



ACORN Canada

Uniting Communities for Justice

BC ACORN Presentation to Rental Housing Task Force

What is BC ACORN?

BC ACORN is the British Columbia chapter of ACORN Canada (Association of Community Organizations for Reform Now, Canada). Founded in 2004, we are an independent national organization which has rapidly grown into one of the country's most effective voices for low and moderate income Canadians, with over 102,000 members in Canada. In BC, we have five chapters across Metro Vancouver and 19,000 members across the province. Our central purpose is to effectively represent and champion the interests of Canada's low and moderate income urban citizens on the critical issues of social and economic justice.

The Experience of Low and Moderate Income Tenants

Metro Vancouver is in the midst of a housing crisis. Over one third of households are renters and 43 per cent pay more than thirty per cent of their income on rent. One in five households in Metro Vancouver spend half of their income or more on shelter.¹

While rents are rising exponentially, insufficient rent control regulations are pricing low and moderate income tenants out of their communities, and out of the limited affordable housing that exists in the province. Currently, rent can be raised by two per cent above inflation. For many, this is unaffordable and increases financial hardship among low and moderate income households. However, landlords are increasingly able to take advantage of loopholes in BC's rent control regulations to raise rents even higher.

For example, vacancy decontrol allows landlords to hike up rents when a tenant vacates their property. This gives landlords an incentive to force tenants out into a market which is unaffordable, and decreases the overall supply of affordable housing.

Another concern facing low and moderate income tenants in Metro Vancouver is the prospect of renovations and demovictions. Tenants are being forced out of their homes by landlords who are using renovations as an excuse to increase rents above the maximum allowable rate, ultimately renovating tenants who cannot afford to pay the increase. If tenants do not accept the increase, they are simply provided with an eviction notice and the landlord will rent the unit to someone else at a higher rate. Metro Vancouver ACORN members are being faced with rent increases of 100 per cent due to renovations.²

Tenants are also concerned about demovictions. Across the Province, affordable units are being demolished, forcing tenants into a housing market with rising rents and plummeting

¹<http://www.policynote.ca/rising-housing-costs-in-vancouver-new-evidence-from-the-census/>

²<https://www.acorncanada.org/new-westminster-acorn-rally-against-renovictions>



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vacancy rates. As of 2017, the vacancy rate was less than 1% and the average rent had increased by almost six per cent to \$1,297.³

ACORN Members' Top Three Priorities

1. Lack of affordable housing
2. Rent control loopholes
3. Renovictions and demovictions

ACORN Members' Ideas and Solutions

1. Strengthen BC's Rent Control Laws
 - a. Tie rent control to units rather than to the lease.

Rent control which is attached to the lease incentivizes landlords to force out tenants in order to rent the unit at a higher rate. By tying rent control to the unit, tenants will have greater protection and we can prevent further loss of much-needed affordable housing.

- b. Commit to exploring alternative maximum rent increases, as the current 2% plus inflation is too much.

For example, Manitoba, Ontario, and Nova Scotia's maximum rent increase is tied to the rate of inflation. All are substantially lower than the maximum allowable increase in BC for 2018.

2. Ensure tenants have a seat at the table during the Residential Tenancy Act review.
Low and moderate income tenants must be given a voice to ensure any changes to the Residential Tenancy Act meet their specific needs.

3. Enforce laws against unjustified renovations

Landlords are capitalizing on the lack of enforcement around renovations, enabling them to evict tenants unjustly and raise rents through the roof. By ensuring that tenants are only asked to vacate their homes for necessary renovations, and ensuring they are provided with the same rental costs on their return, renters will be protected from unscrupulous landlords who are treating tenants unfairly.

ACORN members would also like to see municipalities increasing the supply of deeply affordable housing through inclusionary zoning policies. Inclusionary zoning is a powerful tool that can be used to increase supply of affordable housing in our cities by demanding that a certain percentage of new developments is affordable housing.

Cities must also ensure affordable and social housing is not lost by utilizing rental replacement policy to provide housing for displaced tenants. Replacing affordable units will

³https://www.cmhc-schl.gc.ca/odpub/esub/64467/64467_2017_A01.pdf?fr=1526671384221&sid=YMwrSn3pbYey3KI0AIP2X8SVeAfLVnlEuvyzNZFlfB4ws7sdmEoZLXJqPbBsn6G2



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maintain the existing supply of affordable housing and will ensure that tenants are not forced into precarious housing situations in a hostile rental market.

Inclusionary Zoning: One Possible Solution to BC's Housing Crisis?

What is Inclusionary Zoning?

Inclusionary Zoning (IZ) is a policy tool that allows cities to create new affordable housing through market-rate developments. IZ creates affordable housing by 1) mandating that developments include a certain percentage of units as affordable housing, or 2) providing incentives to encourage inclusion of affordable housing within developments. In Canada, Manitoba, Alberta and Ontario have introduced IZ-enabling legislation. More than 500 IZ programs exist in the US, with an estimated 150,000 affordable units created as a result⁴. Evidence shows that effective, mandatory inclusionary zoning policy in strong housing markets (low vacancy rates, high levels of development, rent growth) can produce affordable housing without leading to reduced development or increased prices⁵.

Do We Have IZ in BC Right Now?

In 1988, Vancouver introduced the 20% Core Need Housing Policy (now known as Non-Market Housing Policy). This form of inclusionary housing policy allowed the City to leverage development sites through private developments, so that federal and provincial government funding could be used to build social housing on the sites that were obtained. Vancouver's policy differs from typical inclusionary zoning policy, which usually requires developers to build and provide affordable housing rather. In later years, the policy allowed developers to provide cash-in-lieu of affordable housing, which the City then used to build affordable housing.

Vancouver's policy only applies to developments with 200 or more units, compared with typical inclusionary zoning policy which applies to all developments or has a small cut-off, usually up to 50 units. In addition, Vancouver's policy has been used to create social and non-market housing in a separate location from the main development, whereas IZ is usually used to create affordable housing within a private development so that developments are mixed. Changes in federal funding led to a significant reduction in the number of affordable units developed using this policy⁶.

Vancouver's interpretation of inclusionary zoning is not a true application of the policy, rather it makes density bonuses (when developers are allowed to build more units to offset the cost of providing affordable housing) contingent on the provision of affordable housing or cash-in-

⁴ <https://uli.org/wp-content/uploads/ULI-Documents/Economics-of-Inclusionary-Zoning.pdf>

⁵ <https://www.nhc.org/wp-content/uploads/2017/10/Separating-Fact-from-Fiction-to-Design.pdf>

⁶ <http://inclusionaryhousing.ca/wp-content/uploads/sites/2/2016/05/Vancouver-IH-policy-29Jan10-num.pdf>



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lieu. Developers can forego the bonus density, and provide no affordable housing. Currently, there is no IZ-enabling legislation in BC.

Opportunity

There are examples of successful inclusionary zoning programs in the US⁷. In 2018, Ontario introduced IZ-enabling legislation, passing down the powers to municipalities to mandate that new developments include affordable housing and providing autonomy regarding what IZ policy will look like in each city.

Some local governments in BC have shown an interest in IZ and in creating more affordable housing. In addition, the Province recently introduced legislation that allows cities to zone for rental tenure (Local Government Statutes Residential Rental Tenure Zoning Amendment Act, 2018). This will allow cities to zone whole blocks, buildings or units so that only rental housing can be created, rather than ownership units/condos⁸. This legislation does not allow cities to determine rental costs. However, as the rental tenure legislation was introduced in response to rising rents and plummeting vacancy rates, there may be an opportunity to push for IZ policy to create more affordable housing

Next Steps

For the Province to enable IZ, the [Local Government Act \(Part 14 - Land Use Management\)](#) would need to be changed. The [Vancouver Charter](#) would also need to be changed. Minister of Municipal Affairs and Housing, Selina Robinson, is the Minister responsible.

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⁷ See <http://inclusionaryhousing.ca/2016/05/25/case-studies-american/>

⁸ <https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/41st-parliament/3rd-session/bills/progress-of-bills>