# STRENGTHENING NEW WESTMINSTER'S TENANT RELOCATION POLICY

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In partnership with the New Westminster Tenants Union

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#### 1: Executive Summary

The basic argument of this policy brief is that the City of New Westminster should strengthen its tenant relocation policy to include the requirement of replacement units and interim support for tenants displaced by redevelopment processes to ensure that they are able to stay in the community during the redevelopment of their building, return to a replacement unit in the new building, and pay consistent rents throughout these processes.

Recent provincial legislation has intensified development pressures, especially on older and affordable rental housing stock in New Westminster located in transit-oriented areas surrounding SkyTrain stations. The City of New Westminster is currently updating a number of its policies in response to this legislation, including in relation to development processes, and this would be a good opportunity for the city to strengthen its tenant relocation policy to protect renters from the risk of displacement from redevelopment.

This policy brief provides a description of new provincial legislation, an overview of the City of New Westminster's relevant policies, and an explanation of why these policies should be strengthened. The policy brief compares the City of New Westminster's policy to the City of Burnaby's policy; it then outlines and defends a proposal modeled after the City of Burnaby for a strengthened tenant relocation policy to prevent displacement. It concludes by considering some potential objections to this policy and explaining why those objections are ultimately unconvincing.

#### 2: Policy Context

In recent years, the City of New Westminster has demonstrated a laudable commitment to preventing displacement due to redevelopment ("demovictions") through a combination of its ongoing moratorium on strata conversion, use of residential rental tenure zoning, limits on density in the city's land use policy, and general practice of not supporting proposals involving significant displacement in its development review processes. As a result, New Westminster has had comparatively far fewer demovictions than surrounding municipalities such as Burnaby and Coquitlam.

But the policy environment in which the city has worked to prevent demovictions has changed recently as a result of new provincial housing legislation introduced in Fall 2023; this legislation yields increased development pressures surrounding SkyTrain stations and risks the potential displacement of low- and middle-income renter households who live in older affordable rental stock in the city, especially in Downtown New Westminster. In response to these changes, the City of New Westminster should strengthen its tenant relocation policy to ensure that, if redevelopment occurs, it does not involve the displacement of these households into situations of greater housing insecurity or out of the community altogether.

#### 2.1: Transit-Oriented Development and Displacement Pressures

In Fall 2023, the Government of British Columbia passed a series of bills as part of major reforms to housing legislation in the province. One significant piece of this legislation, <u>Bill 47</u>, aims to encourage transit-oriented housing development through the creation of upzoned transit-oriented areas; this includes the right to build the following densities around SkyTrain stations: up to 20 storeys (or up to 5.0 FSR<sup>1</sup>) within a 200m radius, up to 12 storeys (or up to 4.0 FSR) within a 400m radius, and up to 8 storeys (or up to 3.0 FSR) within in an 800m radius. As New Westminster is served by five SkyTrain stations, this affects large sections of the city, including Connaught Heights, Sapperton, and the entirety of Downtown New Westminster.

Broadly speaking, it is sensible policy to encourage densification around transit hubs, such as SkyTrain stations; however, of particular concern is that this upzoning intensifies redevelopment pressures on older and more affordable

<sup>&</sup>lt;sup>1</sup> FSR is an acronym for "floor space ratio" (sometimes also referred to as "floor area ratio" or "FAR"), which is a common measure of density on a site. It is a ratio of a building's floor area relative to the size of the property on which it is located.

rental stock in New Westminster, especially in the downtown area. For instance, a number of potentially-affected buildings are in areas currently zoned for low-rise apartments (RM-2), which currently allows a base density not to exceed 1.2 FSR (source: <u>Section 430.18</u> of New Westminster Zoning Bylaw 6680, 2001). Bill 47 represents a significant increase in allowable density in these areas - in some cases more than quadrupling allowable density (e.g., from 1.2 FSR to 5.0 FSR within 200m of SkyTrain stations). Increases in allowable density make sites more attractive for redevelopment and thus increase risk of displacement through redevelopment.

Given the mixture of the city's current policies (e.g., moratorium on strata conversion and the lump-sum payment requirement in its current tenant assistance policy) and recent challenging economic conditions in the residential construction industry, it is unlikely that New Westminster will see a wave of redevelopment in the immediate future as a result of the new legislation. And where such redevelopment occurs, it will most likely first affect sites that do not already have multi-unit apartment buildings on them - indeed, new property listings that cite recent provincial legislation to attract investors and developers consist primarily of low-rise commercial sites and land assemblies composed of single-family homes (as of April 2024).

Nevertheless, economic conditions may become more favourable to multi-unit residential development in the future. The Q4 2023 report by the Canadian Home Builders' Association (CHBA) notes that, while labour and material costs remain high<sup>2</sup>, supply chains have started to normalize - the primary reason given by developers for decreasing confidence in the Canadian housing market and the viability of future projects is high interest rates and a concomitant decrease in sales volumes due to the high cost of mortgages. But the Bank of Canada has recently signalled that interest rates may be coming down in June 2024 given current economic conditions. Indeed, the Q1 2024 report by the CHBA notes some increased optimism about future sales trajectories (despite continuing concerns about current challenges around financing amidst high interest rates). While it is difficult to predict the future, it appears that interest rates will most likely either remain stable or slowly decrease in the short- to medium-term horizon. Furthermore, the federal government announced earlier this year that it would engage in substantial and ongoing purchases of mortgage-backed securities through the Canadian Mortgage Bonds program (\$30 billion in 2024 alone), which

<sup>2</sup> The British Columbia Construction Association, for instance, <u>forecasts</u> that labour shortages in the construction sector will remain a persistent challenge into the future.

together with potentially decreasing interest rates will most likely have the effect of reducing the cost of borrowing for mortgages in the future, which will put upward processes on bousing prices for both condeminiums and purpose built rental upits.

pressure on housing prices for both condominiums and purpose-built rental units. Indeed, the CMHC <u>2024 Housing Market Outlook</u> forecasts that sales prices and sales volumes will increase going forward; despite some slowdown in multi-family construction starts this year, the CMHC report anticipates strong demand for both condominiums (apartments and townhouses) and purpose-built rental units in Metro Vancouver in the near future.

The conclusion to draw is that the upzoning of transit-oriented areas combined with improving economic conditions may place significant redevelopment pressures on New Westminster's supply of affordable rental stock in the future. With these pressures comes an increased risk of the displacement of existing tenants in affordable rental units from their homes through redevelopment. It is thus imperative that New Westminster (and other municipalities facing these pressures) enact robust tenant protections, such as a strengthened tenant relocation policy, to prevent redevelopment from displacing existing tenants into situations of housing insecurity.

#### 2.2: Current Policies in New Westminster Relevant to Redevelopment

In 1978, the City of New Westminster introduced a moratorium on strata conversion (i.e., preventing purpose-built rental units from being turned into condominium units) and has continued to uphold this policy through to the present. This moratorium has been an important factor in preventing the type of demovictions observed in the Metrotown area of Burnaby and other parts of Metro Vancouver in recent years.

In response to the mass eviction of tenants in a stratified rental building<sup>3</sup> in 2018, the city further reinforced its commitment to preventing displacement by passing <u>Bylaw 8078</u> in 2019, which converted six stratified rental buildings and twelve city-owned properties to residential rental tenure. This bylaw faced a court challenge, but it was ultimately <u>upheld</u> by the Supreme Court of British Columbia in 2021. Furthermore, at the same time, the city has also demonstrated its commitment to preventing displacement through its leadership on strengthening renoviction protections, which has subsequently informed provincial policy.

<sup>&</sup>lt;sup>3</sup> This is a property with a strata tenure owned by one entity that operates as a de facto purpose-built rental building.

In 2015, the City of New Westminster adopted a <u>Tenant Relocation Policy</u> applying to the redevelopment of multi-family buildings containing six or more purpose-built market rental units. The policy requires a prospective developer to submit a tenant relocation plan as part of its development application, to communicate this plan to tenants at least four months prior to eviction, and to ensure that the plan has been implemented prior to receiving a demolition permit. The primary compensation for tenants outlined in the policy is the provision of a lump-sum payment equal to or greater than three months' rent combined with implementing a strategy to assist displaced tenants in locating appropriate housing.

In 2019, the City of New Westminster introduced a <u>Draft Rental Replacement</u> <u>Policy</u> to serve as an interim guideline for considering applications within the city's initial development review processes. The policy applies to development applications involving rezoning where redevelopment will remove more than six rental units in the demolition of an existing building. The guideline stipulates that this kind of redevelopment must result in 100% secure-market rental units and 10% below-market rental units, where displaced tenants have right of first refusal to the below-market rental units. The rent for below-market units is set at 10% below CMHC median market rents for New Westminster; for 2023, these belowmarket monthly rents would be the following: bachelor - \$1,170; 1 bedroom -\$1,328; 2 bedroom - \$1,698; 3+ bedroom - \$2,262 (source: <u>CMHC Rental Market</u> <u>Survey</u>).

In 2023, the City of New Westminster included an updated <u>Draft Tenant</u> <u>Relocation Policy</u> as part of a rezoning agreement for a multi-unit market condo building proposed for 909-915 Twelfth Street, which would involve the demolition of four existing buildings containing a mixture of residential and commercial units. In the discussion of the tenant assistance strategy for existing residential tenants at the proposed site, the staff report <u>notes</u> the need for updating the city's 2015 policy: after reviewing the tenant relocation policies of other municipalities, the updated draft policy was modeled after the City of Victoria's tenant assistance policy as a "middle-of-the-road approach" to inform the proposed development under consideration as well as the future updating of the city's policy.

It is worth noting that the advantage of the draft 2023 policy is that it applies to the specific development at 909-915 Twelfth Street while the 2015 policy does not because each building at the proposed site has fewer than six residential units. In other words, displaced tenants at the proposed site would receive only the minimum benefits stipulated in the Residential Tenancy Act (four months' notice

and one month of rent). While not explicitly articulated in the staff report and relevant attachments, the draft 2023 policy would presumably apply to all market rental units, even in buildings with fewer than six units, if it is modeled after the City of Victoria's current tenant assistance plan.

The 2023 updated draft policy includes the following core provisions:

- Four months' notice prior to eviction (as per Residential Tenancy Act guidelines)
- Lump sum payment calculated on the basis of CMHC average rents for New Westminster, number of bedrooms, and length of tenure:

CMHC Average Rent*	Length of Tenancy
Bachelor: \$1,357	Up to 5 years: 3 months' rent
1 bdrm: \$1,497	5 to 9 years: 4 months' rent
2 bdrm: \$1,907	10 to 19 years: 5 months' rent
3+ bdrm: \$2,563	20+ years: 6 months' rent

\* Source: CMHC 2023 Rental Market Survey

• Moving expenses based on unit size:

Unit Type	Rate
Bachelor and 1 bdrm	\$750
2 bdrm	\$1,000
3+ bdrm	\$1,250

• Relocation assistance from a tenant relocation coordinator to help tenants find appropriate housing

The 2023 draft policy improves upon the 2015 policy in two key areas: first, it applies to a greater set of renters in the city (namely, those living in buildings with fewer than six residential units); second, it yields greater financial compensation both by increasing lump sum payments beyond three months' rent and by providing moving expenses.

Despite these improvements, the tenant relocation policy should be strengthened to require not just a lump-sum payment but also the provision of a replacement unit at comparable rents and interim support to displaced tenants if it is to be effective at preventing the displacement of tenants into situations of housing insecurity or out of the community due to an inability to find affordable rental housing.

#### 2.3: The Need to Strengthen New Westminster's Tenant Relocation Policy

The 2023 draft policy on its own may fail to prevent the displacement of renters in the midst of redevelopment processes because the policy does not include the right to a replacement unit at comparable rents combined with interim support to stay in a comparable unit in the community during redevelopment.

The lump-sum payment that displaced renters would receive under the 2023 draft policy, including both compensation for length of tenure and moving expenses, ranges from \$4,821 (for tenants who have occupied a bachelor unit for less than five years) to \$16,628 (for tenants who have occupied a three-bedroom unit or greater for twenty years or more). But even the most generous of lump-sum payments envisioned in the draft policy will fail to stop displacement that imposes hardship on tenants because of the significant disparity that exists between average overall rents and average asking rents in New Westminster.

To illustrate this point, the average overall rent for two-bedroom units in New Westminster identified in the most recent CMHC Rental Market Survey (October 2023) is \$1,907. But the average asking rent for two-bedroom units in New Westminster now exceeds \$3,000 (source: <u>liv.rent March 2024 Metro Vancouver Rent Report</u>). A renter household in a two-bedroom unit with a tenancy of 20 years or greater who is entitled to the maximum lump-sum payment of six months' rent (calculated based on the 2023 CMHC average) would receive \$11,442. Median renter household income in New Westminster is \$62,100 (source: Canadian Rental Housing Index) - the rent that this median level household could afford without spending more than 30% of their gross income on housing is \$1,570. The lump sum above would cover the gap between what a median renter household can afford and the average asking rent above for less than eight months.

Given the significant disparities between a tenant household's previous rent, what they can afford, and current asking rents in New Westminster, a lump-sum payment on its own would fail to prevent the displacement of low- and middle-income renters into either core housing need<sup>4</sup>, extreme housing insecurity, or out

<sup>&</sup>lt;sup>4</sup> Core housing need is a measure of housing insecurity where a household is defined as being in core housing need if they spend more than 30% of their gross income on housing costs, live in substandard housing requiring major repairs, or lack an adequately-unit relative to their family size. Only one condition must be met for a household to be defined as being in core housing need (even if many households may experience all three).

of the community entirely. It would be an injustice to tolerate this form of displacement within profit-oriented redevelopment processes in our community.

To protect against the risk of this form of displacement, the City of New Westminster should incorporate the spirit of its 2019 Draft Rental Replacement Policy into a renewed and strengthened tenant relocation policy that includes a requirement for replacement units and interim support for tenants displaced by redevelopment processes. The provincial government has recently <u>announced</u> that, in passing Bill 16, municipalities will be allowed to establish tenant protection bylaws, including within transit-oriented areas, that require the provision of replacement units in new development (for further detail, the relevant amendments to Section 482 of the Local Government Act made by Bill 16 can be found <u>here</u>). The City of New Westminster should create a bylaw that strengthens its tenant relocation policy accordingly.

# 2.4 The Path Dependence of Housing Markets and the Importance of Setting Development Standards

Housing markets should be understood as path-dependent systems that are contingent, dynamic, and revisable. As path-dependent systems, our collective decisions can reinforce patterns within housing markets over time - past choices shape present realities. But our present decisions can also challenge existing patterns and create new ones: just as past choices shape the present, our present choices can shape the future course of housing markets. Policies and systems often evolve gradually over time, but these periods of gradual evolution can also be punctuated by periods of rapid change in the midst of uncertainty where new (and potentially unexpected) paths can be forged sometimes fairly quickly.

The Government of British Columbia's recent housing legislation has created a period of rapid change regarding housing systems in the province, which will likely impact development patterns in New Westminster. It is important to ensure that the new policy environment emerging from this change is one that prevents displacement and protects the rights of tenants to adequate housing. All levels of government should recognize that they are not merely market correctors, as though there exists some kind of abstract, self-contained housing market beyond them that only requires minimal intervention to correct occasional market failures or intervention. Instead, governments should be understood as market shapers,

where policymaking shapes the evolution of markets and systems, including in relation to housing.<sup>5</sup>

In this sense, the City of New Westminster (and other local governments facing similar challenges) should see tenant protection bylaws as an important tool for shaping standards of development practice into the future. Having a clear and strong tenant relocation policy would help to set expectations for minimum standards around development in a manner similar to the way that development is expected to abide by such things as environmental regulations, safety requirements, and employment laws. The prevention of displacement into core housing need from redevelopment should be seen as a basic standard that is incorporated into development practices.

#### 2.5 Displacement and the Right to Adequate Housing

The displacement of tenants into core housing need as a result of redevelopment is a violation of the right to adequate housing.

To see why, it is worth briefly challenging one influential conception of human nature underlying certain forms of economics-based policymaking. In the rational choice theory of neoclassical economics, individuals are conceptualized as independent rational self-interest maximizers with a fungible relationship to place; in this view, cash payments are seen as preferable to securing place-based connections because cash better facilitates the mobility of individuals seeking to realize a diverse set of preferences. While the theoretical underpinnings of this view have been superseded by recent developments in economics (e.g., behavioural economics), it nevertheless remains influential as an approach to guiding policymaking, including in relation to housing.

But this approach relies on a flawed view of human nature: indeed, our sense of self is rooted in a network of interdependent relationships with others and the world around us, and these relationships are sustained within specific places and communities. Displacement is a serious moral harm because it interrupts those relationships and severs the place-based connections essential to our well-being.<sup>6</sup> A just housing policy should protect these connections, which should be seen as an important part of securing the rights of renters to adequate housing.

<sup>&</sup>lt;sup>5</sup> For a concise account of this view, see pp. 11-12 of Mariana Mazzucato's report, *Inclusive and Sustainable British Columbia: A Mission-Oriented Approach to a New Economy* (link <u>here</u>)

<sup>&</sup>lt;sup>6</sup> For a robust analysis of the wrong of displacement relative to our place-based attachments, see Cara Nine, "The Wrong of Displacement: The Home as Extended Mind", *Journal of Political Philosophy* 26.2 (2018): 240-257.

Strengthening the city's tenant relocation policy would be deeply consonant with the <u>United Nations framework on the right to adequate housing</u>, which is held as the principal value guiding housing policy in Canada following the adoption of the <u>National Housing Strategy Act</u>. The right to adequate housing includes the following entitlements: security of tenure, equal and non-discriminatory access to adequate housing, and participation in housing-related decision-making at the national and community levels (see p.3 of the <u>UN Fact Sheet on the Right to</u> <u>Adequate Housing</u>). A tenant relocation policy with the components described in Section 4 of this brief would help to realize the right to adequate housing and protect the place-based connections essential to human well-being.

The table below presents a comparison between the basic requirements of the Residential Tenancy Act related to demolition, the City of New Westminster's 2015 Tenant Relocation Policy, the City of New Westminster's 2023 Draft Tenant Relocation Policy, and the City of Burnaby's current Tenant Assistance Policy. In the aftermath of a large number of demovictions in Burnaby (notably the Metrotown area) and a change in municipal government, the City of Burnaby adopted a much-strengthened tenant relocation policy in 2020, which was subsequently amended in 2022 and which is recognized as one of the most progressive policies in Canada in terms of supporting and protecting tenants.

Comparison of Tenant Assistance Policies					
	RTA Minimum	New West 2015	New West 2023	<b>Burnaby</b>	
Scope	All rental units	Market rental buildings with six or more units	All market rental units	Market rental buildings with five or more units	
Moving Support	None	Strategy for assisting tenants must be part of Tenant Assistance Plan	Flat Rate: \$750 (bchlr & 1 bed) \$1000 (2 bed) \$1250 (3+ bed) Assistance from Tenant Relocation Coordinator	Flat Rate: \$900 (bchlr & 1 bed) \$1200 (2 bed) \$1400 (3+ bed) Assistance from Tenant Relocation Coordinator Interim rent top- ups (if replacement unit chosen)	
Lump Sum	One month's rent	Three months' rent	Three to six months' CMHC average rent based on length of occupancy	If replacement unit not chosen, percentage of monthly rent x 36 months based on policy formula	

Replacement Unit	No, although tenant has right of first refusal in new building if it has five or more rental units, but at market-rate rents determined by landlord	No, although development review processes guided by 2019 Draft Rental Replacement Policy	No, although city development review processes are guided by interim framework with previous policies still in force as city adjusts to new provincial legislation	Yes, right of first refusal to unit with same number of bedrooms and same rent as previous unit plus RTA- allowable increases <sup>7</sup>
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<sup>7</sup> Through the Residential Tenancy Act (RTA), the provincial government stipulates an allowable rent increase limit each year; for 2024, this limit is 3.5%.

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#### 4. Policy Recommendation

To fully protect tenants from the risk of being displaced into significant hardship through redevelopment processes, the City of New Westminster should update its tenant relocation policy to a model similar to the City of Burnaby: this would include the requirement for a replacement unit in the newly-redeveloped building that includes the same number of bedrooms and the same rent (plus RTAallowable increases) as their original unit in the old building. This should be supplemented with moving assistance and interim rent support to ensure that displaced tenants are able to stay in comparable temporary accommodation within New Westminster at a similar rent during the redevelopment of their building.

While Burnaby's tenant relocation policy is widely recognized as one of the most progressive in British Columbia and should inform planning best practices across the province, there are ways that even it could be improved to help further realize the right to adequate housing in communities. Possible improvements could involve further provisions related to spatial equity, spatial integration, consultation, and accountability.

With these things in mind, the ideal tenant relocation policy in New Westminster would involve the following components and provisions:

#### Scope:

While tenant assistance policies (such as Burnaby's) often apply to multiunit buildings with rental units above a certain threshold (e.g., five or greater units), it would be worth exploring how to provide as much support as possible to tenants who may be displaced from rental units below that threshold. In other words, an ideal policy would apply as expansively as possible.

#### **Replacement Unit:**

Tenants displaced by redevelopment should have the right of first refusal to a replacement unit in the new building at the same rent as their previous unit in their old building (plus any RTA-allowable increases). This replacement unit should also have the same number of bedrooms as their previous unit.

#### Interim Support:

During the redevelopment of their building, tenants should be provided with interim support that helps with locating temporary comparable accommodation in New Westminster, pays moving expenses, and covers the gap between the rent of their interim unit and the rent of their previous unit (so that tenants continue to pay a consistent rent).<sup>8</sup> This support should extend throughout the entirety of the redevelopment process until the new unit is ready to be occupied.<sup>9</sup>

#### Choice of Lump Sum Payment:

Respecting tenant autonomy should be a guiding principle (i.e., tenant choices respected at each stage of the process). In this spirit, tenants should be given the option of either choosing a lump-sum payment at the outset if they wish to move (an amount similar to Burnaby's policy, New Westminster's 2023 policy, or greater) or choosing a replacement unit and interim support if they wish to live in the new building.

#### Tenant Consultation:

Tenants should not merely be made aware of changes happening to their building (as stipulated in notification requirements in the RTA and various municipal assistance policies); while tenants should of course receive adequate notification, tenants should also be able to play a role in determining the shape of redevelopment that will affect them, such as by participating in design plans and municipal review processes - this would help to contribute toward a democratization of urban development and planning practice. All levels of government could also do more to support the rights of tenants to form unions within their building and engage in collective bargaining with landlords and potential developers. Furthermore, non-profit housing societies operating replacement units in a development

<sup>&</sup>lt;sup>8</sup> It would also be worth considering further supports for tenants in terms of sense of belonging and social connectedness in the midst of redevelopment processes. See, for instance, a 2023 study by Brightside Homes on relocation best practices (link <u>here</u>).

<sup>&</sup>lt;sup>9</sup> Burnaby's policy currently require three years of interim rent top-ups, but this support should ideally be extended until the replacement unit in the new building is ready for occupancy even if the redevelopment process takes longer than three years. Extending support would provide developers with incentives for finishing a project on time (or early) and prevent tenants from being forced to absorb unaffordable rent increases if interim support is ended.

should involve tenants in such a way that provides them with substantive decision-making power.<sup>10</sup>

#### Spatial Equity:

It would be ideal for tenants to be able to return to a replacement unit that has not just the same number of bedrooms but also the same square footage as their previous unit. But at a minimum, the sizes of both market and non-market units should be equivalent in the new building. Alternatively, the tenant relocation policy could involve prescribed minimum unit sizes formulated with the input of renters in the community. Ultimately, the tenant relocation policy should ensure that replacement units are of an adequate size for tenant households. Furthermore, the build quality of both market and non-market units should ideally be equivalent.

#### **Spatial Integration:**

Building entrances and amenities should be common between market and non-market units. Where amenities are separate (e.g., due to the complexity of managing them between a strata corporation and a non-profit housing society), this should only be done with the consent of tenants occupying replacement units. Spatial segregation is a deep injustice within the history of urban planning and development, and spatial integration that respects the autonomy and welfare of marginalized groups should be sought wherever possible.

#### Accountability and Enforcement:

There should be clear enforcement mechanisms in place to ensure that developers abide by the conditions of the city's tenant assistance policy, including preventing property owners from displacing tenants and holding units vacant in advance of redevelopment to reduce replacement costs and also ensuring that developers comply with the provision of adequate interim support and eventual replacement unit. Tenants should also have a clear

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<sup>&</sup>lt;sup>10</sup> The broader ethical principle here is that the right to adequate housing is best realized through co-creation, where those whose right to adequate housing has been compromised (or is at risk of being compromised) are able to play a meaningful role in shaping policy, practices, and processes related to housing and development in communities. See, for instance, the National Housing Council's 2023 report, "<u>Co-Creating the Right to Adequate</u> <u>Housing in Canada</u>".

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third-party point of contact beyond themselves and the developer with the ability to resolve disputes. While cities can help provide this accountability and enforcement, this would be most effective with provincial support.

#### **Conclusion**

The City of New Westminster should be proud of the work done by council, staff, and community members over many years to protect tenant rights and ensure that renters in our city do not have to live with the fear of losing their homes through redevelopment processes. This policy brief is offered as a way of recognizing the value of that work and helping to contribute to it.

A strengthened tenant relocation policy, including the provision of a replacement unit and interim support for tenants affected by redevelopment, would help to prevent unjust forms of displacement and would be consistent with a number of important city policies. It would be consistent with the city's <u>Inclusionary Housing</u> <u>Policy</u>, which aims to ensure that new development includes a range of housing options at different levels of affordability. It would also be consistent with all six policy focus areas in the housing section of New Westminster's <u>Official</u> <u>Community Plan</u>. Lastly, it would be consistent with New Westminster City Council's <u>2023-2026 Strategic Priorities Plan</u>, namely ensuring that housing policy is updated to protect existing rental housing, and in so doing to ensure an inclusive sense of community belonging and connecting for all.

As the City of New Westminster works on updating development-related policies in response to new provincial legislation, it would be worth adopting a strengthened tenant relocation policy to prevent unjust displacement as a result of redevelopment processes, especially in transit-oriented areas.

Beyond the myriad complexities of zoning and land use policy, it is important to recognize that zoning policy is ultimately a statement of how we choose to live together in community with one another: a tenant protection zoning bylaw that ensures renters are able to stay in the community in adequate and affordable housing would be a beautiful articulation of this city's commitment to being a place that values housing for all.

To further argue for the merits of a strengthened tenant relocation policy, it is worth considering some possible objections that could be raised against such a policy and showing why they are ultimately unconvincing. The conclusion is that strengthening New Westminster's tenant relocation policy is a reasonable action that should be undertaken in the near future.

#### Objection #1:

New Westminster is in a housing crisis, and we must build as much housing as possible: a stronger tenant relocation policy would deter developers from adding much-needed housing supply in our city.

#### Reply to Objection #1:

The term "housing crisis" is understandably used frequently in discussions of housing challenges, but it is important to specify what is meant by the term. As the philosopher Kyle Whyte <u>argues</u>, crisis concepts can often be deployed in problematic ways either through a kind of presentism that ignores the historical origins of contemporary challenges or through appeals to urgency that limit our ethical thinking. Whyte notes that these problems can lead to reproducing injustices rather than alleviating them, which is especially manifest on the ongoing harms visited upon Indigenous peoples through colonialism. There is no meaningful understanding of the term "housing crisis" in the Metro Vancouver area that does not recognize the constitutive role that the ongoing history of dispossession and displacement has played in contributing to the immiseration, suffering, and oppression related to housing in present. Simply put, there is no genuine response to the housing crisis that does not have ending displacement related to housing; otherwise, we risk reproducing rather than alleviating injustices.

Nevertheless, it is true that it is important to build more housing in New Westminster. Indeed, the city's <u>2021 Housing Needs Report</u> identifies that roughly 5,000 units should be added to our housing supply by 2031 to meet housing needs in the community. But the report identifies that 2,000 of those units should be forms of non-market and below-market housing to adequately meet needs - this looks like a development ratio of 40/60 non-market and market units, a ratio that is currently very far from being met. A tenant relocation policy with a replacement unit provision would help contribute toward improving this ratio by ensuring that redeveloped buildings aren't composed entirely of market units. More generally, we need

to increase supply that is affordable across the income spectrum, especially rental units affordable to lower-income households.

#### Objection #2:

The right to adequate housing would be best realized through maximizing overall supply growth, which would be inhibited by a stronger tenant relocation policy.

#### Reply to Objection #2:

The objection is based on a confusion of normative principles. It is based on a kind of utilitarian moral reasoning that holds that the best housing policy is one that satisfies the greatest number of housing preferences. Even if we were to grant that a deregulatory approach were to more efficiently allocate housing to where it is desired - a highly questionable assumption - it is still the case that this approach will involve potentially sacrificing the housing of households through redevelopment to lower-income benefit the preferences of higher-income households. But it is just such a sacrifice that violates the right to adequate housing - indeed, rights matter most for those at risk of being deprived of them. Displacement into core housing need is an affront to the human dignity underlying conceptions of human rights such as the right to adequate housing. Furthermore, it is clear that these sacrifices will be borne by those already experiencing various forms of oppression due to race, class, gender, ability, and other identity factors. Thus, such an approach risks reproducing and intensifying injustices within housing systems, including violations of the right to adequate housing.

The objection above might also hold that filtering processes could benefit lower-income households (i.e., the idea that new market-rate construction benefits lower-income households through vacancy chains set in motion as households move into newer housing and leave behind older, more affordable housing). The evidence that such processes would be beneficial to lower-income households in areas such as Metro Vancouver is weak, including on any kind of timeline that could ward off displacement into core housing need (especially if it is older affordable rental units that are themselves being lost through redevelopment). Furthermore, such a view accepts that new housing is primarily built for higher-income households; but this is an unjust allocation of resources - a genuinely progressive housing system should build new housing for both higher- and lower-income households alike, which is what a strengthened tenant protection policy could help facilitate in relation to redevelopment processes.

#### Objection #3:

A tenant relocation policy with a replacement unit provision wouldn't be economically viable.

#### Reply to Objection #3:

It is true that the requirement for replacement units and interim support would add significant costs to redevelopment projects and potentially prevent some projects from pencilling out and moving forward. There are two basic replies to this objection. First, it should be seen as a positive aspect of a tenant relocation policy if it has the effect of shifting development pressures onto underutilized commercial spaces (especially if new development includes commercial space available to community-based businesses) or land assemblies of single-family homes - this is positive because it minimizes displacement. Second, a combination of density bonusing and stronger economic conditions in the construction industry could make these kinds of redevelopment project more viable, especially if paired with various forms of support from different levels of government. The City of Burnaby currently has 2,443 non-market replacement rental units being created in various stages of development, out of 19,169 total rental units being created (source: Rental Housing Summary Report, City of Burnaby, February 14, 2024). The first set of tenants to benefit from Burnaby's policy recently moved into their new units.

It is also worth noting that there is good evidence that inclusionary housing policies, which require some portion of units in new developments to be set at below-market levels, improve their effectiveness and yield over time (Wang & Fu 2022). Two possible explanations for this phenomenon are that developer practices eventually begin to conform to a new normal in the policy environment surrounding development and that land prices eventually become lower than what they would have been without an inclusionary housing policy, which makes inclusionary development more feasible. It is not unreasonable to hold that similar dynamics could occur with respect to tenant relocation policies involving non-market replacement unit requirements (as these policies are effectively a form of inclusionary housing). This suggests that it is sensible for the city to enact such a policy and hold the course on it over the long term to yield benefits in the future (while still being flexible to make minor alterations to improve the policy as it ages).

Following the provincial government's recent amendment of the Local Government Act through Bill 16, municipalities are required to conduct a financial feasibility analysis in adopting a tenant protection bylaw (Section 482.9 of the Local Government Act). This analysis must consider the local government's housing needs report, the economic conditions relevant to residential construction in the area, and the impact of the bylaw in potentially deterring new development. But for this analysis to be equitable, it needs to also consider the feasibility of whether tenants are able to access new housing at similar rents if they are displaced - in this sense, a tenant protection policy that fails to prevent displacement into core housing need should be seen as unviable. Furthermore, any such analysis should also consider both the immediate and longer-term implications of a policy, and how it may play a role in shaping development practices into the future (recognizing, for instance, the path-dependent nature of policies and the manner in which they can become more effective over time).

#### Objection #4:

The city's current policies are sufficient to prevent displacement, and strengthening the tenant relocation policy would only add unnecessary complexity to regulations affecting development.

#### Reply to Objection #4:

A strengthened tenant relocation policy, including the provision of nonmarket replacement units and interim support amidst redevelopment, would be broadly continuous with the city's pre-existing policies around housing development. Formalizing such a policy through a tenant protection zoning bylaw would provide greater transparency and consistency in communicating clear expectations and guidelines to the development industry and it would also provide greater assurance to tenants living in buildings at risk of redevelopment.

Even if the mixture of the city's pre-existing policies and present economic conditions are currently sufficient to deter redevelopment involving displacement, it would still be prudent for the city to enact a stronger tenant relocation policy in the near future for the following reasons. First, putting in place a stronger policy could be compared to the analogy of wearing a seat belt while driving. Even if we don't expect to get in an accident while driving, it is still prudent to wear a seat belt to minimize damage in case of the possibility of an accident. Even if we don't expect significant redevelopment

involving displacement in current economic conditions, it is still prudent to have a policy in place to protect against the risk of displacement if economic conditions improve to the point that redevelopment projects become more viable. Second, putting in place a stronger policy represents a clear communication of values around development that expresses the importance of protecting affordable homes and the place-based connections that tenants have to the community around them. Third, as the city responds to new provincial housing legislation and updates a number of its policies and practices related to housing development, it is a good time to create a new and stronger tenant relocation policy; indeed, as the policy environment begins to stabilize in the wake of adapting to this legislation, this is a good opportunity to form a clear and robust set of expectations around tenant relocation in the new normal that will eventually emerge around development policies, processes, and practices in the city.

Finally, it is certainly the case that adopting, implementing, and maintaining a tenant relocation policy requiring the provision of replacement units and interim supports to tenants will involve some increase to staffing costs for the City of New Westminster. But these staffing costs may not necessarily be exceptionally large, especially if the program is relatively small<sup>11</sup>; however, these costs would certainly be justifiable given the deep alignment between this kind of tenant relocation policy and the city's core values around housing justice and the prevention of displacement in the community.

#### Objection #5:

A strengthened tenant relocation policy would conflict with the property rights of building owners.

#### Reply to Objection #5:

Our legal system does not enshrine an absolute right to property; instead, property rights must always be balanced against other considerations - we recognize that there are a wide variety of legitimate restrictions on what uses may be made of property, including in the relationship between owners and tenants. This fits with the view that property is most plausibly understood not primarily as an object (such as a physical building on a specific piece of land) but rather as a social relationship: in other words,

<sup>11</sup> It is also worth noting that some of these costs could be mitigated by shifting the requirement for developers to hire an external consulting firm for supporting tenants to instead paying the city directly to provide support services.

what counts as property is what others around us recognize as property, and that which our legal systems choose to uphold.<sup>12</sup> The question that we should then focus on is what kinds of social relationships concerning property will best promote the wellbeing of communities; tolerance of displacement is ultimately to break faith with one another, and the moral bonds within communities are best secured by protecting the place-based connections essential to human flourishing. For this reason, property rights relating to redevelopment should be limited through strong tenant protections that prevent the displacement of individuals from their communities.

<sup>12</sup> For a fuller defense of this view, see Nicholas Blomley, *Unsettling the City: Urban Land and the Politics of Property*, Routledge, 2003.

Strengthening New Westminster's Tenant Relocation Policy