

COVID-19 RESOURCE CENTER

COVID-19 and Governmental Measures in Housing Sector

March 27, 2020

This memorandum is an overview of the recent governmental measures announced with respect to the Housing Sector in British Columbia in response to the COVID-19 pandemic. Please note that this is a very fluid situation and these measures are subject to change. We intend to update the information as the situation continues to evolve.

As of March 25, 2020, there are a variety of actual and proposed governmental measures regarding the following: 1) the rights and eviction of tenants 2) mortgage payment deferrals 3) CMHC mortgages 4) property taxes and school taxes 5) payroll assistance 6) various other measures including deferred provincial taxes, hydro payments and deferred federal income tax and 7) residential tenancy considerations.

Government and industry measures affecting the housing sector as a result of the COVID-19 pandemic are rapidly changing and evolving and this memorandum should be reviewed in the context of its effective date of March 25, 2020.

1. RIGHTS OF TENANTS

B.C. Provincial Government: Supplement for Residential Renters, Freeze on Evictions and Rent, Additional Rights and Restrictions for Landlords [Updated March 25, 2020]

The Province announced a series of measures to assist residential tenants and landlords.

Rent Rebate: The temporary rent supplement will provide up to \$500/month for renters affected by the COVID-19 outbreak. This supplement will be provided through B.C. Housing to renters for the next four months. The supplement can be applied for through an online application process that will be available soon, but will likely not be distributed by April 1, 2020. The payment will go directly to landlords. It has not yet been determined if the supplement will apply per renter or per suite.

Eviction Moratorium: All evictions are suspended. In exceptional circumstances, landlords will be able to apply to the Residential Tenancy Branch for a hearing to permit an eviction permitted where needed to protect health and safety or to prevent undue damage to the property, landlords will be able to apply to the Residential Tenancy Branch for a hearing.

Rent Freeze: There is a freezing of all annual rent increases during the state of emergency.

Common Areas: Landlords may restrict access to common areas in shared buildings, such as laundry rooms or games rooms to prevent against the transmission of COVID-19.

Access: Landlords may not enter a rental unit without the consent of the tenant, except in exceptional cases where it is needed to protect health and safety or to prevent undue damage to the unit.

Source: <https://news.gov.bc.ca/releases/2020MAH0048-000561>;
https://www.youtube.com/watch?v=2_2DmKvh9Mc;

City of Vancouver: Developers asked to voluntarily hold off on evictions

The City has asked developers to voluntarily and indefinitely hold off on evicting tenants if the eviction is for redevelopment and therefore falls under the city's tenant relocation policies.

B.C.'s Ministry of Municipal Affairs and Housing: "All options are on the table."

According to the B.C.'s Ministry of Municipal Affairs and Housing "all options are on the table" to support housing stability for renters, including a halt to evictions. "BC Housing is currently updating their policies on evictions to support residents to stay in their homes," the ministry said in a press conference statement. "We understand how urgent this is for people. That is why we are working with renters, landlords and others right now to quickly find solutions that will ensure people are supported through these challenging times."

B.C Housing: Temporary eviction moratorium

B.C. Housing has announced a temporary eviction moratorium on evictions of tenants in BC Housing subsidized and affordable housing during the COVID-19 outbreak. They ask that landlords take all circumstances into consideration before evicting someone who is threatening the life, health or safety of others or putting tenants or staff in imminent danger.

B.C. Housing has also streamlined the process for applying for rent reduction to those who have lost income as a result of COVID-19.

Effective April 1, Rent-Gear-to-Income tenants subsidized through BC Housing can apply for re-calculation as a result of loss of employment income due to COVID-19.

Source: <https://www.bchousing.org/COVID-19>

2. MORTGAGE PAYMENT DEFERRALS

Various major banking institutions in Canada have begun offering payment deferrals for mortgages and relief in response to the COVID-19 outbreak. Customers are encouraged to contact the bank to see what options may be available.

<u>BANK</u>	<u>MEASURE</u>
Scotiabank	Relief available on a case-by-case basis, if you, or any member of your family, has become unemployed or experiences a material reduction in income due to COVID-19. These relief

measures include mortgage payment deferral for up to six-months and other support measures on a case-by-case basis. Scotia is clear that Interest will continue to accrue.

Source: <https://www.scotiabank.com/ca/en/about/perspectives/articles/economy.scotiabank-announces-support-for-those-impacted-by-covid-19.html>

TD Canada Trust

Relief available on a case-by-case basis for those experiencing disruption due to COVID-19, childcare disruption due to school closures, or those facing illness from COVID-19. This support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products.

Source: <https://www.td.com/ca/en/personal-banking/covid-19/>

BMO

Relief available on a case-by-case basis for those experiencing disruption due to COVID-19. This support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products such as deferral of payments on loans and credit cards for up to three months.

Source: <https://www.bmo.com/main/personal/bmo-branches-coronavirus-update/>

RBC

Relief available on a case-by-case basis, for both individuals and businesses as a result of COVID-19. The relief includes up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products such as deferrals on auto and personal loans, and skipping a monthly payment on credit cards.

Source: <https://www.rbc.com/covid-19/index.html>

CIBC

Relief available on a case-by-case basis for those experiencing disruption due to COVID-19. This support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products.

Source: <https://www.cibc.com/en/personal-banking/advice-centre/covid-19.html>

National Bank

Relief available on a case-by-case basis for individuals and small business if they experience disruption due to COVID-19. This support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products.

Source: <https://www.nbc.ca/en/about-us/news/news-room/press-releases/2020/20200317-six-grandes-banques-canadiennes-mesures-decisives-COVID-19.html>

3. CMHC POLICIES

Mortgage payments deferred on homeowner CMHC-insured mortgage loans

The Government, through CMHC, is providing increased flexibility for homeowners facing financial difficulties to defer mortgage payments on homeowner CMHC-insured mortgage loans. CMHC will permit lenders to allow payment deferral beginning immediately.

Source: <https://www.canada.ca/en/department-finance/economic-response-plan.html>

CMHC exploring potential relief measures for those on uninsured mortgages and renters

More details expected soon

Source: <https://www.cmhc-schl.gc.ca/en/media-newsroom/notices/2020/message-from-president-to-clients-covid-19>

CMHC to institute a revised insured mortgage purchase program

CMHC will initiate a revised Insured Mortgage Purchase Program, a market liquidity tool used in the Global Financial Crisis. This is part of a package that includes complementary market support activity from the Bank of Canada. CMHC has scaled the solution to the problem and will have \$50 billion available to purchase insured mortgage pools. CMHC is also working with the government on expanding CMHC's authorities.

Source: <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2020/measures-support-continued-lending-canadian-consumers-businesses>

CMHC suspending quality assurance reviews and other interventions, requests housing providers to refrain from evictions

CMHC will temporarily suspend quality assurance reviews and other interventions. CMHC also expects that any housing provider who has received financing or support from CMHC, directly or via provinces and territories, to act compassionately and refrain from evictions.

Source: <https://www.cmhc-schl.gc.ca/en/media-newsroom/notices/2020/message-from-president-to-clients-covid-19>

4. PROPERTY TAX

B.C. Provincial Government: School Tax Cut in Half [Updated March 23, 2020]

The school tax will be cut in half for business and light- and major-industry property. The Provincial Government states that this will provide \$500 million in immediate relief for business that own their property and allow commercial landlords to immediately pass savings on to their tenants in triple-net leases.

Source: <https://news.gov.bc.ca/releases/2020PREM0013-000545#>

Provincial Speculation and Vacancy Tax

There have been no updates as of March 25, 2020 at 5:00 p.m. regarding deferring payment of speculation and vacancy tax or the March 31st filing date for declarations with respect to the speculation and vacancy tax.

City of Vancouver proposes deferring property tax payments

City of Vancouver has proposed deferring property tax payments for sixty days. This is only a proposal and will go to the City Council for final approval. It is unknown as of March 20, 2020 whether the deferment includes the City of Vancouver Empty Homes Tax.

Source: *City of Vancouver employee and News1130*

5. PAYROLL ASSISTANCE POLICIES

Deferral Option for Health Tax Payments [Updated March 23, 2020]

Effective immediately, businesses with a payroll over \$500,000 can defer their employer health tax payments until Sept. 30, 2020.

Source: <https://news.gov.bc.ca/releases/2020PREM0013-000545#>

Government proposing to supply eligible small employers with a temporary wage subsidy

To help prevent lay-offs, the federal government to provide eligible small employers a temporary wage subsidy for a period of three months. The subsidy will be equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration.

Eligible employers will include corporations eligible for the small business deduction, as well as non-profit organizations and charities.

Source: <https://www.canada.ca/en/department-finance/economic-response-plan.html>

Federal Government to enhance Work-Sharing Program

The Government of Canada will also introduce enhancements to the Work-Sharing Program to help employers who are experiencing a downturn in business due to COVID-19, and their workers. These measures extend the duration of Work-Sharing agreements by an additional 38 weeks, for a total of 76 weeks. The mandatory waiting period has also been waived so that employers with a recently expired agreement may immediately apply for a new agreement, without waiting between applications and ease Recovery Plan requirements for the duration of the Work-Sharing agreement. These special measures will be effective from March 15, 2020 to March 14, 2021.

Applications may be made by employers who are experiencing a downturn in business activity related to the global outbreak of COVID-19, and have:

1. Work-Sharing agreements signed between March 15, 2020 and March 13, 2021
2. Work-Sharing agreements that began, or ended between March 15, 2020 and March 14, 2021, and
3. Work-Sharing agreements that ended between June 23, 2019, and March 14, 2020 and are in their mandatory cooling-off period

Source: <https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/canadas-reponse/government-canada-takes-action-covid-19.html#a4>; <https://www.canada.ca/en/employment-social-development/services/work-sharing/temporary-measures-forestry-sector.html>

6. OTHER RELATED GOVERNMENT ACTION

B.C. Provincial Government: Payment Deadlines on Various Provincial Taxes Extended until September 30, 2020 [Updated March 23, 2020]

Payment deadlines for the provincial sales tax (PST), health tax, municipal and regional district tax, tobacco tax, motor fuel tax and carbon tax until Sept. 30, 2020. The scheduled April 1 increase to the provincial carbon tax will be delayed and timing will be reviewed by Sept. 30, 2020.

Source: <https://news.gov.bc.ca/releases/2020PREM0013-000545#>

City of Vancouver: Fines for Violating Public Safety Orders [Updated March 23, 2020]

Vancouver City council approved special measures including fines up to \$50,000 for violating COVID-19 related orders.

Source: <https://www.citynews1130.com/2020/03/23/vancouver-approves-fines-up-to-50000-for-businesses-caught-violating-covid-19-related-orders/>

B.C. Provincial Government: Guidance to Construction Sites [Updated March 23, 2020]

The B.C. Provincial Government has issued the following guidance to construction sites:

1. There should be no more than 50 people in the same space in any circumstances.
2. Where possible, employees should maintain a distance of two metres apart from each other.
3. Post signage that limits the number of occupants in any elevator to four people at a time.
4. Reduce in-person meetings and other gatherings and hold site meetings in open spaces or outside.

5. Increase the number of handwashing stations and post signage that identifies their location.
6. Maintain a list of employees that are currently working on sites and update this list daily.
7. All common areas and surfaces should be cleaned at the end of each day. Examples include washrooms, shared offices, common tables, desks, light switches and door handles.
8. Anyone with COVID-19-like symptoms, such as sore throat, fever, sneezing or coughing, must self-isolate at home for 14 days.

Source: <https://news.gov.bc.ca/releases/2020EMBC0002-000542>

Canada Revenue Agency: Businesses Permitted to Defer Payment of Income Tax Amounts

CRA will allow all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.

Source: <https://www.canada.ca/en/department-finance/economic-response-plan.html>

BC Hydro: Customer Assistance Program

BC Hydro has introduced a COVID-19 customer assistance program to defer bill payments or arrange for flexible payment plans with no penalty or provide eligible customers a grant up to \$600.

Source: <https://www.bchydro.com/news/conservation/2020/covid-19-updates.html>

50-Person limit does not apply to construction sites

According to a UDI newsletter dated March 19, 2020, a senior provincial government official has contacted UDI President & CEO Anne McMullin to assure our industry and membership the 50-person limit does not apply to construction sites, and that all sites can and should remain operating.

Sites must continue to conform to Worksafe BC practices and current COVID-19 prevention protocols. That means additional handwashing stations should be made available, that workers should maintain their social distance of 1-2 metres from one another and during any on-site meetings.

In addition, the Provincial Health Officer Dr. Bonnie Henry said during the March 17, 2020 news conference, shortly after the 1:02 mark that "Construction work outside is not as much of a risk that we are concerned about...*but anyone who's sick should not be going to work.*" "

7. RESIDENTIAL TENANCY CONSIDERATIONS

There are various implications to some of the current policies and measures put in place by the federal, provincial and municipal government, including self-isolation for certain individuals and the state of emergency declared, and their interplay with the *Residential Tenancy Act*. The ability of landlords to restrict access to guests of tenants is a complicated question, and legal advice should be sought by landlords about whether or not they can prohibit allowing visitors in their rental buildings.

In addition, the B.C. Supreme Court has suspended its operations, and there are similar delays and suspensions in other courts and administrative tribunals. This means that during this time, it will be difficult if not impossible to enforce tenancy agreements or provisions under the residential tenancy regime on short notice. Furthermore, it is unclear at this stage whether conduct of organizations or individuals during this uncertain time will lead to civil litigation down the road.



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