

From: **"Levitt, Karen"**

To: **"Direct to Mayor and Council - DL"**

Date: 3/21/2024 4:16:12 PM

Subject: Broadway Plan Implementation Update: Tenant Relocation & Protection Policy

Attachments: Memo to Mayor & Council - Council Memo - Broadway Plan Implementation Update - Tenant Relocation and Protection Policy.pdf

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Dear Mayor and Council,

Please find attached a memo from Planning, Urban Design and Sustainability that responds to a Council request for an update on current implementation activities and progress of the Broadway Plan Tenant Relocation and Protection Policy (TRPP). It includes an overview of observations and applicant feedback related to the Broadway TRPP and data on volume of TRPP eligible rezoning applications in the Plan area.

- As of January 2024, six rezoning applications that impact existing renters have progressed to the point of having data on the application of the TRPP – these applications include 64 TRPP eligible tenancies and propose 955 new rental units
- Some applicants are finding the current economic conditions challenging for new rental projects, however there remain a significant number of new housing proposals moving forward, in particular those that do not impact large numbers of existing renters, with approximately 4,914 total net new rental units proposed and approved in the Plan area as of January 2024
- Staff are making several administrative changes to clarify TRPP requirements to reduce complexity, improve processing, and balance the need to limit potential cost increases to new rental projects while continuing to provide strong protections for renters impacted by redevelopment
- Staff continue to monitor the Broadway Plan implementation and policy outcomes with a comprehensive report to Council in late 2024 which will include a review of the impacts of the TRPP on Plan outcomes to date and any recommended policy changes

Please direct any questions to [Doug.Smith@vancouver.ca](mailto:Doug.Smith@vancouver.ca).

Best,

Karen/Paul

## MEMORANDUM

March 21, 2024

TO: Mayor and Council

CC: Paul Mochrie, City Manager  
Armin Amrolia, Deputy City Manager  
Karen Levitt, Deputy City Manager  
Sandra Singh, Deputy City Manager  
Katrina Leckovic, City Clerk  
Maria Pontikis, Chief Communications Officer, CEC  
Teresa Jong, Administration Services Manager, City Manager's Office  
Mellisa Morphy, Director of Policy, Mayor's Office  
Trevor Ford, Chief of Staff, Mayor's Office  
Matt Shillito, Acting Director of Planning  
Dan Garrison, Director of Housing Policy and Regulation

FROM: Doug Smith  
Acting General Manager, Planning, Urban Design and Sustainability

SUBJECT: Broadway Plan Implementation Update: Tenant Relocation and Protection Policy

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The purpose of this memo is to respond to a Council request for an update on current implementation activities and progress of the Broadway Plan Tenant Relocation and Protection Policy (TRPP). This memo also includes an overview of observations and applicant feedback related to the Broadway TRPP and data on volume of TRPP eligible rezoning applications in the Plan area.

### BACKGROUND AND CONTEXT

The Broadway Plan, which came into effect on September 1, 2022, introduced new enhanced tenant protections for both primary (e.g. purpose-built rental apartments) and secondary (e.g. secondary suites) renters in the Plan area. These new protections build on and are in addition to existing city-wide policies contained in the *Tenant Relocation and Protection Policy (TRPP)*, 2019 which continue to apply in the Plan area alongside the additional enhanced protections. The TRPP applies to eligible tenancies in cases of redevelopment under both a rezoning and development permit application in both the Broadway Plan area and city-wide.

The introduction of enhanced tenant protections for the Broadway Plan area was in response to the extremely tight Vancouver rental housing market and renter concerns of displacement due

to increased redevelopment pressures resulting from the new Broadway Subway. The new protections aim to enable existing renters impacted by redevelopment to stay in their neighbourhoods at affordable rents, while allowing for change over time to renew the existing rental stock and add much needed new affordable rental units close to rapid transit, job space and amenities. The cost of the new tenant protections was factored into the economic testing that informed the additional height and density enabled under the Plan policies.

**Table 1. Tenant protections that apply to Broadway Plan area renters**

City-wide TRPP (2019) protections	Additional tenant protections that apply only in the Broadway Plan area
<ul style="list-style-type: none"> <li>• Financial compensation based on length of tenure</li> <li>• Coverage of tenant moving expenses</li> <li>• Assistance finding alternate accommodations, taking into consideration tenants' identified priorities</li> <li>• Right of first refusal to return to the new building at 20% discount off starting market rents</li> </ul>	<ul style="list-style-type: none"> <li>• Choice of receiving a temporary rent top-up for the time renters are in interim housing in lieu of financial compensation</li> <li>• Right of first refusal discounted rents, defined in the Plan area as the lesser of:               <ul style="list-style-type: none"> <li>• 20% discount off city-wide average market rents by unit type; or</li> <li>• The tenants' current rent at the time of redevelopment</li> </ul> </li> </ul>

A core Plan objective was to enable significantly more rental housing close to rapid transit while mitigating impacts on existing tenants. Toward this end, the Plan policies were calibrated with the intent that:

- Areas and sites with few or no renters (e.g. mixed-use areas around the new stations, low-density residential areas, low-density assemblies in multi-family residential areas) will be most immediately attractive for redevelopment and are anticipated to deliver much needed rental supply to alleviate the tight market in the early years of the Plan period.
- Sites with large numbers of existing rental units and buildings in good condition will be less attractive for redevelopment in the near-term and instead will have a pathway for redevelopment over the 30-year life of the plan.

### TRPP IMPLEMENTATION ACTIVITIES

In order to support applicants and renters in implementation of the Broadway TRPP, staff have undertaken the following activities:

- Socializing the new policies through stakeholder meetings including with the Urban Development Institute and Tenant Relocation Coordinators, who are often retained by applicants to manage TRP processes;
- Updating website materials, administrative bulletins, TRPP forms, checklists and templates;
- Creation of a new [Tenant Relocation and Protection Policy Best Practices Guide](#) for site owners, development applicants and tenant relocation consultants;

- Updating internal staff TRPP resources and conducting training sessions on the new policies with staff involved in review of TRP eligible projects;
- Renter Education and Awareness Campaign in March and April 2023 which included direct informational mail outs to all residential addresses in the Plan area, posters in local community centres and gathering spaces, a social media campaign, and in-person “Renter Connect” events; and
- Ongoing one-on-one correspondence and phone conversations with renters and applicants seeking additional information about TRPP eligibility, assistance and compensation.

## BROADWAY PLAN REZONING APPLICATIONS

Table 1 provides an overview of the six rezoning applications received as of January 2024, which involve TRPP eligible tenancies in the Broadway Plan area. In addition to the projects detailed in Table 1, there are 13 other active rezoning applications which impact existing rental housing but are still too early in the process to have data on the number of TRPP eligible tenancies. Detailed tenant information is currently being collected for these applications to determine tenant eligibility. In total, these 19 applications impact approximately 468 existing rental units.

**Table 1. Rezoning applications with TRPP eligible\* tenancies in Broadway Plan, September 2022 to January 2024**

Rezoning Applications (primary rental)					
Address	# Existing Rental Units	# TRPP Eligible Tenancies	# New Market Rental Units Proposed	# New BMR Units Proposed	# Total New Rental Units Proposed
1365 W 12 <sup>th</sup> Ave	19	16	92	24	116
2175 W 7 <sup>th</sup> Ave	35	33	147	35	182
<b>Sub Total</b>	<b>54</b>	<b>49</b>	<b>239</b>	<b>59</b>	<b>298</b>
Rezoning Applications (secondary rental)					
Address	# Existing Rental Units	# TRPP Eligible Tenancies	# New Market Rental Units Proposed	# New BMR Units Proposed	# Total New Rental Units Proposed
1434 W 8 <sup>th</sup> Ave	2	2	130	32	162
523-549 E 10 <sup>th</sup> Ave	8	7	142	33	175
2535 Carolina St & 557-569 E 10 <sup>th</sup> Ave	4	3	117	33	150
2156-2175 W 14 <sup>th</sup> Ave	3	3	136	34	170
<b>Sub Total</b>	<b>17</b>	<b>15</b>	<b>525</b>	<b>132</b>	<b>657</b>
<b>Total</b>	<b>71</b>	<b>64</b>	<b>764</b>	<b>191</b>	<b>955</b>

\*Tenancies are generally considered eligible if tenants have been living in the building for one year or more at the time of application. The TRP Policy does not apply to secondary rental tenancies entered into

after the purchase of the property that are of a length of two years or less as of the date of the rezoning application, as well as former owners renting back their home.

For context, Table 2 provides an overview of all current rezoning applications that involve residential units in Broadway Plan, inclusive of the applications in Table 1. These 25 applications represent an additional 4,688 net new residential units added to this important rapid transit and employment area.

**Table 2. Summary of all rezoning applications that involve residential units in Broadway Plan by sub-area, September 2022 to January 2024**

Broadway Sub-Area	# Existing Rental Units	# New BMR Units Proposed	# New Market Rental Units Proposed	# Total New Rental Units Proposed	# New Strata Units Proposed	# Total Net New Residential Units Proposed
Centres	1	157	1,528	1,685	125	1,809
Low-Density Residential	29	157	638	795	-	766
Multi-Family Residential	438	508	2,043	2,551	-	2,113
<b>Total</b>	<b>468</b>	<b>822</b>	<b>4,209</b>	<b>5,031</b>	<b>125</b>	<b>4,688</b>

#### **APPLICANT FEEDBACK, ISSUES RELATED TO THE TRPP, AND STAFF ACTION**

There has been very significant interest in the new Broadway Plan land use opportunities during the first 18 months of Plan implementation, as evidenced by the high volume of rezoning enquiries and applications received to date, 106 and 29 respectively (inclusive of the 25 applications that involve residential units in Table 2). Another 4 projects in the plan have proceeded past the rezoning stage and have had their building permits issued. Included in those 4 projects is a rental project which includes 44 new BMR and 182 new market rental units, bringing the total net new rental units proposed and approved in the Plan area to 4,914.

Staff saw a large volume of rezoning enquiries submitted in the months immediately following Plan approval as applicants sought to ‘secure’ their interest in certain development opportunities. Since then, there has been a steady volume of enquiries moving through to the application and approval stages. Staff expect some enquiries to move more slowly due to the complexities of larger scale, mixed-use proposals and the choices of individual applicants.

Since Plan approval, staff have been responding to questions and feedback from both applicants and the public about the new TRPP. In general, these fall into the following themes:

- Questions seeking clarity on what the policies are and how they work:
  - From applicants, how the new TRPP impacts specific sites and assemblies, and seeking clarity around process requirements (e.g. at what point in the development process should the mandatory tenant meeting occur, when must

the right of first refusal be offered to tenants, when should the first rent top-up payment be made, etc.); and

- From tenants and renter service/advocacy groups, how the new TRPP in Broadway interacts with the City-wide TRPP, how eligibility works and timing of the TRPP process alongside the redevelopment process.
- Feedback citing that the new TRPP policy is complex, and it will take time for both applicants and tenants to become familiar with the requirements and how they apply in different tenant situations.
- Many applicants who have reached out to staff are considering hiring Tenant Relocation Coordinators to help manage the tenant relocation process, especially for projects which impact larger number of tenants.
- Some applicants have indicated that the new TRPP requirements are financially challenging. These are mainly applicants seeking to redevelop large numbers of existing rental units; staff note that applicants redeveloping fewer rental units are not raising TRPP costs as a challenge.
- The main concern specified by applicants citing challenges is the potential cost of providing rent top-ups for a longer period of time if tenants choose to move out early in the application process or if the project is significantly delayed. A secondary concern is uncertainty around the exact number of tenants who will choose to return to the new building and potential loss of revenue and impact on the cost of a project if all existing tenants return at very low existing rents.

In light of this initial feedback, Staff will be taking a two-step approach to address and further explore these issues. In the short-term, Staff will make several administrative changes that do not require amendments to the Broadway Plan. These adjustments will clarify requirements, reduce complexity, and improve processing for existing projects and applicants. These short-term changes include:

- Clarifying the timing of when the temporary rent top-up period may begin. This will help balance the need to limit the potential of cost increases to new rental projects while also providing flexibility for renters impacted by redevelopment to secure appropriate alternate accommodation; and
- Providing additional guidance on how the temporary rent top-up and right of first refusal (ROFR) policies apply to roommate households.

These changes are underway and will be finalized by the end of Q2 2024.

In the longer-term, Staff are undertaking a comprehensive review of the Broadway Plan this year, targeting a report to Council in late 2024. A review of the Broadway Plan TRPP, outcomes for tenants, and impacts on project viability will be included in this report as well as any additional recommended policy changes.

It is worth noting that new rental projects in general continue to face a challenging economic climate with high interest rates and rising cost of materials. However, there are also some positive outlooks, with the continuation of senior government low-cost financing programs,

indication that interest rates are stabilizing and the introduction of a time-limited GST waiver for rental projects.

## **CONCLUSION**

There has been significant interest and uptake of the new Broadway Plan land use opportunities in the first 18 months of Plan implementation, with approximately 4,914 net new housing units either proposed through rezoning applications or approved across the Plan area.

While some applicants are finding the current economic conditions challenging for new rental projects, there remain a significant number of new housing proposals moving forward, in particular those that do not impact large numbers of existing renters, and more are anticipated in the coming months and years. Staff will continue to monitor plan implementation and policy outcomes as projects progress further and will report back to Council at regular intervals, including a comprehensive report in late 2024 that will include the review of the impact of the TRPP on Plan outcomes and any recommended policy changes.

If you have any further questions or require further information, please do not hesitate to contact me at [doug.smith@vancouver.ca](mailto:doug.smith@vancouver.ca), Dan Garrison, Director of Housing Policy and Regulation, at 604-673-8435 or [dan.garrison@vancouver.ca](mailto:dan.garrison@vancouver.ca) or Matt Shillito, Acting Director of Planning at 604-707-5487 or [matt.shillito@vancouver.ca](mailto:matt.shillito@vancouver.ca).



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