



To: General Purposes Committee

Date: February 13, 2006

From: Terry Crowe
Manager, Policy Planning

File:

Re: **Richmond Gardens – Amacon Update**

Staff Recommendation

That:

- (1) Minister Rich Coleman, BC Minister Responsible for Housing be requested to:
 - Review the Amacon - Richmond Gardens proposed renovation, eviction and rent increase matter, with the aim of ensuring that tenants’ interests are better protected (e.g., from having to move during renovations, avoiding evictions during renovations, minimizing rent increases, as a result of renovations);
 - Hold public consultations during the review;
 - Amend the BC Residential Tenancy Act, to better protect tenants’ interests during major rental renovation projects.

- (2) Olga Ilich, MLA, Richmond Centre, be advised of Council’s request of Minister Coleman.

Terry Crowe
Manager, Policy Planning

Att: 1

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

At the January 10, 2006 Council meeting, Council heard a presentation from Laara Raynier, a tenant of Richmond Gardens, which is owned by Amacon, concerning Amacon's proposed renovations, tenant evictions and high rent increases.

Council directed staff to follow-up, to determine what Provincial, municipal and Amacon steps could be undertaken to address the Richmond Gardens tenants' concerns.

Purpose

The purpose of this report is to:

- Update Council regarding the Richmond Gardens - Amacon matter,
- Summarize Provincial responses, and
- Recommend action.

Findings Of Fact

Summary Of City Actions

The City:

- discussed the matter further with Laara Raynier, a Richmond Gardens rental resident, who is negatively affected,
- explored other possible City actions (e.g., introducing possible administrative, regulatory and financial remedies),
- was successful in having Amacon increase the eviction notice period,
- advised Amacon that the City will require Development Permits and/or Building Permits for exterior modifications,
- wrote the Hon. John Les, BC Minister of Public Safety and Solicitor General asking the Province to amend the relevant legislation to address this situation,
- spoke with Olga Ilich, MLA Richmond Centre, who indicated that she had talked to Laara Raynier and assisted as she could .

Province's Reply

On January 17, 2006 the Mayor received a letter, from Minister Rich Coleman, Minister Responsible for Housing (**Attachment 1**).

Minister Coleman advised that:

- the Residential Tenancy Act was updated in 2004;
- the fundamentals of the Act are to:
 - protect both the interests of the landlords and tenants, and
 - maintain a safe, affordable and secure rental housing stock.
- amendments to the Act are not being considered at this time.

Analysis

Synopsis

The Richmond Gardens – Amacon renovation and tenant eviction events are complex and legal. The City cannot regulate landlord - rental matters, as it is a Provincial responsibility under the BC Residential Tenancy Act. Any legislative changes to better protect the Richmond Gardens tenants' interests will involve the Province changing the Act.

While in his recent letter, Minister Coleman indicated that the Act was reviewed and updated in 2004 and that amendments to the Act regarding this issue are not being considered, at this time, perhaps the magnitude of the Richmond Gardens issue was not clear (e.g., refers to a tenant).

Staff recommend that the Council ask the Province to review the Act, not in an overall manner, but to avoid the negative impacts, specifically of major rental renovation projects (e.g., 240 units, all involving eviction notices, increase rents), such as Richmond Gardens. As well, Olga Ilich, MLA Richmond Centre MLA has recently indicated that a review of the Act is warranted.

City Options

1. Status Quo – Council does not pursue the matter any further.
2. Request Provincial Action (Recommendation)

Council requests Minister Rich Coleman, BC Minister Responsible for Housing to:

- Review the Amacon - Richmond Gardens proposed renovation, eviction and rent increase matter, with the aim of ensuring that tenants' interests are better protected (e.g., from having to move during renovations, avoiding evictions during renovations, minimizing rent increases, as a result of renovations);
- Hold public consultations during the review;
- Amend the BC Residential Tenancy Act, to better protect tenants' interests during major rental renovation projects.

Recommendation

Staff recommend Option 2 as:

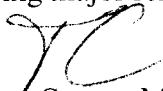
- Richmond residents are not well served by the current BC Residential Tenancy Act, and
- there appears to be room for improvements to the BC Residential Tenancy Act.

Financial Impact - None

Conclusion

Staff have provided Council with an update regarding recent events concerning the Richmond Gardens – Amacon renovation, evocation and rental increase matter.

Staff recommend that Council request Minister Rich Coleman, Minister Responsible for Housing to review, consult and amend the BC Residential Tenancy Act, to better protect tenants' interests during major rental renovation projects.



Terry Crowe, Manager, Policy Planning (4139)



December 9, 2005

His Worship Mayor Malcolm D. Brodie
City of Richmond
6911 No. 3 Road
Richmond, British Columbia
V6Y 2C1

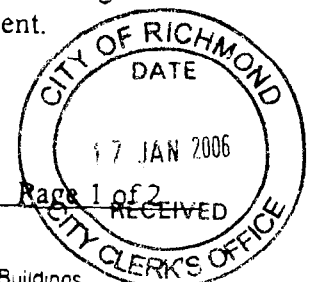
Dear Mayor Brodie:

The Honourable John Les has forwarded me your October 17, 2005 letter requesting that the province amend the *Residential Tenancy Act* (the Act) to address large scale evictions of tenants and unaffordable rent increases. As the Minister Responsible for Housing, I am pleased to respond.

Updated in 2004, the Act protects tenants by regulating the amount by which rent increased and limits those increases to once per year. Landlords are free to set the rate of rent at any amount between tenancies. The new Act also provides that in all cases of landlord use of property, the tenant is entitled to compensation of one month's rent on or before the date the tenancy ends.

In relation to Richmond Gardens, I understand the landlord wishes to renovate a rental unit in a manner that requires the unit to be vacant, and as such, the landlord must provide 2 month's notice to the tenant. All construction permits and approvals must be in place before the notice is given. The Act also provides that the tenant is entitled to double the amount of one month's rent if the landlord does not follow through on the stated purpose for ending the tenancy within a reasonable period after the effective date of the notice. I understand that the tenants have taken this issue to arbitration and have been successful in having the notices set aside.

This government's commitment to protect the interests of both landlords and tenants, and to maintain a safe, affordable and secure rental housing stock, is fundamental to the new Act. Ministry staff conducted extensive consultations with stakeholders, including both landlord and tenant groups. The input received from these groups helped shape the present legislation. I am satisfied that these measures help protect tenants, while enabling a landlord to manage their rental units in a manner that is reasonable and offers a fair return on investment. Amendments to the Act regarding this issue are not being considered at this time.



Page 1 of 2

Minister of
Forests and Range
and Minister Responsible
for Housing

Office of the
Minister

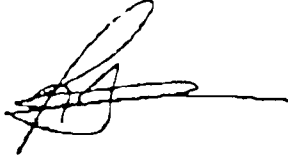
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His Worship Mayor Malcolm D. Brodie

I would also like to take this opportunity to advise you that, this government is finding new ways to provide safe, affordable housing options. Many local governments are also taking action to encourage the development of affordable housing in their areas. The publication "Local Government Guide for Improving Market Housing Affordability" was developed to assist municipalities in developing their own strategies and outlines various tools and case studies. I have enclosed a copy and hope it will prove useful.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'Rich Coleman', with a long horizontal line extending to the right.

Rich Coleman
Minister

Enclosure

pc: The Honourable John Les, Solicitor General