

GUIDELINES FOR ENFORCING RESIDENTIAL RENTAL TENURE ZONING

Opening Statement

In the next 25 years, it is estimated one million new residents will move to Metro Vancouver. More housing choices are required in British Columbia in order to be economically competitive by attracting and keeping skilled workers. Housing choices that work best are those that meet the needs of various income levels and are located within a reasonable distance from employers. In 2018, the Provincial Government legislated the Residential Rental Tenure Zoning tool. The goal of the tool was to protect rental units, increase housing choices, and improve affordability for British Columbians, however, it fell short due to flawed implementation.

Little guidance and impact research from decision-makers allowed municipalities to interpret the tool in such a way that property has been devalued, reduced incentives to create homes, and infringed on property rights without adequate consultation with landowners.

Background

The search for solutions has resulted in new taxes, financial reforms and policy measures that have had various levels of effectiveness. Residential Rental Tenure Zoning (RRTZ), was introduced in 2018 by the Provincial Government.

The new zoning tool is unprecedented in North America and allows municipalities to zone buildings, sites and areas of communities as exclusively rental tenure. The tool is intended to protect rental units, increase housing choices, and improve affordability for British Columbians.

RRTZ has the potential to speed up the development of purpose-built rental homes through pre-zoning. The tool also defines the number, portion or percentage of rental units in a new building and ensures that the property will be used for rental housing in the future. The issue at present is a lack of supply, and this tool does not solve this problem.

This rezoning tool has the capability of devaluing properties when rezoning is not combined with density increases. Furthermore some municipalities have elected to rezone areas without appropriate consultation of the landowners. Property devaluation, a lack of consultation, and a climate of uncertainty will lead to builders to choose other types of projects over rental home construction.

Thoughtful guidelines, proper definitions and policy reforms to Residential Rental Tenure Zoning can ensure this is a tool which will foster more housing options that support growth and lead to the supply of new, affordable rental homes in time to meet the growing need.

THE CHAMBER RECOMMENDS

That the Provincial Government:

1. Develop a guidance document, through consultation with stakeholders, for municipalities that provides clear direction on the intended use of this unprecedented and untested measure; and,

2. Annually monitor the results of RRTZ implementation and provide further direction, where needed, to support the objective of increasing the amount of rental homes for British Columbians.

Submitted by the Surrey Board of Trade, Greater Langley Chamber of Commerce, Parksville & District Chamber of Commerce and Kelowna Chamber of Commerce and Tri-Cities Chamber of Commerce