



# Council Report

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**Date:** February 3, 2026 **File No:** RMS/6440-01  
**To:** Anthony Haddad, City Manager  
**From:** Steven Collyer, Housing & Policy Initiatives Manager

**Subject: Tenant Protection Bylaw No. 2026-12, Official Community Plan Amendment Bylaw No. 2026-13, and Development Procedures and Delegation Amendment Bylaw No. 2026-14**

## Staff Recommendation

THAT Council give first reading to "Tenant Protection Bylaw No. 2026-12", a bylaw with requirements in relation to protection of tenants due to redevelopment;

AND THAT Council, prior to considering first reading of "Official Community Plan Amendment Bylaw No. 2026-13" and in accordance with section 475 of the *Local Government Act*, consider that early and ongoing consultation with the Regional District of Okanagan-Similkameen, and provincial and federal governments is not required given the technical nature of this Official Community Plan amendment;

AND THAT Council give first reading to "Official Community Plan Amendment Bylaw No. 2026-13", a bylaw to amend Chapter 5 of the Official Community Plan to add a Tenant Protection Development Permit Area which applies to the entire City of Penticton;

AND THAT Council send correspondence to School District 67 (in accordance with section 476 of the *Local Government Act*) and snPink'tn (Penticton) Indian Band advising of the proposed Official Community Plan amendment after first reading;

AND THAT Council forward "Official Community Plan Amendment Bylaw No. 2026-13" to the March 3, 2026 Public Hearing;

AND THAT Council give first reading to "Development Procedures and Delegation Amendment Bylaw No. 2026-14", a bylaw to amend section 8.1 to add the Tenant Protection Development Permit Area as a staff-delegated development permit;

AND THAT Council direct staff to make the proposed materials available to the public from the date after first reading until the March 3, 2026 Public Hearing.

### **Strategic Priority Objective**

**Mission:** Penticton will serve its residents, businesses and visitors through organizational excellence, partnership and the provision of effective and community focused services.

**Livable & Accessible:** The City of Penticton will proactively plan for deliberate growth, focusing on creating an inclusive, healthy, and vibrant community.

### **Background**

#### *Council Direction*

On September 10, 2024, Council passed a resolution seeking information on tenant relocation policy options.

Notice of Motion introduced by Councillor Gilbert on August 20, 2024 for consideration on September 10, 2024:

**272/2024** It was MOVED and SECONDED

THAT Council direct staff to bring back options for a tenant relocation policy in conjunction with the social housing and infrastructure plan.

**CARRIED UNANIMOUSLY**

On June 24, 2025, Council received a staff report outlining the legislative authority and potential components of a tenant protection bylaw. Council then directed staff to prepare a draft tenant protection bylaw with specific components and to engage with tenant groups and the development industry.

Tenant Protection Bylaw Options

**185/2025** It was MOVED and SECONDED

THAT Council receive into the record the report dated June 24, 2025, titled "Tenant Protection Bylaw Options";

AND THAT Council direct staff to prepare a Tenant Protection Bylaw with the following components:

- Applicable to redevelopment of purpose-built rental units and motels with 3-5 plus units;
- Require the submission of a tenant relocation plan prior to redevelopment permits and approvals;
- Set criteria for what will be required in the tenant relocation plan.

AND THAT Council direct staff to consult with the development industry and tenant groups prior to bringing the bylaw back for consideration.

**CARRIED UNANIMOUSLY**

Since June 2025, staff have worked with legal support to draft a bylaw (Attachment 'A') and completed targeted engagement with tenant groups and the development industry. A process flow chart is included as Attachment 'B', for reference.

*Provincial Authority*

In April 2024, the Province gave royal assent to Bill 16, Housing Statutes Amendment Act, giving municipalities authority through the *Community Charter* and *Local Government Act* to pass tenant protection bylaws with clear enforcement ability. This municipal framework is intended to allow municipalities to expand on provincial requirements and not duplicate any compensation already guaranteed by provincial legislation.

Municipal requirements can apply to any tenancy agreement under the *Residential Tenancy Act*, but do not apply to Manufactured Home Parks. The province will continue to be responsible for administering the *Residential Tenancy Act*, and municipalities will be responsible for enforcing any local tenant protection bylaws they adopt.

The intent is to ensure that redevelopment (demolition or partial demolition) of rental housing minimizes negative impacts to any tenants who are displaced.

Under Bill 16, municipalities now have legislative authority to adopt a tenant protection bylaw requiring any one or more of the following components:

- Landlord giving advance notice of development to tenants,
- Landlord providing financial compensation to tenants for tenancy termination,
- Landlord providing financial or other assistance to the tenants to find replacement units,
- Landlord providing tenants with right of first refusal in redevelopment, and
- Enforcement framework for the City to ensure any of the above requirements are adhered to.

Council has the authority to incorporate some, or all, of these components into a tenant protection bylaw.

*Local Context*

Since 2017, ten older motels have been demolished or are subject to redevelopment, leading to the displacement of vulnerable residents:

| Year | Name            | Address            | Units Affected | Status  |
|------|-----------------|--------------------|----------------|---|
| 2017 | Highland Motel  | 1140 Burnaby Ave   | 14             | Demolished – now Riverside Townhomes                    |
| 2021 | Shielings Motel | 2509 South Main St | 13             | Demolished – vacant while pre-development work underway |

|      |  |                           |     |   |
|------|--|---------------------------|-----|---|
| 2021 | Jubilee Motel                          | 2475 Skaha Lake Rd        | 26  | Demolished – now Penticton Toyota Used Vehicles   |
| 2021 | Ogopogo Motel                          | 270 Riverside Dr          | 16  | Demolished – now Sokana Condos under construction   |
| 2024 | El Rancho Motel                        | 877 Westminster Ave W     | 74  | Still Occupied - rezoning approved for mixed-use development  |
| 2025 | Skaha Assembly (five motel properties) | 2730-2872 Skaha Lake Road | 103 | Demolition Underway - BC Housing is leading tenant relocation process following their own procedures which exceed the minimum requirements of the proposed Tenant Protection Bylaw. Phase 1 replaces all 103 affected units in a new low-income building. |

No purpose-built rental buildings with 5 or more units have been redeveloped over that time. With Penticton’s context as a tourist destination, there are many aging motels which present redevelopment opportunities while also housing often vulnerable residents on a long-term basis. Staff confirmed that a tenant protection bylaw can apply to long-term residents in motels with tenancy agreements.

*Baseline Residential Tenant Act Requirements*

When a landlord ends a tenancy for the purpose of demolition or redevelopment, the Residential Tenancy Act requires:

- The landlord to give 4 months advance notice to the affected tenants
  - The landlord must possess all required permits and approvals for demolition or redevelopment prior to issuing the notices.
- Provide the equivalent of one month’s rent as compensation to the affected tenants on or before the effective date of the notice.

*Draft Tenant Protection Bylaw Components*

A local Tenant Protection Bylaw would supplement the baseline Residential Tenant Act Requirements for redevelopment projects of 5 or more rental units, supplementing the provincial requirements and recognizing the greater impacts associated with redevelopment of larger rental buildings.

The draft Tenant Protection Bylaw No. 2026-12 is included in Attachment ‘A’, with a process flow chart in Attachment ‘B’. The following are the key components:

- Applicable only to redevelopment of purpose-built rental units and motels with 5 or more units;

- Does not apply to redevelopment of houses or buildings with 4 or fewer units.
- Does not apply to renovations or changes in tenancies (unless redevelopment occurs).
- Requires the submission of a tenant relocation plan prior to redevelopment permits and approvals;
  - This ensures there is a plan in place before approval of the new development.
- Sets criteria for what will be required in tenant relocation plan;
  - Content and timelines of notice letters;
  - Financial compensation details;
  - Tenant Relocation Coordinator information and availability;
  - Timelines for submitting a midpoint report and final compliance report.
- Requires 4 months advance notice to tenant affected by redevelopment, in conjunction with Residential Tenancy Act required notice;
- Procedures that owners/developers will carry out to assist tenants finding new units through the services of a Tenant Relocation Coordinator;
- Requires owners/developers to provide affected tenants financial compensation as a lump sum equivalent to three months rent, plus \$1,000 flat payment for moving expenses;
- Includes an enforcement framework to ensure developers are adhering to the requirements of the tenant protection bylaw and the submitted tenant relocation plan.
  - No approval for new development until a tenant relocation plan is approved in place.
  - Fines for non-compliance with requirements of the tenant protection bylaw.

*Official Community Plan Amendment Bylaw No. 2026-13*

The provincial legislative framework allows the creation of a Development Permit Area (DPA) in the municipality's Official Community Plan to ensure compliance with a tenant protection bylaw through the redevelopment approvals process. The tenant protection bylaw requirements must be met at the time of Development Permit issuance for the proposed redevelopment. This ensures early compliance with the tenant protection bylaw before approval is given on a redevelopment project to avoid reactive enforcement after redevelopment begins. The DPA is simple and directs the public to the bylaw (Attachment 'C').

Given the technical nature of this OCP amendment, staff are not recommending intensive engagement which would be more suitable for a more significant amendment (i.e. changing land use designations, policies, or other sections of the OCP). Staff are following provincial policy guidance toward adopting a tenant protection bylaw, of which a DPA is an implementation component.

Staff are recommending some additional time (4 weeks) between first reading and public hearing to allow the public to review the materials and ask staff questions prior to the opportunity to write or speak their concerns at the Public Hearing.

## *Development Procedures and Delegation Bylaw Update*

Development Procedures and Delegation Amendment Bylaw No. 2026-14 is to delegate approval authority for Tenant Protection Development Permits to staff, instead of City Council (Attachment 'D'). This aligns with the tenant protection bylaw which assigns the General Manager of Development Services as the approval authority for the bylaw requirements. Currently most other Development Permits are already delegated to the General Manager of Development Services for decision through the Development Procedures and Delegation Bylaw. If a concurrent OCP amendment or Zoning Bylaw amendment application is made with a Tenant Protection Development Permit, all applications are referred to Council.

### **Feedback Received**

In November 2025, staff referred the draft tenant protection bylaw and associated materials to the development industry (Urban Development Institute and Canadian Home Builders Association) and tenant groups (100 More Homes Penticton) for feedback. Over two months, staff attended meetings with 100 More Homes Penticton steering committee, VOICE lived/living experience table, and the housing action table to gather feedback.

The following changes were made in response to feedback:

- Added the requirement for a midterm progress report (2 months before tenancy end).
- Removed the requirement for the tenant relocation coordinator to be a separate third party from the owner.

Staff shared responses to other feedback received:

- The notice letter timeline remains at a minimum 4 months to align with Residential Tenancy Act notice timeline. The intent is for the two notices to be delivered together.
  - Staff will encourage earlier voluntary notification and will advise 100 More Homes Steering Committee when Tenant Protection Development Permit applications are made.
- Importance to ensure bylaw requirements are able to be validated by staff (i.e. keeping flat rate compensation for moving expenses instead of requiring compensation of actual costs).
- Limiting the City's direct involvement with tenants (i.e. not providing compensation directly due to privacy and FOIPPA concerns)
- Keeping bylaw requirements at all rental vacancy rates, not only over a certain threshold (i.e. 3%), given few projects are anticipated to trigger this bylaw.
- City contact information will be available to tenants to clarify any tenant protection bylaw requirements.

100 More Homes Penticton is generally supportive of the proposal, as many non-profit organizations have assisted residents displaced through past redevelopments and have seen the impacts on tenants first-hand. They have submitted a Letter of Support (Attachment 'E').

No formal responses were received from Urban Development Institute or the Home Builders Association prior to this report deadline.

### **Financial Implication**

Tenant Protection Bylaw No. 2026-12 places financial obligations on developers. The City would not be directly responsible for any financial compensation to tenants. Staff in Development Services will administer this bylaw, which staff anticipate affecting up to 1-2 projects per year, on average.

Costs associated with the legal review and drafting of this bylaw were included within the Advancing Housing Affordability initiative budget.

### **Analysis**

#### *Social Housing and Infrastructure Plan (SHIP) Alignment*

The Social Housing and Infrastructure Plan was developed in collaboration with local non-profit organizations, service providers, and government agencies to support more social housing and related social infrastructure in Penticton. Adopting Tenant Protection Bylaw No. 2026-12 aligns with the following recommended action from the SHIP:

- Explore and implement tenant protection measures at the local level to support homelessness prevention as redevelopment occurs.

#### *Official Community Plan Alignment*

Investigating tenant protection bylaw options aligns with the general intent of Official Community Plan (OCP) Policy 4.1.2.8:

- *Provide long-term security for renters in and owners of purpose-built rental projects by requiring Housing Agreements and/or non-stratification covenants.*

A tenant protection bylaw would be another 'tool' with similar goals as outlined in the policy above.

#### *Summary*

Tenant Protection Bylaw No. 2026-12 aims to balance redevelopment of aging rental buildings with enhanced relocation supports to tenants. The intent is to support compassionate redevelopment and upstream homelessness prevention in the context of future demolitions and evictions due to redevelopment.

Keeping residents in their current housing and supporting their transition to alternative housing when redevelopment occurs are resource-effective ways to support affordability and avoid residents falling into homelessness.

The tenant protection bylaw places obligations on developers to ease the transition for residents directly impacted by their redevelopment. Staff expect that new developments will be larger in scale than the buildings demolished, enabling developers to recoup some of the costs borne through additional compensation by providing a larger-scale development on the same site.

Staff will monitor implementation of this bylaw and its associated processes, noting any adjustments or updates that will help achieve intended outcomes. Staff will report to Council on any future proposed changes or updates.

### **Alternate Recommendation**

Council may choose not to give "Tenant Protection Bylaw No. 2026-12" first reading and instead provide specific direction to staff for changes to make in the draft bylaw before considering first reading. If this is the case, Council may choose the alternate recommendation, and staff will present an updated bylaw to Council at a future meeting.

1. THAT Council give alternate direction to staff to update Tenant Protection Bylaw No. 2026-12 and bring an updated bylaw to Council for further consideration at a future meeting.

### **Attachments**

Attachment A – Tenant Protection Bylaw No. 2026-12

Attachment B – Tenant Protection Bylaw Flow Chart

Attachment C – Official Community Plan Amendment Bylaw No. 2026-13

Attachment D – Development Procedures and Delegation Amendment Bylaw No. 2026-14

Attachment E – Letter of Support (100 More Homes Penticton)

Respectfully submitted,

Steven Collyer, RPP, MCIP  
Housing & Policy Initiatives Manager

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| General Manager of<br>Development<br>Services<br><br><i>BL</i> | City Manager<br><br><i>AC</i> |
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