so forth.
n.d., para. 2). Once a tenant is evicted under the Ellis Act, the unit is restricted from being re-rented for 5 years. However, if the unit is re-introduced to the rental market regardless of ownership, it must first be offered to the former tenants at their original rental amount. If the tenants refuse, the same rate of rent is applicable to whoever moves into the unit.

It is clear how these restrictions limit the value of the property in the case that one intends to sell the apartment to a potential investor who hopes to then rent out the unit. For this reason, many landlords strike a deal with tenants to circumvent any future restrictions on the property. All buyouts must be registered with the local government and the amounts are then publicly disclosed. A review of City and County of San Francisco (2015) website displays amounts exceeding $280,000 USD paid out to a single tenant; however, buyouts in the tens of thousands are much more common.

4.1.4. Failed Reform

With the number of evictions relating to the Ellis Act (1985) rising alongside property values in San Francisco, municipal politicians determined it was time to revise the amounts paid out to tenants. In April 2014, local supervisors (city councillors) passed legislation requiring property owners to subsidize an evicted tenant’s rent for 2 years’ time (Borba, 2014), effectively making up the difference between the tenant’s former rent and the cost of renting on the new, more expensive market. This legislation was to come into effect on June 1st of the same year. The politicians claimed that the current tenant relocation assistance (then $5,200/tenant) was inadequate to enable tenants to remain in San Francisco if they lost access to an affordable rental situation, which was often the case when tenants were evicted from older dwellings (City and County of San Francisco, 2019).

By July 2014, landlord groups and property owners launched a lawsuit against the city claiming that municipal legislation is “an unconstitutional taking of private property and violation of due process” (“San Francisco Landlords,” 2014, para. 9). This lawsuit was heard in federal court and the judge sided with the plaintiffs, agreeing that the law was unconstitutional and was in violation of private property rights (“San Francisco Landlords,” 2014). The city reacted by scaling down the original law by capping the payout limit at $50,000 USD per tenant in an effort to make the amount less
burdensome to property owners (“Appeals Court Strikes Down SF law,” 2017). The new law also stipulated that the money received must be put toward relocation expenses, something that the first law failed to specify. However, this law was also met with a court challenge (Appeals Court Strikes Down SF law,” 2017). Again, the judge sided with the plaintiffs. When the city attempted to appeal this finding, the Court of Appeal found the law invalid on the premise it interfered with the Ellis Act prerogative that landlords retain the right to exit the property rental business (“Appeals Court Strikes Down SF law,” 2017) and that the amounts they were to pay tenants prohibited them from doing so.

4.2. Toronto, Ontario

4.2.1. Background

Canada’s most populous city, Toronto, has struggled with renter issues that are similar to those in Vancouver. For instance, the vacancy rate for rental housing is challenging at 1.2%, among the lowest level seen in the past 15 years (CMHC, 2018a). Average rent has shot up almost 5% year over year and now stands at $1,359 (CMHC, 2018a). As property values have climbed, the rental market is under greater pressure to provide the growing number of renters with accommodation. A construction boom means that there are presently over 400 high-rise buildings being proposed for Toronto (Last, 2018), which means tenants there are also at risk of displacement.

4.2.2. Tenant Relocation and Assistance Plans

In Toronto, provincial law sets the minimum boundaries on tenant compensation for those who are being displaced due to demolition or substantial renovation. The Residential Tenancies Act (2006) guarantees tenants an amount equal to 3 months’ rent, with 4 months’ notice given to vacate. Furthermore, municipal policy found in the Toronto Official Plan (City of Toronto, 2015) stated, in order for housing re-developments to obtain approval, rental replacement guidelines are in effect (on at least a one-for-one basis), and that the developers submit with their application an “acceptable tenant

10 According to the Toronto Official Plan, rental replacement is only a requirement when the rental market is “weak” (i.e. a vacancy rate above 3% and a large amount of new rental construction). However, Toronto’s vacancy rate has been low for several years (City of Toronto, 2015).
relocation and assistance plan [to] address the right to return to occupy one of the replacement units at similar rents, the provision of alternative accommodation at similar rents, and other assistance to lessen hardship” (City of Toronto, 2015, p. 3-23). This vague wording leaves the process open to negotiation between the developers and the city, and this is how the finalized plans come to be. Furthermore, as a part of the development application when demolitions are on the agenda, it is commonplace for the planning department to organize a tenant meeting in order to communicate procedure, tenant compensation, and right of return to the new units (Federation of Metro Tenants’ Associations, 2017).

Another rental protection measure is included in the provincial Planning Act (1990). The legislation states that rental replacement units (for buildings of six or more) must not be rented for rates higher than they were at the time of the demolition application and must remain at this level for at least 10 years, subject to the allowable provincial rent increase amounts (Planning Act, 1990). This ensures that rents remain affordable to returning tenants or, alternatively, the city retains its stock of affordable rental units.

4.3. Austin, Texas

4.3.1. Background

Located in central Texas, state capital Austin has experienced significant growth in recent years (Osborn, 2018; Salazar, 2018). With this growth, concerns over displacement have come to the forefront. Median gross rent sat at $1,200 USD in 2016, up from $905 USD in 2007, an increase of 32% (City of Austin, n.d.). Residents have become so concerned with affordability issues that in 2018 a local election saw Proposition A, an affordable housing bond of $250 million USD, pass with 73% of voters supporting the measure (Largey, 2018). The bond is intended to be put toward land acquisition for affordable housing development, affordable homeownership opportunities, as well as a rental assistance program (Brey, 2018). Austin enjoys a healthy vacancy rate of 8% (City of Austin, n.d.); however, like Vancouver, renters make up over half the population at 55% (Data USA, n.d.).
4.3.2. Tenant Notification and Relocation Ordinance

In the fall of 2016, the City of Austin passed an ordinance amending the city code establishing guidelines for tenant displacement as a result of redevelopment. While this bylaw encompasses multi-family residences and mobile home parks, our discussion here is limited to multi-family redevelopment due to its applicability to our study of Burnaby and the City of Vancouver. The ordinance specifically targets low-income tenants (City of Austin, 2016), and a list of eligibility criteria must be met in order to be in receipt of relocation assistance (for the full inclusion list, see Table 4).

Table 4

<table>
<thead>
<tr>
<th>Eligibility Criteria for Tenant Relocation Assistance, Austin, Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility Criteria</td>
</tr>
<tr>
<td>1. Tenant must hold a rental agreement or lease</td>
</tr>
<tr>
<td>2. A documented household income at or below 70% of median family income</td>
</tr>
<tr>
<td>3. Resident at time that notice was served</td>
</tr>
<tr>
<td>4. Submit a claim before deadline given</td>
</tr>
</tbody>
</table>

*Note.* Based on City of Austin (2016) Ordinance No. 20160901-050.

The ordinance states that those wishing to demolish (or partly demolish) a multi-family residence of five or more occupied units must take specific steps when notifying tenants of their building’s impending demolition (City of Austin, 2016). This includes a verifiable delivery of notice (i.e., via registered mail) to all units at least 120 days prior to demolition. Information regarding the demolition must be provided to recipients in English or Spanish (or any other language identified by the city to be spoken by tenants). To simplify this process, the city now provides Tenant Notification Packets that are available for disbursal to anyone hoping to initiate the procedure (City of Austin, 2017). Onsite signage is a further requirement of the ordinance.

Applicants must also submit a Tenant Relocation Roll Form (City of Austin, 2017). This form enables the city to cross-reference who is eligible to receive financial compensation and contains information about the property, including languages other than English used at the property, the number of units that tenants will be displaced from, names of individuals being displaced from the unit who is party to the lease or
rental agreement and the number of household members on the agreement, and, finally, the number of bedrooms in each unit (City of Austin, 2017).

4.3.3. Tenant Relocation Program

The ordinance specifies mechanisms for covering the costs that displaced renters may face (City of Austin, 2016). This is known as the Tenant Relocation Program (City of Austin, 2017). It is important to note that this does not act as a general compensation program, but rather is a detailed approach to ensuring the Austin’s most vulnerable are able to cope with their displacement and are not financially burdened by their relocation. A fund is made available to cover the renters’ expenses, and I discuss how this system operates in the paragraphs that follow. In general, moving expenses (moving truck and movers), applications fees, deposits, and first month’s rent in replacement housing are covered. A detailed table of what is covered is included in Table 5.

Table 5

Relocation and Financial Assistance, Austin, Texas

<table>
<thead>
<tr>
<th>Tenant Assistance Program Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Housing location services to assist tenants in finding replacement housing</td>
</tr>
<tr>
<td>2. Application fees for replacement housing</td>
</tr>
<tr>
<td>3. Application deposits for replacement housing</td>
</tr>
<tr>
<td>4. Security deposit at replacement housing</td>
</tr>
<tr>
<td>5. First month’s rent at replacement housing</td>
</tr>
<tr>
<td>6. Rental of moving truck and movers</td>
</tr>
<tr>
<td>7. Reimbursement for moving materials such as boxes, moving pads</td>
</tr>
<tr>
<td>8. Outstanding utility debt or rental debt</td>
</tr>
<tr>
<td>9. Utility connection or disconnection fees or deposits</td>
</tr>
</tbody>
</table>

Note. Based on information from the Notice of Rule Adoption (City of Austin, 2017).

In order to finance some of these expenses, the city mandates that developers pay a “tenant relocation fee” (City of Austin, 2017, p. 1). This is applicable when the redevelopment requires rezoning or discretionary land use approval for their development project. The fee is set as a result of a nexus study that is to be undertaken to gauge the costs of tenant displacement to the city and to the affected communities. At
the time of writing, the fee schedule was unavailable. However, according to information released by the city, the methodology for determining fees is set as follows: Total Number of Bedrooms × Fee = Total Fee.

The fee is deposited into the City of Austin Tenant Relocation Fund (City of Austin, 2017), and is in turn administered by the city to those who meet the eligibility criteria listed above. The City of Austin also contributes to this fund, which is also made available to low-income tenants who are displaced due to fire, natural disasters, and reasons beyond redevelopment. Table 6 presents a summary of the findings from the jurisdictional scan.

<table>
<thead>
<tr>
<th></th>
<th>San Francisco</th>
<th>Toronto</th>
<th>Austin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice to vacate</td>
<td>30 days if tenant of &lt;1 year</td>
<td>4 months</td>
<td>4 months</td>
</tr>
<tr>
<td></td>
<td>60 days if tenant of &gt;1 year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation Amount</td>
<td>$6,630 USD/tenant up to maximum</td>
<td>Equivalent to 3</td>
<td>- Covers extensive</td>
</tr>
<tr>
<td></td>
<td>of $19,897 USD/unit</td>
<td>months’ rent</td>
<td>moving fees</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- First month's rent</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Security deposit</td>
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<td></td>
<td></td>
<td></td>
<td>- Utility fees</td>
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<td></td>
<td></td>
<td></td>
<td>- Outstanding debt</td>
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<td></td>
<td></td>
<td></td>
<td>tied to residence</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Application fees</td>
</tr>
<tr>
<td>Provisions</td>
<td>Additional $4,419 for each child</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>elderly or disabled person in unit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes</td>
<td>Reporting requirements to rent</td>
<td>- Right to return</td>
<td>Targeted to those</td>
</tr>
<tr>
<td></td>
<td>board</td>
<td>- Provision of</td>
<td>at 70% of mean</td>
</tr>
<tr>
<td></td>
<td></td>
<td>accommodations at</td>
<td>local household</td>
</tr>
<tr>
<td></td>
<td></td>
<td>similar rents</td>
<td>income or less</td>
</tr>
</tbody>
</table>

Note. Based on information from each city’s tenant relocation plans. (City of Austin, 2017; City and County of San Francisco, 2019; City of Toronto, 2015).
Chapter 5. Key Findings and Considerations

For this inquiry, I sought to interview a variety of people connected to housing in the Metro Vancouver area. I broadly questioned interviewees on their opinions regarding displacement and relocation as well as tenant relocation packages, rental housing policy, and possible policy alternatives. The discussion that follows covers the emergent topics of staging, rate of change, alternative accommodations, and rent burdens. I supplement the discussion with official planning and policy documents, relevant grey literature, as well as informative media features. I include further relevant insights from the interviews in the analysis section of this report (see Chapter 8).

Interviews, which I conducted over the phone and in person, ranged from 15 minutes to 1 hour in length. Some interviews I recorded with the participants’ permission and transcribed in full. For the others, I took detailed notes. I then examined the data gathered for common themes (see Appendix C for a list of interview questions). In some cases, further research was warranted to investigate policy remedies offered elsewhere. Table 7 presents the participant numbers, descriptions, and codes. I also contacted members of local advocacy groups to participate in the interview process, but those individuals either declined the invitation or were unavailable for comment.

Table 7
Participant Codes and Descriptions

<table>
<thead>
<tr>
<th>Participant No.</th>
<th>Description</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant 1</td>
<td>Policy Professional</td>
<td>P1</td>
</tr>
<tr>
<td>Participant 2</td>
<td>Representative of a local interest group</td>
<td>P2</td>
</tr>
<tr>
<td>Participant 3</td>
<td>Local Researcher</td>
<td>P3</td>
</tr>
<tr>
<td>Participant 4</td>
<td>Development Industry Professional</td>
<td>P4</td>
</tr>
<tr>
<td>Participant 5</td>
<td>Development Industry Professional</td>
<td>P5</td>
</tr>
<tr>
<td>Participant 6</td>
<td>Local Academic</td>
<td>P6</td>
</tr>
</tbody>
</table>
5.1. Key Considerations: Staging and Rate of Change

This theme is most applicable to Burnaby, as a blanket rezoning has led to an increased number of demolitions in concentrated areas. Indeed, the new Metrotown Plan is an ambitious development strategy with a further focus on increasing density in areas that still contain low-rise rental housing (City of Burnaby, 2017a). The media have criticized the plan for enabling the trend of demolitions to continue without any proposed action for how best to address displacement (Lazatin & Little, 2017; Saltman, 2017). Participant 1 brought attention to what they called Burnaby's “staging” problem, wherein development (and thus displacement) was happening very quickly. Participant 2, a member of a local interest group, echoed this statement and claimed that Burnaby was an “unfortunate situation” where buildings are/were reaching the end of their useful life with no policy to guarantee rental replacements.

In regard to this issue, attention can be drawn to the strategy utilized by Vancouver to address the pace of development in the city, particularly relating to the loss of rental housing. Namely, Vancouver’s enactment of a rate of change policy focuses on the net rental unit loss in the year preceding the date before the submission of rezoning or development permit (City of Vancouver, 2007). At this point in time, the rate of change for Vancouver is zero, meaning that to redevelop apartment units in residential multifamily zoning areas, each unit is replaced on a “one-for-one” (Metro Vancouver, 2016, p. 39) basis with a new rental unit. This is also a feature of the tenant relocation plans in Vancouver where renters are offered the right to return. The strategy is complemented with further zoning guidance, in which the City of Vancouver identifies viable sites or areas for new rental housing or the required rental replacements (Metro Vancouver, 2016).

While rental replacements are no guarantee of affordable housing, Burnaby’s reliance on the secondary rental market came under criticism through the course of my interviews (P1; P2; P3; P5). For instance, a common observation was that though local politicians claimed that the influx of condominiums would lead to an increase in available rental units, interviewees noted that the new secondary rentals coming online were often well outside the realm of affordability for those displaced. Furthermore, local planner and educator Andy Yan (as cited in Lee-Young, 2017) discussed the percentage of newly constructed condos being absorbed into the rental market and noted the high
percentage (22%) of units in Burnaby’s Metrotown census tract are either empty or occupied by non-residents. In 2011, that figure was 5.8% (Yan as cited in Lee-Young, 2017).

Although Vancouver’s rate of change and subsequent rental replacement has aided the city in its push to build more rental housing, demolishing its buildings does not come without complications. For instance, in Vancouver’s West End neighbourhood, long home to significant portion of the city’s renter community, notable change is afoot. A redevelopment application has been submitted for the Barclay and Thurlow intersection that will see 117 rental units as well as 56 strata units lost (BC Assessment, 2018; City of Vancouver, 2018b). According to Participant 5, a development industry professional, Vancouver’s restrictive regulations means that they no longer can afford to build in the city: “It just doesn’t make financial sense.” High density, mega-projects such as the development proposed at Barclay and Thurlow (BC Assessment, 2018; City of Vancouver, 2018b) are most likely what is necessary in order to ensure that developers can make a return on their capital investment. However, large-scale redevelopments also come with the consequence of affecting more renters. While the displaced tenants are entitled to a tenant relocation package, projects this large can lead to other challenges for developers, such as locating a large amount of suitable alternative accommodations.

5.2. Key Consideration: Alternative Accommodations and Rent Burdens

One feature of tenant relocation policies that both Vancouver and Burnaby share is the requirement that developers must identify similar alternative accommodations for evicted tenants to move in to (City of Burnaby, 2018b; City of Vancouver, 2015). As mentioned previously, Metro Vancouver’s rental vacancy rate has been hovering around 1% (Metro Vancouver, 2018), meaning that locating suitable rental housing is generally difficult. However, Participant 1 mentioned that this happens to be a sticking point and is often the most difficult requirement for the developer to fulfill. Often, developers are willing to pay larger compensation amounts in order to overcome this obstacle. As Participant 3 put it, locating a large amount of alternative accommodations in the same range as the previous rents is arduous: “That is an unachievable goal. There is a
problem with implementing policies that are impossible to achieve.” This is likely why we have seen the increased payout packages mentioned before.

The difficulty of fully conforming to the tenant relocation guidelines has also led to the rise of tenant relocation specialists or consultants. While there have been some reports of aggressive tactics utilized to get tenants to vacate (Ball, 2018; MacPherson, 2017), both Participants 1 and 3 noted that the professionalization of this position has led relocation consultants to take on the role of de-facto social worker. That is, “the good ones [consultants] have connections to landlords and non-profit housing providers” (P1) and immaculately document their communications with clients (those displaced). Further to this, Participant 3 elaborated,

The most effective consultants come from non-profit housing providers and they have experience with Raincity [Housing], etc. They have experience with the hard-to-house and in some ways, they act as an advocate for those people and say, look, you are going to have to pay this person’s rent for many years, there is just no other way.

Participant 1 also noted that interest from Vancouver’s City Council has risen since the last election in October 2018 saw a new government take the reins. In effect, this has pushed developers to take relocation more seriously and to begin contracting consultants to work on their team for the duration of the project (P1). While Burnaby’s policy is such that a relocation specialist must be in charge of managing displacement (City of Burnaby, 2018b), Vancouver has yet to make this an obligation.

Other displaced renters may be eligible to return to social housing that has been constructed under Vancouver’s rental replacement policy. When tenants are in dire circumstances, efforts have been reported by relocation specialists, city staff as well as housing advocates to put people in touch with the provincial agency BC Housing (P1). While waitlists for social housing in Metro Vancouver are notoriously long (Aleman, 2016), low-income renters may be entitled to subsidy programs offered by the BC government.

The Rental Assistance Program assists low-income families to help make up the difference between 30% of their income and the cost of housing (up to a price ceiling) (BC Housing, n.d.-a). In order to qualify, the household gross income must not exceed $40,000 and the claimant must have at least one dependent child and have been
employed at some time during the previous year. For those over 60 years of age, a similar subsidy named Shelter Aid for Elderly Renters is available for those who pay more than 30% of their gross monthly income in rent (BC Housing, n.d.-b). In the Metro Vancouver region, the gross monthly income cut off is $2,550 for singles or $2,750 for couples (BC Housing, n.d.-b). The average monthly payouts for the Rental Assistance Program is $265, and for the seniors benefit that figure is $472 (BC Housing, n.d.-a, n.d.-b). It is helpful that programs such as these exist; however, it is clear that not all needy renters are covered by these two supports.

While Participant 2 noted the existence of both the above rental subsidies, this individual’s organization favours what is known as a “portable housing benefit.” A portable housing benefit works as a subsidy to bridge the gap between what are considered affordable housing costs\(^\text{11}\) and the rent that people are likely to pay in their local rental housing market. For example, in Ontario, recipients receive amounts that make up the difference between 30% of their monthly income and 80% of the average rent in the local housing market (Advocacy Centre for Tenants Ontario, 2017). In Manitoba, Rent Assist sets the threshold at 75% of the average local housing market (Government of Manitoba, n.d.).

Participant 4, a development industry professional, also voiced support for a potential rent bank that displaced renters could access if faced with an affordability gap. This same participant suggested that revenue from Vancouver’s Empty Homes Tax could be used to fund a program such as this, stating that money is often collected under the auspice of aiding affordability but it is not always clear where that money ends up (P4). Increasing the transparency of taxation schemes and connecting revenue with those in need could have the effecting of boosting its support.

Another interviewee remarked that while units may be offered back to renters at 20% below starting market rents, the cost is likely to be out of reach for many of the displaced individuals (P3). Participant 6, an academic, drew attention to the value that renters have lost in being displaced. Although it is impossible to know how long a tenant would have remained in their building had it not been demolished, it is worthy to question

\(^{11}\) Affordable housing can be defined as a household expending no more than 30% of pre-tax income on shelter costs (CMHC, n.d.).
the cost to an individual who foregoes their “good deal” in a rental market that pushes many people to spend disproportionate amounts of their income on housing.

Alternatively, Participants 2 and 5 blamed rent control and “unsophisticated landlords” for keeping rents artificially low and pointed to the fact that many of these buildings are not well maintained. Some landlords have failed to pass on costs to the renters and the buildings now require significant reinvestment. Furthermore, property values have risen significantly over the course of the last decade, regardless of the state of the structure. This, in turn, incentivizes owners to sell. Even landlords who are otherwise inclined to hold onto their buildings find themselves in a tricky situation when the tax bill comes (Fumano, 2019). Indeed, one interviewee noted that it is common to see two types of renters in these buildings: “One [group] who are making a lot of money and paying very low rent, and another who are making very little money and paying very low rent” (P1). This observation was seconded by another interviewee, who pointed to variations in the type of tenants displaced.
Chapter 6. Policy Options

The following policy options are suggested to alleviate harm caused to renters resulting from their displacement and are derived from the research component of this project. The options proposed are: status quo, renter subsidy, the enhanced Toronto model, and increased payment package.

6.1. Status Quo

This option maintains the current tenant relocation policies in the Cities of Vancouver and Burnaby (City of Burnaby, 2018b; City of Vancouver, 2015). In the City of Vancouver, this means financial compensation based on tenure at

- 2 months’ rent for tenants of up to 5 years;
- 3 months’ rent for tenants between 5 and 9 years;
- 4 months’ rent for tenants of over 10 years; and
- 6 months’ rent for tenants of over 20 years.

This is in addition to moving expenses of $750 for bachelor and one-bedroom homes or $1,000 for two or more bedroom homes (City of Vancouver, 2015). Additionally, displaced tenants have the right of first refusal at 20% below starting market rental rates for the newly constructed buildings.\textsuperscript{12} Provisions are also available for those in extenuating circumstances,\textsuperscript{13} for instance, for seniors, people with disabilities, low-income tenants, and so forth.

Under the City of Burnaby’s (2018b) Tenant Assistance Policy, financial compensation is also based on tenure. Tenants of up to 10 years are entitled to the equivalent of 3 months’ rent, while tenants of over 10 years are entitled to the equivalent of 4 months’ rent (City of Burnaby, 2018b). This amount is intended to cover moving costs, relocation expenses, and utility-related fees. If tenants are interested, redevelopers must secure rental housing in the new building if available or offer

\textsuperscript{12} Only in applicable cases (i.e., those in which one-for-one replacements are mandated under the Rental Housing Stock Official Development Plan, “Rental 100” buildings, etc.).

\textsuperscript{13} Extenuating circumstances includes city staff requesting further compensation, identification of rental unit within 10% of the tenant’s current rent, etc.
alternative rental housing if they happen to own additional rental properties. Alternatively, an offer to tenants must be made if they wish to purchase housing once the new building has been completed.

6.2. Renter Subsidy

Currently, as tenants are displaced, they receive a modest compensation package that is not likely to make up the difference in rent when they do locate alternative housing. This proposed policy aims to alleviate this problem by offering a means-tested subsidy to renters who are unable to afford their new housing. This subsidy can be considered a portable housing benefit, as it is would be tied to the household, not the suite, and is intended to be a short-term solution. This assumes that in the future, there will be progress made in the provision of affordable housing, which is at the root of this problem. However, as housing takes time to construct and solutions continue to be proposed, displacement of vulnerable renters necessitates creative solutions in the immediate future.

This policy holds constant the other provisions of the tenant relocation programs in Burnaby and Vancouver, ensuring that all tenants receive assistance in locating new accommodation, the right of first refusal and return, adequate notice to vacate, and payout programs and, in the case of Vancouver, this includes additional moving expenses (City of Vancouver, 2015). The payments would be administered by the city, similar to the model in Austin, Texas.

To ensure the subsidy’s feasibility, some parameters must be put in place. In Vancouver, the rent on newly constructed suites is around 30% higher than rent on demolished suites (City of Vancouver, 2017b). In Burnaby, the survey conducted by the grassroots organization, stated the tenants were often paying 25% more than their original rent (Stop Demovictions Burnaby Campaign, 2016). This provides a starting point when considering the amount of subsidy. However, as we are dealing with two unique municipalities, some considerations need to be made. For further details on how this subsidy could operate, please see Appendix D.
6.3. Enhanced Toronto Model

In Toronto, approval for redevelopment is contingent on the submission of an acceptable tenant relocation plan that addresses the right to return at similar rents, alternative housing at a similar price, as well as any further assistance to lessen adversity (City of Toronto, 2015). Both Vancouver and Burnaby could use this model as a baseline to guide policy and further refine its vague wording to ensure that the tenants are sufficiently protected when their buildings are slated for demolition.

In the case of Vancouver, the right of return already exists at a discount of 20% below the new market rates (City of Vancouver, 2015). Ontario’s provincial legislation dictates that all rental replacements enter the market at the suite’s rental rate at the time of demolition (Planning Act, 1990); when renters return, their affordable rents are secured for up to 10 years. This detail could be duplicated in both Vancouver and Burnaby and could be a condition of re-development approval. For Burnaby, this would entail enacting a rental replacement guideline much like that of Vancouver’s.

Additionally, developers could be responsible for the provision of interim accommodation at similar rents. While both Vancouver and Burnaby mandate that developers provide information to displaced tenants on possible alternatives (City of Vancouver, 2015; City of Burnaby, 2018b), identifying rental suites is not the same as securing rental suites at similar rates. For this study’s purpose, similar rates can be defined as the original rent +/- 10%. This allows developers some flexibility in locating suites without placing an unmanageable financial burden on displaced renters. On top of these proffers, moving expenses should be covered by developers in both the case of the original move from the soon-to-be-demolished building, as well as the move back to the freshly constructed unit.

To reiterate, this comprehensive policy stipulates that tenants have the right to return to the newly constructed units at the same rental rate charged at time of the demolition application and are provided with interim housing at a rate of original rent +/- 10% while their unit is being built. Finally, displaced renters will have their moving costs covered by the development company.
6.4. Increased Payment Package

This option underscores the need for greater financial assistance for displaced renters. Current relocation payments are insufficient and do not make up the cost differential between tenants’ rents in older dwellings to the rents paid for what is presently available in Metro Vancouver’s challenging rental market. This option proposes that current compensation amounts be doubled while maintaining all other current tenant protections. As mentioned previously, some developers have signalled their willingness to remunerate displaced tenants at rates greater than those mandated. Doubling the compensation amounts will alleviate some of the financial pressure that renters face, at least in the short term.
Chapter 7. Evaluation Criteria

The selected evaluation criteria are tools to measure the performance of the proposed policy options. However, it is important to note the difficult circumstances in which these policies operate. While the overarching goal is to reduce the immediate harm to renters suffering displacement, greater policy intervention is necessary to create a healthy rental market for the future such that if one were to lose a relatively affordable rental unit, it would not lead to personal devastation. These policy remedies are beyond the scope of this study but are nonetheless imperative going forward.

The key objective in this study was to reduce harm to renters; however, secondary considerations are necessary in order to provide a balanced evaluation of the proposed policy options. These include equity, administrative complexity, stakeholder acceptance, cost, and efficiency considerations (see Table 8).

Table 8
Evaluation Criteria and Measures

<table>
<thead>
<tr>
<th>Objective</th>
<th>Criteria</th>
<th>Measure</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing harm to</td>
<td>Financial Harm</td>
<td>The policy’s ability to make up the financial shortfall relative to the status quo (one’s prior rent)</td>
<td></td>
</tr>
<tr>
<td>renters</td>
<td></td>
<td>Renter has similar or same rental costs (within 0-10%) = HIGH</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Renter has greater rental costs (from 10.1-20%) = MED</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Renter has much greater rental costs (20.1% or more) = LOW</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The length of time that the policy provides financial relief</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provides relief for 2 or more years = HIGH</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provides relief between 1-2 years = MED</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provides relief for 1 year or less = LOW</td>
<td></td>
</tr>
<tr>
<td>Loss of place</td>
<td>Are renters able to</td>
<td>Same neighbourhood of residence = HIGH</td>
<td></td>
</tr>
<tr>
<td></td>
<td>remain in their</td>
<td>Adjacent neighbourhood of residence = MED</td>
<td></td>
</tr>
<tr>
<td></td>
<td>neighbourhood of</td>
<td>Non-adjacent neighbourhood or other municipality = LOW</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>Effect on</td>
<td>The option is targeted toward low-income renters or those exhibiting need</td>
<td></td>
</tr>
<tr>
<td></td>
<td>vulnerable renters</td>
<td>Needs-based considerations = HIGH</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>No needs-based considerations = LOW</td>
<td></td>
</tr>
<tr>
<td>Objective</td>
<td>Criteria</td>
<td>Measure</td>
<td>Rating</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------------</td>
<td>--------------------------------------------------------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>Stakeholder Acceptance</td>
<td>Renter acceptability</td>
<td>Extent to which the stakeholders will support the policy option</td>
<td>Support = HIGH</td>
</tr>
<tr>
<td>Administrative Complexity</td>
<td>Developer acceptability</td>
<td></td>
<td>Somewhat support = MED</td>
</tr>
<tr>
<td></td>
<td>Complexity in administration/implementation</td>
<td>Degree of complexity</td>
<td>Does not support = LOW</td>
</tr>
<tr>
<td>Budgetary Costs</td>
<td>Cost to government</td>
<td>Amount of government expenditure/foregone revenue required for policy</td>
<td>No extra expenditure or foregone revenue required = HIGH</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Some extra expenditure or foregone revenue required = MED</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>High expenditure or foregone revenue required = LOW</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Impediment to development</td>
<td>Degree to which policy is an impediment to development</td>
<td>Not an impediment = HIGH</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Some impediment = MED</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Great impediment = LOW</td>
</tr>
</tbody>
</table>

**7.1. Key Objective: Reducing Harm to Renters**

As I have mentioned throughout the report, forced relocation has the potential to cause harm to renters. Through the course of the research, the following two significant harms have been identified in which the policy options seek to ameliorate:

- financial harm, in which renters lose an affordable situation and are then forced to pay more in the long-run, and
- the loss of community or “place” as renters are forced from their neighbourhood.

Reducing harm to renters is assessed by three measurements to gauge policy performance and thus ascribes greater weight to this objective over the secondary considerations. The measurements are as follows:

- the policy’s ability to make up the financial shortfall relative to one’s status quo (prior rent),
- the length of time that the policy provides financial relief, and
• the policy’s capacity to enable renters to remain in their original neighbourhood.

7.2. Secondary Considerations

7.2.1. Equity

Displacement has the potential to affect renters from all walks of life. This means that some will be in better positions to deal with a forced relocation than others. This criterion measures if the option is targeted to low-income renters or those exhibiting need.

7.2.2. Stakeholder Acceptance

This criterion estimates the acceptance of the policy options from the perspective of the two major stakeholders: renters and developers. Findings from the interviews and the literature will inform this measurement and the degree to which each group will find the option acceptable, for instance will each group reject, tolerate, or accept the proposed policy.

7.2.3. Administrative Complexity

Any policy requires an assessment of the complexity involved in carrying it out. This criterion will capture the likely complications involved with implementing and/or administering the policy.

7.2.4. Cost

This criterion considers the costliness of the proposed policy options. It will also factor in the amount of government expenditure and/or foregone revenue in order to carry out the proposed policy.

7.2.5. Efficiency

Efficiency is a market-oriented concept. Its intent is to measure the impediment to the development of housing as a result of the proposed policy.
Chapter 8.  Policy Evaluation

In this section I use the criteria and measurements set out in the previous chapter to analyze the advantages and disadvantages of each of the proposed policy options. These are ranked from Low (with a value of 1) to High (with a value of 3).

8.1. Status Quo: Vancouver

8.1.1. Financial Harm: Financial Shortfall

Vancouver’s relocation assistance is of some value to renters. However, it does not ensure that renters secure new suites at the rate they once held. This analysis is guided by the findings from the City of Vancouver (City of Vancouver, 2017b) that noted that the price gap between older rental suites and newly constructed units is approximately 30%. Although it cannot be assumed that renters will move into a newly constructed unit, securing another suite at their original rent is unlikely; the exception is those that fall under the special circumstances clause, where an available unit within 10% of one’s original rent must be identified (City of Vancouver, 2017b). Even if a comparable suite is vacated somewhere else in their neighbourhood or city, landlords are likely to raise the rent once a tenant has vacated. Furthermore, the turnover rate for purpose-built rental units in Vancouver is 2.67% (Urban Development Institute, 2018), signalling a general lack of movement in the rental market. Bearing in mind the difference in price between older and new units, but also accounting for the possibility that some renters may secure a new unit within the 10-20% range, status quo is ranked as low-medium.

8.1.2. Financial Harm: Duration of Relief

According to some basic calculations, renters find some benefit in the initial payout. For instance, if a tenant of over 10 years loses a modest rent of $750 monthly, they will be entitled to $3,000. If they are able to locate another unit at a 30% increase, their new rent will be $975. Therefore, they have been compensated for a year’s worth of their new rent price differential (see Table 9).
### Table 9

**Vancouver Tenant Example**

<table>
<thead>
<tr>
<th>Tenancy Length</th>
<th>12 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Rent</td>
<td>$750</td>
</tr>
<tr>
<td>New Rent</td>
<td>$975</td>
</tr>
<tr>
<td>Difference (monthly)</td>
<td>+$225</td>
</tr>
<tr>
<td>Total Compensation</td>
<td>$750 x 4 = $3,000</td>
</tr>
</tbody>
</table>

*Note. I have created this scenario to illustrate the initial payout to relieve financial harm. The numbers used are solely an example and are not based on any data or research.*

The value over time is captured in this measure, and it is evident that the renter in Example 1 (see Table 9) is worse off (see Table 10). While this calculation does not adjust for inflation, the general loss of value is clear and the policy fails to provide financial relief for a meaningful duration. For this reason, status quo is ranked as low.

### Table 10

**Loss of Value Example**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (Cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>+ $300</td>
</tr>
<tr>
<td>Year 2</td>
<td>- $2,400</td>
</tr>
<tr>
<td>Year 3</td>
<td>- $5,100</td>
</tr>
<tr>
<td>Year 4</td>
<td>- $7,800</td>
</tr>
<tr>
<td>Year 5</td>
<td>- $9,500</td>
</tr>
</tbody>
</table>

*Note. I have created this scenario to illustrate the initial payout to relieve financial harm. The numbers used are solely an example and are not based on any data or research.*

### 8.1.3. Loss of place

This criterion must balance the possibility that some renters will be able to return to their rental units due to Vancouver's right of return policy (City of Vancouver, 2017b), while noting that it will not be possible for all renters due to large price differentials in the former versus the newly constructed unit’s rent. Right of return is most likely to occur when social housing units are built for which the tenant qualifies due to income constraints. However, there is likely to be a long transition period as the building is constructed.
Evidence from the interviews revealed that many developers have a difficult time identifying rental suites in tenants’ neighbourhoods and thus are prone to increasing payout amounts. For this reason, one can assume that financially advantaged renters will be able to remain in their neighbourhoods or relocate to adjacent neighbourhoods in which the amenities are on par with their former residences. It is likely that economically disadvantaged renters will move to non-adjacent neighbourhoods or other municipalities. Due to these mixed outcomes, this option scores low–medium.

8.1.4. Equity

Although the option is not specifically targeted, Vancouver’s tenant relocation policy does take into account the precarious situation of vulnerable renters under their special circumstances clause. This may include seniors, fixed-income renters, individuals with disabilities or mental health concerns, and so forth. In this case, the developer must identify alternative accommodation within 10% of the tenant’s former rent, if their former rent is deemed significantly below the CMHC average for the area and the tenant is considered to be a low-income earner (City of Vancouver, 2017b). Although there may be increased financial burden because of this sudden price escalation, the city makes a reasonable effort to ensure that the most vulnerable renters are accommodated. For this reason, this option scores high.

8.1.5. Stakeholder Acceptance

Renters

Renters facing eviction in Vancouver due to redevelopment or renovations have featured prominently in the media (e.g., Fumano, 2018; St. Denis, 2018). Many have expressed concern that they will be unable to secure housing for approximately the same rent in a similar location, while others have gone on record to outright reject compensation and demand that they be allowed to stay put (Fumano, 2018; Larsin, 2018). However, tenants are receiving some form of remuneration for their displacement, and attitudes will vary depending on renters’ unique situations (see Appendix E for examples on renter variation).

In addition to these inferences, renter advocacy groups in Vancouver have been vocal about the harm being done to displaced renters in Vancouver. As groups were
unavailable for interview on this subject, the analysis draws from submissions to the Government of BC’s Rental Housing Talk Force (Together Against Poverty Society, 2018). Both the Vancouver Tenants Union (2018) and Together Against Poverty Society (2018) suggested that the right of first refusal be offered to renters at their previous rental rate, while ACORN Canada (n.d.) suggested the government make more use of inclusionary zoning. In weighing the inferences and renter advocacy group suggestions, this option ranks as medium for renters’ acceptance.

**Developers**

Members of the development industry interviewed for this project stated that Vancouver’s relocation requirements were so burdensome that they are no longer building in the community. However, I conclude from the pace of development in the city that some developers still find it worthwhile to operate. Additionally, developers desire predictability when requesting to rezone, and the tenant relocation policy sets out clear guidelines for developers to follow. For this reason, the acceptance of the development community is medium.

### 8.1.6. Administrative Complexity

This option ranks as medium as there is some complexity involved in identifying renters and ensuring that the policy is carried out correctly by developers.

### 8.1.7. Budgetary Costs

This option requires no additional expenditure to the city’s current budget. For this reason I rank this option as high.

### 8.1.8. Efficiency

In interviews with the development community, participants expressed concerns that the present tenant relocation requirements impede development. However, recent

In practice, inclusionary zoning is already a part of Vancouver’s tenant relocation program wherein developers must offer the right-of-return at 20% less than starting market rents (City of Vancouver, 2015).
data from the Urban Development Institute (2018) have shown that apartment starts for Vancouver have been on an upward trend since 2012, with a recent levelling effect as of 2018. I have, therefore, scored this option as medium-high. See Table 11 for the criteria evaluation for maintaining the status quo in Vancouver.

**Table 11**

**Status Quo (Vancouver) Evaluation**

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Shortfall</td>
<td>Low-Medium (1.5)</td>
</tr>
<tr>
<td>Duration</td>
<td>Low (1)</td>
</tr>
<tr>
<td>Loss of Place</td>
<td>Low–Medium (1.5)</td>
</tr>
<tr>
<td>Equity</td>
<td>High (3)</td>
</tr>
<tr>
<td>Stakeholder Acceptance</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Administrative Complexity</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Cost</td>
<td>High (3)</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Medium-High (2.5)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16.5</strong></td>
</tr>
</tbody>
</table>

8.2. **Status Quo: Burnaby**

8.2.1. **Financial Harm: Financial Shortfall**

Renters in Burnaby are subject to a two-step compensation program that pays out up to 4 months’ rent (City of Burnaby, 2018b). Unlike Vancouver, the relocation package in Burnaby fails to account for tenants’ moving expenses; as such, renters may pay for professional movers, which lessens the ability of the payout to make up the financial shortfall. Furthermore, the policy fails to secure tenants new suites at similar rates; as such, tenants are likely to face greater or much greater rental costs. For this reason, this option ranks low-medium.

8.2.2. **Financial Harm: Duration of Relief**

Like Vancouver, the outcomes for renters are variable. However, large-scale opposition to demovictions in Burnaby has been notable, particularly by the communities in the Metrotown District (Crawford & Little, 2018; Pawson, 2016). In fact, the newly
elected mayor has enacted a moratorium on unapproved redevelopments until a task force set up to address the city’s housing issues has come back with its recommendations (Gawley, 2018). For the time being, renters are still subject to the provisions of the City of Burnaby’s (2018b) *Tenant Assistance Policy.*

Like Vancouver, the long-run consequences for tenants in Burnaby mean that they forego the relative value that they possess and are in turn made worse off. A payout of 4 months’ rent (minus moving costs) is unlikely to provide relief for more than 1 year if one assumes that the example for Vancouver is similar in Burnaby (see Tables 9 and 10 in Section 8.12 of this report). For these reasons, this option ranks low in providing enduring financial relief.

### 8.2.3. Loss of Place

Burnaby’s tenant assistance package does offer the right of first refusal in the case that rental units have been constructed in place of their former unit (City of Burnaby, 2018b). Unlike Vancouver, there is no discounted rent for former tenants. Furthermore, the lack of a rental replacement policy has resulted in a plethora of ownership-model condominiums being constructed. In this case, tenants are offered the first opportunity to purchase the newly constructed units; however, Jones and Ley’s (2016) research demonstrated how Burnaby’s redevelopment has taken place in a low-income corridor, meaning that the tenant’s ability to purchase a unit is highly unlikely. This evidence informs the assumption that remaining in or next to one’s neighbourhood is improbable. Therefore, this option ranks low and I expect tenants to relocate to non-adjacent neighbourhoods or to a different municipality.

### 8.2.4. Equity

This option is ranked low, as tenant assistance in Burnaby provides no targeted measures for those of lower socioeconomic status or other exhibited need (City of Burnaby, 2018b).
8.2.5. Stakeholder Acceptance

Renters

Tenant organization and opposition have been prevalent in Burnaby. This is likely because development has unfolded in Burnaby at an unprecedented pace,\(^{15}\) and renters feel like they have few options to remain in place and are often forced out of their communities. The local researcher interviewed for this project put it this way when considering the position of many in Burnaby: “There’s not really anywhere else for them to go, they are already at the bottom [of the rental housing spectrum]” (P3). Advocacy groups have rallied around renters and demanded that displaced tenants be offered new units at the same rate as their previous rentals (Alliance Against Displacement, 2019); therefore, acceptance from renters is said to be low.

Developers

Until recently, developers in Burnaby have been able to redevelop multifamily residential lots from rental apartments into profitable strata-ownership condominiums. The absence of a rate of change policy coupled with rezoning guidelines and modest payouts means that developers are likely supportive of the present policy. For this reason, I anticipate developers’ acceptance to be high.

8.2.6. Administrative Complexity

This option is ranked medium as the municipality is required to collect and maintain the data on renters and ensure that they are offered right of first refusal.

8.2.7. Cost

I have ranked this option as high because it requires no additional government resources.

\(^{15}\) Since 2016, condominium housing starts more than doubled from the 2015 numbers: 1,279 to 2,949 (Metro Vancouver, 2019).
8.2.8. Efficiency

In Burnaby, there has been no impediment to growth and transit-oriented development has flourished mostly unfettered. Condominium construction has been carried out under the efficiency principle of the highest and best use. For this reason, I have ranked this option as high. See Table 12 for the criteria evaluation for maintaining the status quo in Burnaby.

Table 12
Status Quo (Burnaby) Evaluation

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Shortfall</td>
<td>Low-Medium (1.5)</td>
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<tr>
<td>Duration</td>
<td>Low (1)</td>
</tr>
<tr>
<td>Loss of Place</td>
<td>Low (1)</td>
</tr>
<tr>
<td>Equity</td>
<td>Low (1)</td>
</tr>
<tr>
<td>Stakeholder Acceptance</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Administrative Complexity</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Cost</td>
<td>High (3)</td>
</tr>
<tr>
<td>Efficiency</td>
<td>High (3)</td>
</tr>
<tr>
<td>Total</td>
<td>14.5</td>
</tr>
</tbody>
</table>

8.3. Renter Subsidy

8.3.1. Financial Harm: Financial Shortfall

The subsidy is designed to make up the financial shortfall facing renters who are unable to adapt to higher shelter costs and to ensure they pay similar rental rates. However, it is possible that some tenants may be unable to secure units at the average rental cost rate defined by CMHC. While some variation is expected, I have scored this option as medium-high in making the financial shortfall relative to the status quo.
8.3.2. Financial Harm: Duration of Relief

This option ranks medium-high as the subsidy provides coverage for a minimum of one year and up to 3 years as long as tenants continue to meet the qualification criteria.

8.3.3. Loss of Place

The idea behind a portable benefit is that renters are allowed some choice in the private rental market. However, it is important to account for the likelihood that not all renters will be able to secure something in their former neighbourhoods due to low vacancy rates. Given that this may balance with the improved financial circumstances of subsidy recipients, I rank this option as medium.

8.3.4. Equity

This option specifically targets those who are expected to suffer the greatest harm from displacement, the renters without the financial means to relocate into acceptable alternative accommodation. Therefore, I rank this option as high.

8.3.5. Stakeholder Acceptance

Renters

Eligible renters will have some of their financial pressures alleviated through the provision of a subsidy; however, it is understood that having to relocate is still a disruptive life experience. That being the case, I rank this option as medium.

Developers

This option is expected to alleviate some of the tension regarding the displacement of renters and could, thus, have the effect of decreasing opposition to the construction of new housing. Interviews with the development community revealed a dislike of CACs, as they are primarily viewed as another form of taxation. However, as this option requires no further contribution than what is already a prerequisite to redevelopment, I anticipate that this option will be greeted with medium acceptance from developers.
8.3.6. Administrative Complexity

Both Vancouver and Burnaby already have the collection mechanism in place for these funds through amenity zoning; however, the distribution of these funds will require some administrative restructuring in the short term. Furthermore, in order for cities to use these funds to subsidize renters in need, cities must lobby the provincial government for legislative change. The use of CACs and density bonusing is guided by the Vancouver Charter (1953) and the Local Government Act (2015). The Province of BC clearly stated that these developer contributions are to be put toward amenities (such as community centres), affordable housing, or infrastructure investments, not covered by development cost levees (Government of BC, 2014). In order to direct a portion to displaced renters, the provincial government must amend the current legislation. Due to these complications and the lack of administrative infrastructure, I rank this option as low in terms of administrative complexity.

8.3.7. Costs

This option requires the diversion of funds towards renters in need. There is some speculation that cities have grown reliant on money collected through redevelopment as revenues have grown over time (Cheung, 2018). However, the city must bear some responsibility for the consequences of their rezoning practices and the hardship that renters face, particularly those with low incomes. I ranked the diverted expenditure in the medium range, meaning that some extra expenditure is required.

8.3.8. Efficiency

The provision of a subsidy is not expected to impede development, therefore efficiency is thought to be high. See Table 13 for the criteria evaluation for renter subsidies.
Table 13

*Renter Subsidy Evaluation*

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Shortfall</td>
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<tr>
<td>Duration</td>
<td>Medium-High (2.5)</td>
</tr>
<tr>
<td>Loss of Place</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Equity</td>
<td>High (3)</td>
</tr>
<tr>
<td>Stakeholder Acceptance</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Administrative Complexity</td>
<td>Low (1)</td>
</tr>
<tr>
<td>Cost</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Efficiency</td>
<td>High (3)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18</strong></td>
</tr>
</tbody>
</table>

8.4. Toronto Model

8.4.1. Financial Harm: Financial Shortfall

This option states that developers must secure alternative housing for renters within +/- 10% of their current rate in addition to covering moving costs. Financial compensation is left ambiguous and is to arise from negotiations between the tenants and the city as well as between the city and the developer. Furthermore, tenants will be able to return to the newly constructed units at that same rate (subject to allowable rent increases) they paid prior to demolition. Seeing that this option ensures similar rental costs to tenants (within 10%), I ranked this option as high.

8.4.2. Financial Harm: Duration of Relief

This option provides long-term coverage as rents remain essentially the same with the alternative accommodations and again with the newly constructed units. For this reason, I rank this option as high.
8.4.3. Loss of Place

In the short term, this option does not specify where renters will be relocated for the interim period in which the new housing is constructed. However, in the long term, tenants are able to return to their neighbourhood. Due to these mixed outcomes, I rank this option as medium.

8.4.4. Equity

This option is not targeted toward tenants with unique circumstances. However, the option is quite comprehensive in accounting for hardship. For this reason, I rank this option as medium.

8.4.5. Stakeholder Acceptance

Renters

This option takes great strides to ensure that renters are looked after from the start of the project until renters are able to move back into their newly constructed suites at the same price. Although tenants may expect some interruption to their lives stemming from their obligation to move, I have ranked this option as medium-high.

Developers

This option is expected to be seen as highly burdensome to the development community. As interviews for the project revealed, developers already have a difficult time in locating additional housing for renters. Requiring that developers replace all suites at the original rates is likely to bring up issues with project feasibility (for similar cases see O’Connor, 2018a, 2018b; Pablo, 2019). Therefore, I rank this option as low for developer acceptability.

8.4.6. Administrative Complexity

This option is highly complex. Burnaby will first need to construct rental replacement guidelines to satisfy the requirement that demolished rentals be replaced at the same starting rents. Additionally, the city will need to enact new zoning measures that specify which tenures developments must include. Notably, a lawsuit is now being
brought forward by property owners in neighbouring New Westminster, BC (Bula, 2019). The local government recently enacted rental-tenure zoning and is consequently being sued for the anticipated decrease in property value. Legal challenges such as this could be brought against Burnaby by developers who purchased property when the guidelines were laissez-faire. Furthermore, increased regulations are likely to work against Vancouver’s rental housing construction targets that aim bring 20,000 more purpose-built rental units online by 2027 (City of Vancouver, 2017b). As such, I rank this option as low for administrative complexity.

8.4.7. Costs

This option is likely to consume greater staffing resources at the municipal level, as it involves both negotiation with clients and then with developers. If demands are placed on developers to provide more below-market housing, funds collected through CACs, the Community Benefit Fund, and other permit-related fees are likely to drop. In consideration of this, I ranked this option as medium because it includes foregone revenue.

8.4.8. Efficiency

This option is expected to greatly impede development. It requires to municipal governments to set strict guidelines for redevelopment. On top of this, developers will be tied to below-market rents for the first 10 years of a project’s life. As such, I rank this option as low for efficiency. See Table 14 for the criteria evaluation of the Toronto model.
Table 14

*Toronto Model Evaluation*

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Rating</th>
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</thead>
<tbody>
<tr>
<td>Financial Shortfall</td>
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<tr>
<td>Duration</td>
<td>High (3)</td>
</tr>
<tr>
<td>Loss of Place</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Equity</td>
<td>Medium (2)</td>
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<tr>
<td>Stakeholder Acceptance</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Administrative Complexity</td>
<td>Low (1)</td>
</tr>
<tr>
<td>Cost</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Low (1)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>

8.5. Increased Compensation Amounts

8.5.1. Financial Harm: Financial Shortfall

Like the status quo, this option does not ensure that renters secure new suites at the rate they once held, despite the value that some may find in the doubled amounts. Therefore, as tenants are likely to face greater or much greater rental costs, I ranked the option as low-medium.

8.5.2. Financial Harm: Duration of Relief

Doubling the amount of compensation paid to tenants has the benefit of carrying them further in the rental market. Taking into consideration the calculations made for the status quo, I found the payouts offer likely no greater than 2 years of making up the price differential. For this reason, I ranked this option as medium.

8.5.3. Loss of Place

This initial lump sum may enable renters more discretion in where they stay in the short term, but a larger payout does not ensure that renters are able to remain in their neighbourhoods. For this reason, I rank this option as low-medium.
8.5.4. Equity

While low-income tenants or other vulnerable tenants may appreciate the increase in funds received, more substantial payouts are not targeted toward groups in need. Coupled with Vancouver’s standing regulations, this will have some positive effect. For Burnaby, this will not be the case. Taking the two policies into consideration, I ranked this option as medium.

8.5.5. Stakeholder Acceptance

Renters

Reception to doubled compensation will be met with a mixed reception. As previously discussed, there is some evidence of tenants rejecting increased payment packages. Others will likely welcome larger remuneration. Therefore, I rank this option as medium-high.

Developers

Some developers have already offered increased amounts; however, as interviews on the subject revealed, other developers find current regulations a barrier to redevelopment. As this signifies a larger financial burden for developers, I ranked this option as low.

8.5.6. Administrative Complexity

Complexity for this option is no greater than the status quo. However, some communication with the public will be necessary in order to carry out this change. For this reason, I ranked this option as medium.

8.5.7. Cost

This option does not require a large increase in funding. For instance, initial amendments to the regulation will take a modest amount of resources. However, it is necessary to consider that developers may attempt to lower their CACs or community benefit fund contributions (if a rezoning is required) as a result of increased payouts.
resulting in foregone revenue. To account for this possibility, I ranked this option as medium.

8.5.8. Efficiency

This option is not expected to impede development any more than the status quo options. For this reason, I ranked this option as medium-high. See Table 15 for the criteria evaluation of increased compensation amounts.

Table 15

<table>
<thead>
<tr>
<th>Criteria</th>
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<td>Financial Shortfall</td>
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<td>Duration</td>
<td>Medium (2)</td>
</tr>
<tr>
<td>Loss of Place</td>
<td>Low-Medium (1.5)</td>
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<tr>
<td>Equity</td>
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<td>Administrative Complexity</td>
<td>Medium (2)</td>
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<td>Cost</td>
<td>Medium (2)</td>
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<td>Efficiency</td>
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<tr>
<td>Total</td>
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</tbody>
</table>

8.6. Recommendation

Based on the above analysis, I recommend the implementation of a targeted subsidy. This option most thoroughly addresses the primary objective of reducing harm to vulnerable renters. On top of this, a subsidy provides a nuanced approach to assisting renters in need. Those who will have the most difficulty re-entering the rental market and are at risk of suffering the greatest harms will receive additional assistance.

This policy is intended to complement the current tenant relocation programs that function in Vancouver and Burnaby. Vancouver scores rather well in this analysis. Specifically, equity considerations have been made to ensure that tenants with special circumstances do not suffer unduly as a result of redevelopment. Having a rental
replacement policy in place prior to the large development boom has allowed the city to grow its rental stock, whereas in Burnaby, purpose-built rental units have been overwhelmingly replaced with strata-ownership condominiums. Table 16 presents an overview of all policy evaluations.

Table 16

Policy Evaluation Overview

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Status Quo Vancouver</th>
<th>Status Quo Burnaby</th>
<th>Subsidy</th>
<th>Toronto Model</th>
<th>Increased Compensation</th>
</tr>
</thead>
<tbody>
<tr>
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<td>1.5</td>
<td>2.5</td>
<td>3</td>
<td>1.5</td>
</tr>
<tr>
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<td>1</td>
<td>2.5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Loss of Place</td>
<td>1.5</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1.5</td>
</tr>
<tr>
<td>Equity</td>
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<td>1</td>
<td>2</td>
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<tr>
<td>Cost</td>
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<td>3</td>
<td>2</td>
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<tr>
<td>Efficiency</td>
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<td>3</td>
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<tr>
<td>Total</td>
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<td>14.5</td>
<td>18</td>
<td>16</td>
<td>15.5</td>
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</table>
Chapter 9. Conclusion

Tenant relocation policies are focused on mitigating harm due to the swell of development that has taken over the Metro Vancouver area. This is just one piece of the puzzle addressing heightened inequity in the local housing market and is by no means a blanket solution for displaced tenants. More housing for people with modest incomes needs to be built. This larger problem requires more than municipal support, and, indeed, upper levels of government have expressed renewed interest in addressing this pressing matter (Government of Canada, n.d.; Government of BC, 2018).

This comparative study of Vancouver and Burnaby has proven that municipalities do play a role in renters’ outcomes. This issue has become so heated that the City of Burnaby has been forced to pay attention to the way the unbridled pace of change threatens some of its most vulnerable residents. While this is not directly addressed through tenant relocation programs, it is a further example of how municipal governments can better stage development and balance both growth and equity considerations.
References


Data USA. (n.d.). Austin, TX [Profile]. Retrieved from https://datausa.io/profile/geo/austin-tx/


Appendix A. The secondary rental market

The secondary rental market is comprised of rental units that are not specifically constructed for the provision of rental housing. This includes rented single-family houses, duplexes and row/townhomes, rented duplex apartments, rented accessory apartments (such as an in-law and basement suites), rented condominiums, and one or two apartments that are part of a commercial structure (Canada Mortgage Housing Corporation, n.d.). In Metro Vancouver, the secondary rental market accounts for approximately two thirds of all rental housing (Metro Vancouver, 2018). While the quality of secondary rental units varies greatly, accessory apartments (also known as secondary suites) are a source of affordable housing across the region and often cost less than purpose-built rental apartments (Harris & Kinsella, 2017; Metro Vancouver, 2018).

Secondary suites can also be subject to demolition, as owners of the buildings may choose to sell to a single buyer in tandem with their neighbours in what is known as a land assembly. Tenants of accessory suites may be particularly vulnerable, as these suites are often informally rented (Harris & Kinsella, 2017; Mendez, 2017), meaning renters are not likely to be compensated for their evictions. Land assembly specialists Covalent Advisory Group feature many such assemblies on their website (Covalent Advisory Group, n.d.) where large groups of single-family homes have been purchased in hopes of redeveloping a more profitable multi-family dwelling. Although secondary suites were beyond the purview of this study, examples such as this underline the relevance to this policy issue where renters are inadequately compensated when evicted and must navigate a difficult rental market.
References


Appendix B. Map of Tenant Relocation Policy Coverage, Vancouver

City of Vancouver, Tenant Relocation Policy Coverage

Appendix C. Interview Questions

Here is a list of general questions that were put to the interviewees. As this project surveyed a diverse group of individuals, follow-up and probing questions were used that are not listed here:

- What do you know about tenant relocation plans in Metro Vancouver?
- Do you have any experience with tenant relocation?
- Here are the figures for tenant relocation compensation in the area, do you feel that this amount is adequate for tenants who are being displaced?
- What is your opinion regarding community amenity contributions in Vancouver (or alternatively, density bonusing in Burnaby?)
- Do you think it is possible to use some of these funds to in turn compensate those who have been displaced as a result of redevelopment?
- Do you proposed any alternative solutions to tenant relocation compensation/displacement?
- (Reads list of options) Do you think this is a possible alternative to present tenant relocation policies?
Appendix D. How a Subsidy Could Work

To reduce overlap with the two available provincial subsidies (RAP and SAFER), those who are eligible to receive these subsidies should be connected with a social services agency (in order to assist with the necessary paperwork) or BC Housing, the agency tasked with providing the subsidy. In effect, this subsidy will be targeted to low-income adult households, as this is who is currently left out of the available subsidy programs.

The focal point of the subsidy should be making up the rent burden that a tenant will be faced with resulting from their displacement. Therefore, it is necessary to survey the local rental market to put reasonable parameters on the supplement. Below are the average rental rates according to the last data release from CMHC and the household incomes necessary to ensure the household is not rent-burdened (paying more than 30% of their income on shelter).

Table D1
Burnaby Average Rental Rates

<table>
<thead>
<tr>
<th>Size</th>
<th>Average Rent</th>
<th>Monthly Income</th>
<th>Annual Income</th>
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<tr>
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<td>$39,400</td>
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<td>1 bed</td>
<td>$1,149</td>
<td>$3,863</td>
<td>$46,360</td>
</tr>
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<td>2 bed</td>
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<td>$58,640</td>
</tr>
</tbody>
</table>

Table D2
Vancouver Average Rental Rates

<table>
<thead>
<tr>
<th>Size</th>
<th>Average Rent</th>
<th>Monthly Income</th>
<th>Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor</td>
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<td>1 bed</td>
<td>$1,411</td>
<td>$4,703</td>
<td>$56,440</td>
</tr>
<tr>
<td>2 bed</td>
<td>$1,964</td>
<td>$6,547</td>
<td>$78,560</td>
</tr>
</tbody>
</table>

As the rental markets differ somewhat for Burnaby and Vancouver, the parameters will be structured differently in the two cities (see Table D3 for Burnaby and Table D4 for Vancouver). For Vancouver, the maximum income for a single person household will be $46,000, which will enable the renter to acquire a studio-sized apartment. For instance, if
the renter has an annual income of $35,000, affordable rent is defined as $875/monthly (30% of their monthly pre-tax income). Therefore, the subsidy is designed to make up the difference between this amount and $1,198 (the average cost for a studio-sized apartment in Vancouver). The upper income threshold for a two-person household (understood to be a couple and therefore assessed on their household income), is $55,000. Two adult individuals are free to live together as roommates but will be assessed on their individual incomes (low-income families with children are assumed to be covered by RAP).

Table D3

<table>
<thead>
<tr>
<th>Maximum Income Threshold for Supplement (Burnaby)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-person household</td>
</tr>
<tr>
<td>Two-person household</td>
</tr>
</tbody>
</table>

Table D4

<table>
<thead>
<tr>
<th>Maximum Income Threshold for Supplement (Vancouver)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-person household</td>
</tr>
<tr>
<td>Two-person household</td>
</tr>
</tbody>
</table>

Decision makers also have the option of modeling this in various ways. For instance, a more modest version of this subsidy is at work in Manitoba under its ‘Rent Assist’ program, where the subsidy covers the difference between 30% of a renter’s income and 75% of the average rental rate (Government of Manitoba, n.d.). While this threshold may be too low considering local rental market conditions, it nevertheless provides an example of how a subsidy can be amended.

How portable should this benefit be? For administrative ease, the benefit will be limited to the city in which it is enacted. Admittedly, this puts constraints on those who may wish to move. However, reasonable parameters must be enacted to ensure feasibility. Like any means-tested subsidy, proof of income via a Notice of Assessment enables local officials to properly assess the amount of subsidy recipients are entitled to. The submission of a monthly rental receipt to the municipality is another necessary condition placed on tenants.
Renters are eligible to receive the benefit if they were tenants of the building for 2 years prior to eviction and the duration of the subsidy is dependent on tenure. For instance, renters of 2 to 5 years will be eligible for 1 year, renters of 5 to 10 years will be eligible for 2 years and long-term renters of over 10 years will be receive the subsidy for 3 years as long as their financial situation enables them to qualify.

The question stands with a subsidy of any type, where the revenue should come from. In Burnaby, its Community Benefit Fund has performed well over expectations. According to the city’s last municipal report (City of Burnaby, 2018), the city anticipated $40,000,000 in CBF revenue for the 2017 fiscal year. However, the auditor’s report states that $135,803,973 was collected, almost $100,000,000 over the budgeted amount. The legislation guiding higher density (amenity zoning) in Burnaby explicitly states that funds collected through this mechanism are for amenities, and the provision of affordable housing and special needs housing (see the BC Local Government Act, 2015, Section 482). In a roundabout way, a subsidy may be considered “the provision of affordable housing”. However, in order to re-direct a portion of these funds, it would be necessary to seek provincial approval (in the form of legislative change).

In Vancouver, community amenity contributions are the primary mechanism in which the city benefits from increased density. For the fiscal year of 2017, $331,587,000 was secured through this rezoning scheme. While the report does state that most of this money has been committed to specific benefits (City of Vancouver, 2018), this revenue generating tool provides sizeable amounts of capital annually to the city’s coffers. Furthermore, it is prudent to question the value of new amenities to community members who have since been displaced. Like Burnaby, a redirection of a small amount of these funds would require provincial approval.

While there is no way to know how many tenants would qualify without explicit data on displaced renters, I perform a hypothetical estimate on costing. Over the past 5 years, Vancouver has demolished an average of 200 units annually. If I calculate an average of 1.5 tenants per unit, 300 tenants are in turn affected. Considering that it is unlikely that all tenants qualify, I calculate that half or 150 people are eligible to receive a subsidy. As tenure is likely to vary, I will tally the approximate amount paid out per annum and use the example of a single-person household with an annual income of $35,000. At this
income, the renter is eligible to receive $323 monthly, for a total annual cost of $3,876 (see Table D5). In Burnaby’s case, I use the annual income of $30,000 for this example.

Table D5
*Annual Cost Estimate of Subsidy*

<table>
<thead>
<tr>
<th>Annual Units Lost</th>
<th>Estimated Tenants Affected</th>
<th>Estimated Eligible Tenants</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>200</td>
<td>300</td>
<td>150 @ $3,876 = $581,400</td>
</tr>
<tr>
<td>Burnaby</td>
<td>170</td>
<td>255</td>
<td>127 @ $2,820 = $358,140</td>
</tr>
</tbody>
</table>

At this rate, the tenant is eligible to receive $235 monthly, for an annual cost of $2,820 (see Table D5). Although the amounts I have put forth are hypothetical, they illustrate that the cost to the municipalities are minimal when considering the large amounts that each city brings in through its amenity zoning programs.
References


Appendix E. Tenant Variation

To highlight the variation in tenants that inhabit buildings that are slated for demolition, these figures have been extracted from city staff presentations prepared for public hearings regarding rezoning applications. In figure E1, it is clear how a renter who currently pays $650 for a one-bedroom unit may be more concerned with relocation than a tenant who pays $1,350 for another one-bedroom unit on the same block (which is more in line with current average rental rates). This is from a rezoning application for the corner of 11th Avenue and Victoria Drive in the Grandview-Woodlands neighbourhood.

<table>
<thead>
<tr>
<th>Unit type</th>
<th>Average Monthly Rents for Existing Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>n/a</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>$650-$1,350</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>$950-$1,800</td>
</tr>
<tr>
<td>3 bedroom</td>
<td>$1,250-$2,200</td>
</tr>
</tbody>
</table>

*Figure E1. Current tenant rents from CD-1 Rezoning: 1837-1857 East 11th Avenue and 2631-2685 Victoria Drive.*


In the next example, also drawn from the Grandview-Woodlands neighbourhood (figure E2 and E3), tenant variability is also evident. For example, the two-bedroom units rent for a lower monthly average than the one-bedroom unit. This low average is likely explained, in part, by the household that has been at this location for 19 years.

<table>
<thead>
<tr>
<th>Unit type</th>
<th>Number of Units</th>
<th>Average Monthly Rent</th>
<th>Length of tenancy for current renters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>1</td>
<td>$1,630</td>
<td>4 households less than 5 years and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1 household at 19 years</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>3</td>
<td>$1,575</td>
<td></td>
</tr>
<tr>
<td>3 bedroom</td>
<td>1</td>
<td>$1,830</td>
<td></td>
</tr>
</tbody>
</table>

*Figure E2. Current tenant rents from CD-1 Rezoning: 815-825 Commercial Drive and 1680 Adanac Street.*

Furthermore, under the right of first refusal stipulation, the renter returning to the one-bedroom unit would receive a newly constructed suite very near their current rent. This is a hypothetical example of a tenant receiving better value than his current situation. On the other hand, tenants of the two-bedroom apartments would likely refrain from returning due to high prices. Therefore, it is clear how tenants may have differing opinions regarding relocation.

<table>
<thead>
<tr>
<th>Unit type</th>
<th>Proposed average unit rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>$1,496</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>$1,730</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>$2,505</td>
</tr>
<tr>
<td>3 bedroom</td>
<td>$3,365</td>
</tr>
</tbody>
</table>

*Figure E3. CD-1 Rezoning: 815-825 Commercial Drive and 1680 Adanac Street.*

References
