

Report to Council



Date: March 31, 2025
To: Council
From: City Manager
Subject: Tenant Protection – Proposed Measures
Department: Housing Policy & Programs

Recommendation:

THAT Council receives, for information, the report from the Housing Policy and Programs Department dated March 31, 2025 with respect to tenant protection measures;

AND THAT Council directs staff to prepare the necessary bylaw amendments to implement the proposed approach to tenant protection outlined in the report from the Housing Policy and Programs Department dated March 31, 2025.

Purpose:

To advance the proposed tenant protection measures and direct staff to prepare bylaw amendments.

Council Priority Alignment:

Affordable Housing
Homelessness

Background:

On March 3, 2025, staff brought forward recommended next steps to enact tenant protection measures as a result of previous Council direction. At that meeting, Council directed staff to report back to Council with further information on terms for a Tenant Relocation Plan and an implementation strategy.

Previous Council Resolution

Resolution	Date
THAT Council receives, for information, the report from the Housing Policy and Programs Department dated March 3, 2025 with respect to tenant protection;	March 3, 2025
THAT Council directs staff to report back to Council with further information on terms for a Tenant Relocation Plan and implementation strategy.	

Discussion:

As a result of Council feedback, staff propose that the following measures be incorporated as part of a Tenant Protection approach. Additional elements were reviewed and considered by staff, but were not ultimately recommended as part of the proposed approach (see Attachment B).

Applicability

The proposed Tenant Protection measures would apply to properties which:

- Contain five or more rental dwelling units; and
- Are being redeveloped, resulting in the tenancy agreements of rental-dwelling units being terminated.

Tenant Protection Plan

An applicant would be required to submit a Tenant Protection Plan. The contents of the Tenant Protection Plan would be guided by a standardized Terms of Reference provided by the City (see Attachment A). The required contents would include:

- Information on how the applicant's obligations under the *Residential Tenancy Act* are being met;
- Information on how the applicant's obligations under the City's new Tenant Protection Bylaw are being met; and
- Information on any voluntary, additional proposals by the applicant respecting protection and relocation of tenants during redevelopment.

A proposed Tenant Protection Plan would form part of a Development Permit for a subject property and would be brought forward to Council at the same time as the Form and Character Development Permit.

Financial Compensation

Financial compensation is intended to mitigate the financial hardships of displacement and assist with tenant's transitions from their existing rental housing into a housing market that may be less affordable.

Requirements:

- Amount: Equivalent to three (3) months of rent (including the one (1) month of rent required by the RTA)
- Provided as a lump sum payment at least 90 days prior to the termination of the tenancy or as free rent for the final three (3) months of the tenancy

Financial compensation would not be required if:

- the vacancy rate is greater than 4% (as per the annual CMHC Rental Market Survey); or
- the tenant agrees to be relocated into another unit in which the property owner has an ownership interest and the rent is not greater than 10% more than the tenant's current rent.

A vacancy rate between 3% and 5% is considered healthy. It is expected that when the vacancy rate exceeds 4%, there would be a broader array of rental options for relocating tenants with lower rents and greater ability to negotiate than when the vacancy rate is lower.

Financial Assistance for Moving Expenses

Applicants would be required to provide financial assistance for moving expenses:

- Amount: \$1,000.00
- Provided as a lump sum payment at least 90 days prior to the end of the tenancy

Financial assistance is intended to help cover a portion of the costs of relocation (ex: hiring labour, renting a truck, paying for fuel, buying packing supplies, utility transfers, taking time off work, mail forwarding, move-in/move-out fees etc.).

Additional Notification

Applicants would be required to provide written notice to tenants of the financial compensation and financial assistance available at least four (4) months prior to the end of the tenancy, which is the same timeline required to give notice of eviction under the *RTA*.

Compliance Report

In order to ensure that the Tenant Protection Plan is carried out, prior to issuance of a Building Permit or Demolition Permit, an applicant would be required to submit a Compliance Report detailing the steps they have taken to comply with the above-noted requirements.

Implementation:

In order to implement the proposed tenant protection measures, the following bylaw amendments are necessary:

- Creation of a new Tenant Protection Bylaw - to set the City's requirements for financial compensation, financial assistance, and notice.
- Official Community Plan Bylaw No. 12300 Amendment - to create a Tenant Protection Development Permit Area to require applicants to submit a Tenant Protection Plan and ensure that developments proceed in accordance with those plans and to update OCP policies to reflect the new tenant protection measures.
- Development Application Procedures Bylaw No. 12310 Amendment - to add tenant protection as an item that Terms of Reference may require an applicant to address as part of Development Approval Information and to add application procedures and processing requirements for Tenant Protection Development Permits.

Conclusion:

The proposed approach aims to balance the needs of tenants and developers in Kelowna's rapidly evolving housing market. In response to Council direction, staff propose a set of measures to implement fair financial compensation and relocation assistance measures. In doing so, the City seeks to protect long-term residents from the negative impacts of displacement while ensuring that redevelopment projects can proceed. The approach aligns with the OCP and HAP. If Council endorses the proposed approach, staff will return with the necessary bylaw amendments.

Considerations applicable to this report:

Legal/Statutory Authority:

Community Charter, s.63.2 Protection of tenants on redevelopments and s.63.3 Limits on tenant protection bylaws

Local Government Act, s.491 Development permits: specific authorities

Residential Tenancy Act, Part 4 – How to End a Tenancy

Existing Policy:1.1 Official Community Plan (OCP)

Objective 4.13 Protect citizens from displacement due to Urban Centre development.	
Policy 4.13.2 Displacement Effects of Gentrification	Ensure Urban Centre planning initiatives and significant redevelopment opportunities include affordable housing and access to services to ensure low to moderate income renters are protected from displacement effects of gentrification.
Policy 4.13.3 Tenant Assistance	Work towards the creation of a Council policy to protect tenants displaced by redevelopment through fair relocation assistance from the developer. Such relocation assistance should ensure that tenants retain their access to services and amenities, such as employment, transportation and schools.
Objective 5.12 Protect citizens from displacement due to Core Area development	
Policy 5.12.2 Displacement Impacts of Gentrification	Ensure Core Area planning initiatives include affordable housing and access to services to ensure low to moderate income renters are protected from displacement effects of gentrification.
Policy 5.12.3 Tenant Assistance	Work towards the creation of a Council policy to protect tenants displaced by redevelopment through fair relocation assistance from the developer. Such relocation assistance should ensure that tenants retain their access to services and amenities, such as employment, transportation and schools.
Objective 6.10 Prioritize the construction of purpose-built rental housing.	
Policy 6.10.4 Tenant Assistance	Ensure that tenants displaced by redevelopment are protected through relocation assistance from the developer.
Objective 9.1 Incorporate equity into planning decisions and resource allocation in our community.	
Policy 9.1.1 Equity in Planning Decisions	Incorporate an equity lens into land-use planning decisions and resource allocation in our community.
Table 16.1: Implementation Actions	
Action #42	Develop a Tenant Assistance Policy.

1.2 Housing Action Plan

1.7	Direct Action	<p>Support tenants who are being evicted due to redevelopment: As Kelowna continues to grow, existing rental buildings may be redeveloped. Redevelopment processes can break-up existing tenant communities and force tenants into an unaffordable rental market, increasing housing insecurity and precarity.</p> <p>The <i>Residential Tenancy Act</i> provides supports and protects the right of both landlords and tenants. Bill 16, passed in April 2024, gives municipalities new authority to establish stronger tenant protections. Kelowna will introduce measures requiring developers to create tenant relocation plans when redevelopment removes 5 or more rental units. A bylaw and guidelines will be implemented to protect and support tenants without unreasonably limiting redevelopment projects that help achieve the community's housing objectives.</p>	<p>Housing with Supports:</p> <ul style="list-style-type: none"> • Long-Term Supportive Housing • Subsidized Rental Housing <p>Market Housing:</p> <ul style="list-style-type: none"> • Rental Housing
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Consultation and Engagement:

Staff previously contacted CMHA Okanagan, Urban Development Institute, Canadian Home Builders Association, and the Tenant Resource & Advisory Centre. Their correspondence was attached to the March 3, 2025 Council report.

Communications Comments:

Bylaw amendments to implement the tenant protection measures will require a Public Hearing. Once adopted, the City's webpage will be updated to provide information on the new requirements.

Considerations not applicable to this report:***Legal/Statutory Procedural Requirements:******Financial/Budgetary Considerations:***

Submitted by: M. Tanner, Planner Specialist

Approved for inclusion: James Moore, Housing Policy and Programs Manager
Ryan Smith, Divisional Director, Planning, Climate Action & Development Services

Attachments:

Attachment A: Draft Tenant Protection Plan Terms of Reference

Attachment B: Measures Not Included in Proposed Approach