

ENFORCING RESIDENTIAL RENTAL TENURE ZONING

Issue

In the next 25 years, BC will be home to several of the fastest growing CMAs in the country, including Kelowna and Surrey, with over one million new residents moving to Metro Vancouver. More housing choices are required in British Columbia to attract and keep skilled workers. Housing choices that meet various income levels and are located within a reasonable distance from employers are most desirable. In 2018, the Provincial Government legislated the Residential Rental Tenure Zoning (RRTZ) tool to protect rental units, increase housing choices, and improve affordability; it fell short due to flawed implementation.

Background

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

The search for solutions has resulted in new taxes, financial reforms and policy measures that have had various levels of effectiveness.

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 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 address this problem.

RRTZ 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 Urban Development Institute supports the development of stakeholder consultation and active monitoring of results to achieve increased rental supply of housing as British Columbia's population continues its rapid expansion.

THE CHAMBER RECOMMENDS

That the Provincial Government:

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

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

Submitted by the Kelowna Chamber of Commerce

Supported by the Greater Langley Chamber of Commerce and the Surrey Board of Trade