



City of Maple Ridge

TO: Her Worship Mayor Nicole Read and Members of Council **MEETING DATE:** March 6, 2018
FROM: Chief Administrative Officer **MEETING:** Council Workshop
SUBJECT: Rental Housing Program: Tenant Relocation Assistance Policy

EXECUTIVE SUMMARY:

Following Council's direction, staff has prepared a new Council Policy entitled Tenant Relocation Assistance Policy, in a proactive effort to minimise impacts to local renters that may result from the redevelopment of an existing rental building in Maple Ridge. More specifically, the proposed policy would establish a set of requirements for future applicants proposing to redevelop existing purpose-built rental housing to provide assistance to any displaced tenants through their rezoning application, heritage revitalisation agreement, an application for the strata conversion of a previously occupied building, or where a Housing Agreement is already in place. The draft policy has been informed by research undertaken by staff and CitySpaces Consulting, which examined the rate at which past instances of "demoviction" (where existing rental buildings were demolished and redeveloped) have occurred in the City. The research also examined municipal policy examples from around the Metro Region. Staff also concurrently reviewed the City's existing Modular Home Park Redevelopment Tenant Assistance Policy No. 6.27 to ensure consistency between it and the proposed new Tenant Relocation Assistance Policy. The intent of this report is to bring forward the background research (see Appendix A) and to present both the draft Tenant Relocation Assistance Policy (see Appendix B) and the amended Policy No. 6.27 (see Appendix C) for Council's adoption.

RECOMMENDATION:

1. That, as a component of developing a Rental Housing Program, the Tenant Relocation Assistance Policy attached to the report entitled "Rental Housing Program: Tenant Relocation Assistance Policy", dated March 6, 2018 be adopted;
2. That Council Policy No. 6.27, entitled "Modular Home Park Redevelopment Assistance Policy", as amended, be adopted.

BACKGROUND:

On September 14, 2015 Council endorsed the Housing Action Plan (HAP) Implementation Framework. The HAP Implementation Framework builds from the key strategies recommended in the Housing Action Plan. Strategy #4 of the HAP is to Create New Rental Housing Opportunities, while Strategy #8 specifically includes the following actions:

- Review the City's Modular Home Park Redevelopment Tenant Assistance Policy and identify opportunities to further strengthen the policy as needed.
- Limit the demolition or strata conversion of existing rental units and identify opportunities to further strengthen this policy as needed.

On January 24, 2017 Council directed that as part of the granting rezoning application 2016-052-RZ (22260 and 22292 122 Avenue, 12159 and 12167 223 Street) second reading, staff were to prepare a tenant relocation assistance policy that would establish policy guidance for reviewing rezoning applications in order to limit impacts to existing affordable rental housing and tenants.

DISCUSSION:

The displacement of rental tenants due to demolition and redevelopment has been an issue across the Metro Vancouver region in recent years. Coined by the media as “demovictions”, the issue presents a further challenge to the preservation of suitable and affordable rental housing stock in an already tight rental market where affordable rental options can be difficult to find for any displaced tenants.

Based on Council’s direction from January 2017, staff engaged CitySpaces Consulting, the original consultant that developed the City’s Housing Action Plan, to prepare a research report and provide recommendations to inform the development of a Council Policy to be used in the review of rezoning applications where an existing rental building was proposed for demolition (see Appendix A for the attached report).

Consistent with the policy direction outlined in the Housing Action Plan, staff also concurrently reviewed the City’s existing Modular Home Park Redevelopment Tenant Assistance Policy No. 6.27 and has outlined possible minor amendments to enhance the policy.

a) Tenant Relocation Assistance Policy

With the redevelopment of existing rental housing occurring regionally, staff and the consultant investigated any past local instances where existing dwelling units have been demolished as part of a development application. From building permit data spanning between 2007 and 2017, it was determined that 380 new dwelling units were created in that time. As part of such new development, 71 units were demolished. It is acknowledged that not all of the 71 units were rental housing, but of note are the 15 units that made up the former Northumberland Court (11701, 11715, 11723 Fraser Street) that were demolished in 2011 and the 54 units that comprised the Sunrise rental apartment building (formerly 22292 122 Avenue) which was damaged by a fire and later demolished in 2016. This latter property, along with two other properties, formed part of rezoning application 2016-052-RZ that fostered Council’s interest in preparing a tenant relocation assistance policy.

From this analysis, staff has concluded that instances of “demoviction” in Maple Ridge have historically been low. However, the tightening rental market along with rising land values in our community, are creating market conditions that may place additional redevelopment pressures on the City’s existing rental housing stock. As a result, and to understand the tools available to municipalities, CitySpaces completed an assessment of the policy initiatives being undertaken by other municipalities in the Region.

While such tenant relocation policies are evident in many Metro communities, the CitySpaces report details the practices from the Cities of Vancouver, New Westminster and North Vancouver. The practices of these case-studied communities is described further in the attached report in Appendix A, but in general it appears that these communities are targeting their policies specifically towards purpose-built rental buildings of a certain size that may be proposed for redevelopment (i.e. rental buildings with medium density above 1.0 FSR or rental buildings that contain more than 6 rental units). As well, with the exception of Vancouver which has different legislative authority, the other municipalities are requiring compliance with their respective policies through their rezoning processes or heritage revitalisation agreements, with the policies becoming voluntary when only development permit or demolition permit approvals are being sought.

Based on the policy recommendations set out in the consultant's report, staff has prepared a new draft Council Policy entitled Tenant Relocation Assistance Policy for Council's consideration (attached in Appendix B), in a proactive effort to minimise impacts to local renters that may result from the rezoning and redevelopment of an existing rental building in the City.

In summary, the policy identifies the following requirements for future applicants proposing the redevelopment of properties with purpose-built rental housing through either a rezoning application, heritage revitalisation agreement, an application for a strata conversion of a previously occupied building, or where a Housing Agreement is already in place:

- a) Provision of proof of tenant notification that the applicant intends to redevelop the property;
- b) Provision of a Relocation Assistance Plan which includes:
 - i. A list of each current tenant, the current unit type (1 bedroom, 2 bedroom, etc.), the size of the current unit, the unit number currently rented by the tenant, the length of current occupancy, and the rent the tenant currently pays;
 - ii. A right of first refusal for current tenants to live in the new building (if it's a rental building), at rents that are at least 10% below the average rents for the City of Maple Ridge as per the CMHC Rental Market Report for the previous year. If the current rent is at or higher than the proposed 10% below average rent, then the right of first refusal may be provided at the current rental rate;
 - iii. A commitment to identify at least three (3) alternative rental options for each current tenant that are comparable in unit type and are in Maple Ridge, with at least one in the same neighbourhood. In the case where the tenant's current rent is below the CMHC average rents for the City of Maple Ridge, then the alternative rental options should be within 10% of the current rent. If the current rent is at or higher than average rents, then the alternative rental options may be provided at the current rental rate. Where it can be satisfactorily demonstrated that comparable alternative rental options are not available, rental units that are outside of the preferred location and/or have a higher rent may be considered, provided that such rents are within 10% of the average rents for the City of Maple Ridge. As well, all alternative rental options should be tailored to the tenant (pet friendly, mobility considerations, etc.);
- c) Provision of financial compensation allocated to each current tenant to assist in their relocation, to be provided on or before the move-out date, based on the equivalent of at least 2 months current rent.
- d) Provision of a minimum of two months notice to end the tenancies, with such notice to be served only after the date of Final Approval by Council.

b) Modular Home Park Redevelopment Tenant Assistance Policy

In preparing the proposed Tenant Relocation Assistance Policy, staff also undertook a review of the City's existing Modular Home Park Redevelopment Tenant Assistance Policy No. 6.27, especially in light of the recent rezoning application 2017-113-RZ which proposes to redevelop an existing modular home park and replace it with neighbourhood commercial and child care uses. As outlined in Appendix C, staff has revised Policy No. 6.27 by adding new language that will clarify that the obligations of the applicant to notify and work with existing modular home tenants need to be undertaken prior to the application being brought forward for first reading.

In addition, staff notes that Policy No. 6.27 only applies to those tenants that own their mobile home, and have therefore included cross-referencing language that the provisions of the proposed Tenant Relocation Assistance Policy would apply should there be any displaced tenants that may be renting a mobile home within a park that is the subject of a rezoning application.

c) Tenant Displacement Through Renovations

The proposed Tenant Relocation Assistance Policy and the City's existing Modular Home Park Redevelopment Tenant Assistance Policy No. 6.27 can only be applied at times of a rezoning, heritage revitalisation agreement, strata conversion of a previously occupied building, or where changes are proposed to rental units secured through an already in place Housing Agreement. Applications for the redevelopment and/or renovation of an existing purpose-built rental building that is already zoned for the land use would not trigger the above discussed Council policies, as again the underlying use is permitted outright. While staff notes that such applicants may voluntarily agree to follow the discussed Council policies, there is no legal mechanism to require adherence to the policies. In considering this issue of "renovictions" staff note the value of Housing Agreements as a regulatory tool to secure future purpose-built rental housing units in the City, noting that amending a condition in a Housing Agreement requires Council approval.

CONCLUSION:

Through our Official Community Plan and the Housing Action Plan, rental housing has been identified as a key priority, as has the protection of exiting rental units noting their contribution towards offering affordable housing choices in the City. Building upon the City's existing Modular Home Park Redevelopment Tenant Assistance Policy No. 6.27 and the CitySpaces Consulting research report, staff has prepared a draft Tenant Relocation Assistance Policy for Council's adoption. As well, staff is proposing minor amendments to the City's existing Modular Home Park Redevelopment Tenant Assistance Policy to ensure effective coordination between it and the draft Council Policy being presented.

"Original signed by Brent Elliott"

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Attachments:

- a) Appendix A: CitySpaces Consulting, Research Brief - Tenant Relocation Assistance Policy, Feb 28, 2018.
- b) Appendix B: Proposed Tenant Relocation Assistance Policy
- c) Appendix C: Amended Council Policy No. 6.27 – Manufactured Home Park Redevelopment Tenant Assistance Policy

RESEARCH BRIEF

Housing Action Plan Implementation: Tenant Relocation Assistance Policy

Prepared for the City of Maple Ridge | February 26th, 2018



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Introduction

The City of Maple Ridge prepared its second Housing Action Plan in 2014. The Plan outlines priority issues including the need for market and affordable rental housing, recognizing that the existing rental housing stock in Maple Ridge is aging and the demand for rental housing is increasing. The Plan's Strategies #7 and #8 to *Maintain Rental Housing Standards and Minimize Loss of Existing Rental Housing* indicates that the City is aware of the challenges of maintaining older rental stock and the possibility of tenant displacement through redevelopment. The City also recognizes that the Housing Action Plan's policies are broad and should be implemented through more targeted policy to address potential tenant displacement.

Since the endorsement of the Housing Action Plan in 2015, there have been considerable changes to the market and, on the whole, there are more pressures and demand for rental housing, including market rental and affordable rental units. This pressure is found throughout Metro Vancouver, which in turn affects the affordability and availability of rental units in Maple Ridge.

Out of a concern for retaining purpose-built market rental housing, Council has expressed interest in developing a policy to ensure tenants in rental buildings impacted by demolition and redevelopment are adequately notified, compensated, and assisted in finding housing.

In January 2017, City staff were directed to prepare a tenant relocation assistance policy for rezoning applications in order to reduce the impact of rental redevelopment on current tenants, where applicable. This research brief examines the existing regional pressures on rental housing redevelopment and the impact on populations at risk of displacement. This brief also outlines a select number of case studies from other municipalities in the region that have municipal policy to support tenant relocation, with considerations for potential application in the City of Maple Ridge.

Context

Provincial Context

Housing across the Province is aging, with approximately 44% of all units in 2016 built 35 years previously or earlier. Only 7% of units were built since 2011¹. The Provincial average of dwelling units in need of major repair (repairs comprising the dwelling structure or the major systems of the dwelling - heating, plumbing, electrical) is 6.4%. In Maple Ridge, 4.9% of the housing stock is in need of major repair.

Many purpose-built rental housing buildings that are aging are also reaching the end of their economic life and are facing significant capital expenditures to maintain. Typical major repairs of older rental buildings can include building envelope/rainscreen replacement, parking garage repair, and repairs to windows, plumbing, elevators, and perimeter drainage. Maintenance or major renovations may be more costly than demolishing and constructing a new project, especially on sites that are underutilized and could achieve higher density if redeveloped.

In many regions and especially in Metro Vancouver, municipalities may have increased the allowable density on a parcel since a building was originally developed. In exceptional situations, density allowances may have tripled or quadrupled compared to the density achieved in the current project. Redevelopment could result in an increase to the overall number of units on a site.

The aging housing stock, combined with opportunities for increased density, has created an environment in many regions across the Province where older rental housing stock is being replaced with new and more densified housing projects.

Where rental housing projects are slated for demolition and redevelopment, the renter household tenants that occupy units in the building can become displaced as well as potentially face challenges with maintaining housing affordability.

In BC, legislation that addresses tenant displacement is outlined within the *Residential Tenancy Act* (RTA) and the *Manufactured Home Park Tenancy Act*. These acts outline the rights and responsibilities of tenants and landlords, including minimum notification and compensation requirements. The Residential Tenancy Branch (RTB) is the Provincial Government body tasked with overseeing and implementing the RTA, providing both tenants and landlords with information and dispute resolution services. In the event of demolition and redevelopment of an existing rental housing project or in the event of major renovations to a unit, the RTA requires:

¹ *Census, Statistics Canada (2016)*

- Two month notice to end tenancy, provided by the landlord to the tenant. The landlord must have all required government permits and approvals before issuing a notice to the tenant.
- A tenant who receives a notice to end tenancy is entitled to receive from the landlord an amount that is equivalent of one month's rent payable under the tenancy agreement.

Although the rules and regulations outlined in the RTA have mechanisms in place to support renter tenants experiencing evictions as a result of demolition and redevelopment or major renovations, these mechanisms are limited and can fall short in supporting tenants with finding alternative rental accommodation.

- In Victoria, tenants from a 15 unit rental building were given the required minimum 2 months notice in early 2017 to find new temporary accommodation while the building undergoes significant renovations². Tenants who were interviewed indicated that they were challenged to find alternative housing given the low vacancy rate, and also were unable to find evidence of permits for the renovations.
- Also in 2017, tenants of another Victoria apartment were given the required minimum 2 months notice with one month's rent in addition to \$250 to cover moving costs for temporary displacement during a major renovation³. However, tenants were challenged to find accommodation for the 6 month period of construction and expressed concern regarding the affordability of their unit with the proposed increased rents when the renovations were completed.

Given the limitations of the RTA, many municipalities have resorted to preparing municipal tenant relocation policies that build off the minimum requirements outlined in the RTA with greater expectations to support tenants with the hardship experienced during these unforeseen circumstances, including finding alternative rental accommodation in expensive housing markets with low vacancy rates.

From time to time, the Province implements changes to the RTA in response to a growing number of challenges and disputes. In October 2017, the Province announced proposed changes to fixed term lease vacate clauses to ensure that landlords cannot increase rents for the same tenant higher than the maximum allowable increase.⁴ In December 2017, the Province eliminated the geographic increase clause of both the RTA and Manufactured Home Park Tenancy Act⁵, which allowed landlords to apply for an exemption to rental increase limits when rents charged are lower than similar units nearby.

Continuous amendments to the RTA have not alleviated concerns over rental housing tenant security and stability from "renovictions" or "demovictions". These are terms used in local media for circumstances where a

² *Tenants disappointed by renovation*, Victoria News, August 11, 2017

³ *Three tenants battle renovation at Cook Street apartment building* Times Colonist, March 12, 2017

⁴ *Province of British Columbia News Release, "Province fixes loophole threatening renters"*, October 26, 2017

⁵ *Province snips tenancy rule loopholes allowing double digit rent increases*, Global News, December 9, 2017

tenant is evicted from a unit as a result of major renovations or redevelopment projects. While Provincial changes to the RTA have increased protections for renters, tenant displacement due to renovations or redevelopment is an ongoing challenge in areas across the Province.

Regional Context

Tenant displacement due to renovations or demolition and redevelopment has been an issue across the Metro Vancouver region in recent years. Many municipalities are challenged by maintaining suitable rental housing stock, while tenants find it difficult to find affordable alternative units^{6,7}. Additionally, the Province's RTB finds itself "overwhelmed" with the demand for tenant support⁸.

- In New Westminster, tenants who recently received eviction notices for major renovations to their building have only been able to find alternative units that either charge much higher rents, have long wait lists, or are reported to have poor management^{9,10}. Tenants in another New Westminster apartment also experiencing evictions, found alternative apartment units double their current rental rate¹¹.
- In Vancouver, some tenants are seeing rent increases of more than 50% after major renovations to rental units they once occupied¹².
- In the District of North Vancouver, recently evicted long term tenants noted the significant challenge of finding suitable units in an affordable price range. Some have found alternative housing, but with significantly less

- ▶ **Renoviction:** a colloquial term used to describe the eviction of a tenant on the grounds of major construction to a building or unit. The RTA requires landlords to have the required permits and approvals prior to issuing a notice to end tenancy.
- ▶ **Demoviction:** a colloquial term used to describe the eviction of a tenant on the grounds of demolishing a rental unit. The RTA requires landlords to have the required permits and approvals prior to issuing a notice to end tenancy.
- ▶ **Tenant Relocation Assistance Policy:** means a municipal policy with provisions to ensure tenants in rental buildings that are impacted by demolition and redevelopment are notified, compensated, and assisted in finding new suitable housing, beyond the requirements of the RTA.
- ▶ **First Right of Refusal:** for housing, means a contractual right that gives the holder (renter) the option to enter into a lease with the owner of a unit prior to any third party.

⁶ "New West tenant calls for actions on renovations", *New Westminster Record*, October 4, 2017

⁷ "What will happen to me? Vancouver tenants gather at union convention", *CBC*, November 26, 2017

⁸ "With B.C.'s renter aid agency 'overwhelmed,' non-profits step up", *Vancouver Sun*, September 11, 2017

⁹ "Fighting for future renters in the city", *New Westminster Record*, June 23, 2017

¹⁰ "New Westminster renovictions leave low-income renters feeling desperate" *CBC*, June 14, 2017

¹¹ "New West tenant calls for actions on renovations", *New Westminster Record*, October 4, 2017

¹² "Vancouver's 'renovictions' driven in large part by vacate clause: advocate" *Business In Vancouver*, August 28, 2017

floor space and limited amenities.¹³ Tenants also noted the lack of pet-friendly buildings, making it more difficult to relocate.

- In Burnaby, the City experienced major protests¹⁴ due to the Metrotown Downtown Plan implementation. This document outlined a plan to accommodate expected newcomers to the City of Burnaby by increasing the density of areas near the frequent transit network and amenities. However, those areas are currently home to 42% rental housing and over half of residents in this area earn less than \$40,000 per year.¹⁵ These residents are particularly susceptible to displacement due to demolition and redevelopment and a lack of alternative affordable housing. Although the City of Burnaby has a limited Tenant Assistance Policy, the absence of an inclusionary housing policy exacerbates the issue of demolition and redevelopment.

METRO VANCOUVER AFFORDABLE HOUSING STRATEGY

In response to the regional growth pressures and housing affordability issues, and to advance its' complete community goals of *Metro 2040 Strategy*, Metro Vancouver prepared an update to its' *Regional Affordable Housing Strategy* in 2016. While the main focus of the document is encouraging the development of rental housing, there are also strategies to preserve existing rental housing stock and support existing tenants. The key strategy is ensuring that tenant relocations are responsive to tenant needs.

To implement this strategy, Metro Vancouver indicates, through its Regional Planning role, that it will research and identify best practices in tenant relocation policies and strategies. They also propose that the Provincial Government should review the RTA provisions for relocating tenants in redevelopment situations and mitigate the impact of relocation through provisions that enable tenants to find suitable alternative accommodation.

Specific considerations in the Regional Affordable Housing Strategy for municipalities to implement include:

- Requiring tenant relocation plans as a condition of approving the redevelopment of existing rental housing.
- Ensuring that developers notify tenants impacted by redevelopment of their rights under the RTA.

Local Context

Maple Ridge has experienced significant change and development in recent years. It has grown from a suburban community to a city with urban amenities. With growth comes challenges to manage change, including housing affordability, pressures on the local housing stock including homeownership, market rental and non-market housing, as well as induced demand for more units. New development and redevelopment of

¹³ "Demovicted Mountain Court tenants move out", *North Shore News*, April 6, 2017

¹⁴ "Burnaby approves Metrotown downtown plan after raucous council meeting", *CBC*, July 25, 2017

¹⁵ "Metrotown Downtown Plan raises fears of affordability, demovictions", *Vancouver Sun*, February 22, 2017

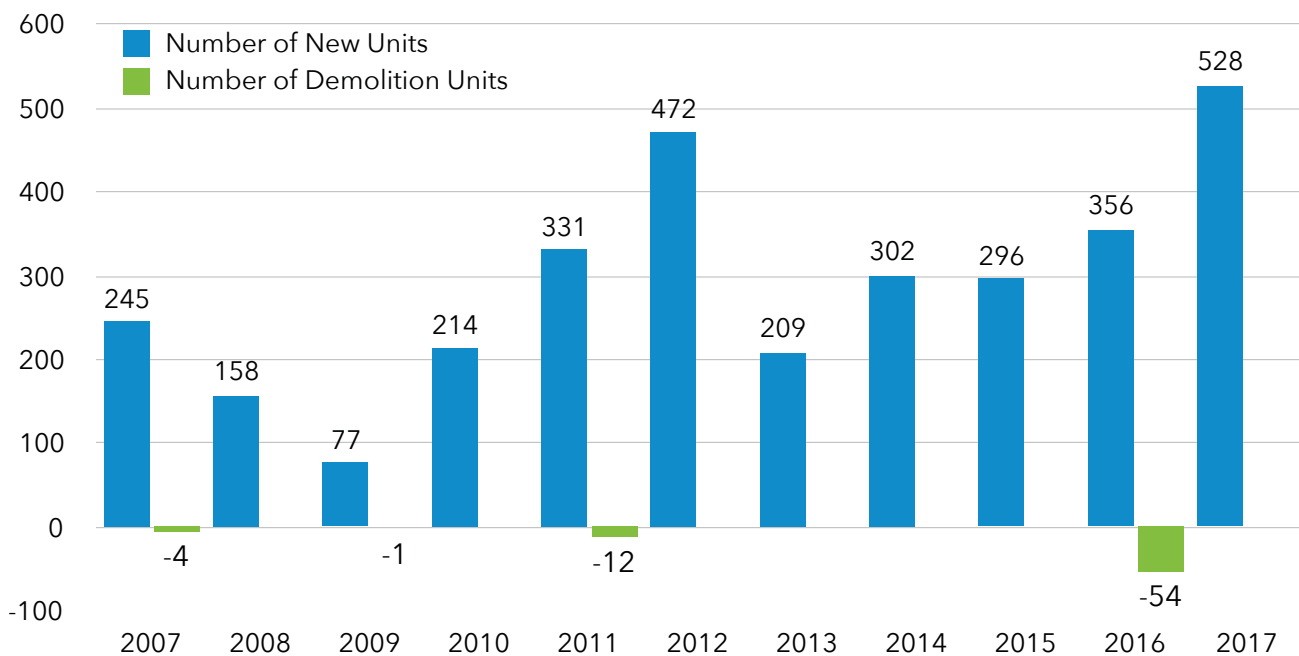
housing in Maple Ridge, in a short amount of time, can be observed as significant change by community groups and the general public.

► **Rate of Change:** refers to the amount of development or redevelopment activity from year to year, and from decade to decade.

The rate of change of housing is a good indicator of neighbourhood stability or instability. The increasing number of redevelopment projects, including the net gain or net loss of dwelling units, can help identify if a neighbourhood is redeveloping quickly, or at a slow to moderate pace. For example, if there are an increasing number of rental dwelling units being converted to condominiums faster than the rental units can be replaced, then the rate of change is high and the market has less time to respond. This can lead to less availability of rental units to residents in need of this particular form of housing.

Over the past decade, a total of 3,188 housing units (both ownership and rental) have been added to the housing market in Maple Ridge. The rate of construction has varied from a low of 4 developments containing 77 units in 2009, to a high of 22 developments containing 528 units in 2017. Within the same timeframe, the City has experienced the loss of 71 units to demolition, of which 54 units were in the Sunrise rental building that experienced fire damage in 2016.

Figure 1: Rate of Change in Total Unit Count, Maple Ridge (2007-2017)¹⁶



Based on the City of Maple Ridge’s Building Permit Data, the ratio of new units to demolished units does not appear to significantly impact existing rental buildings and tenants at this time. However, anticipated growth,

¹⁶ Building Permit Data, City of Maple Ridge, 2017

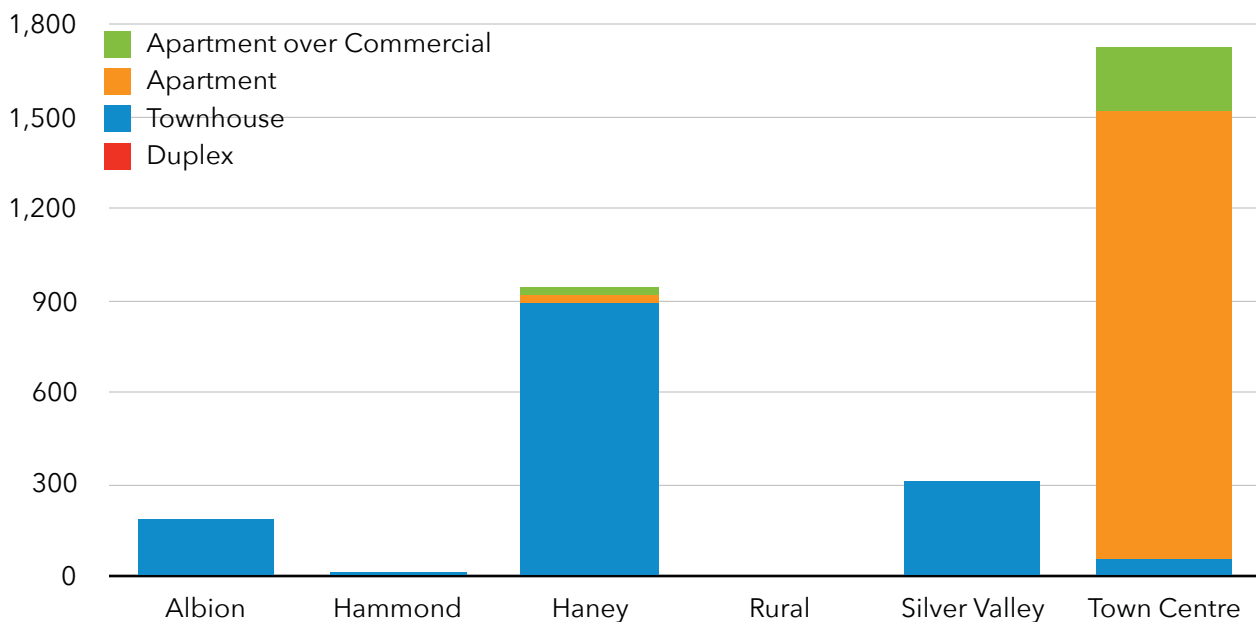
combined with limited greenfield sites, and an aging rental housing stock could result in future impacts to tenants.

Metro Vancouver’s Affordable Housing Update (2016) noted that purpose-built market rental supply is growing, due to changing market conditions and municipal incentive programs. However development has not been able to catch up to the significant demand. Between 2011 and 2014, new rental supply fell short of rental demand in the region by 1,600 units, most significantly for those households earning less than \$50,000 per year¹⁷. The regional demand for rental units puts pressure on aging rental stock where there is underutilized density available. Also, the regional demand for rental units for lower-income households is a broader indication of future potential challenges for tenants in Maple Ridge.

In the 2017 Fall Market Rental Survey released by CMHC, Maple Ridge contains 1,304 purpose built rental units. As per Census Canada data, this means that approximately 65-70 purpose built rental units in Maple Ridge are potentially in need of major repairs.

Provided the low demolition rate, relative to the construction of new units, it can be inferred that those units lost have been replaced and there has been an overall significant net gain of units in Maple Ridge. However, the rental and purchase price point at which new units entering the market are likely higher than those lost in the older housing stock if not secured through an inclusionary affordable housing policy.

Figure 2: New Units, by Structural Type and by Area, Maple Ridge (2007-2017)¹⁸



Townhouses are the most common form of new development in Maple Ridge, observed in all areas with the exception of the Town Centre. Notably, Haney (the infill area within the Urban Area Boundary that is not

¹⁷ Metro Vancouver Regional Affordable Housing Strategy Update, 2016

¹⁸ Building Permit Data, City of Maple Ridge, 2017

included in separate area plans) has undergone the greatest amount of construction over the past decade with a total of 214 new buildings containing 942 units.

In contrast, the Town Centre has experienced the greatest number of added units through the development of apartments and apartments over commercial retail space. These total an additional 1,732 units, or 54% of all units in Maple Ridge. These apartment buildings average approximately 50 units, with one outlier on 223 Street that contains 288 units, approved in 2017.

- ▶ **Note:** For residents of a mature neighbourhood who have lived in the same home for many years, and have witnessed very little change over this time, the “rate of change” associated with the demolition of a few homes to become a townhouse project, or the demolition of a low-rise apartment into a high-rise, may be perceived as too fast

In late 2016, the City reviewed a development proposal for 291 rental housing units in two buildings on sites with two existing multi-unit buildings, one of which was damaged in a fire in 2015 (see blue sidebox for further information regarding tenant assistance in disaster situations). The proposed development was to be undertaken in phases, as to accommodate current tenants in the existing building, and then later, in the first of the two new buildings. At the December 5, 2016 meeting of Council, the application was deferred pending an applicant submission of a property management plan and a rental transition plan.

In January 2017, the applicant submitted a letter and attachments in response to Council’s request for further information. The applicant indicated commitments to provide first right of refusal to current tenants in good standing, and alternative options for displaced tenants. This application initiated a conversation about a formalized tenant relocation assistance policy in Maple Ridge, beyond the City’s modular home park redevelopment assistance policy.

▶ **Tenant Relocation Assistance Policies and Disasters**

- ▶ Existing Tenant Relocation Policies in the region do not include reference to disaster situations such as significant fire or earthquake damage which render the unit uninhabitable.
- ▶ If there is no fault, this is a Frustrated Tenancy Agreement, under the Residential Tenancy Act. The landlord is not required to pay moving costs or replacement of items. If there is evidence of negligence, the RTB has a dispute resolution process for compensation.

Over the summer of 2017, the conversation about tenant assistance and relocation elevated in Maple Ridge with the proposed redevelopment of Esme Manor, a multi-unit rental building near downtown. According to media coverage, tenants were being evicted for major renovations (in this case, new windows, doors, bathrooms, roof, and updated mechanical systems¹⁹) and would be able to return, if they had the ability to pay

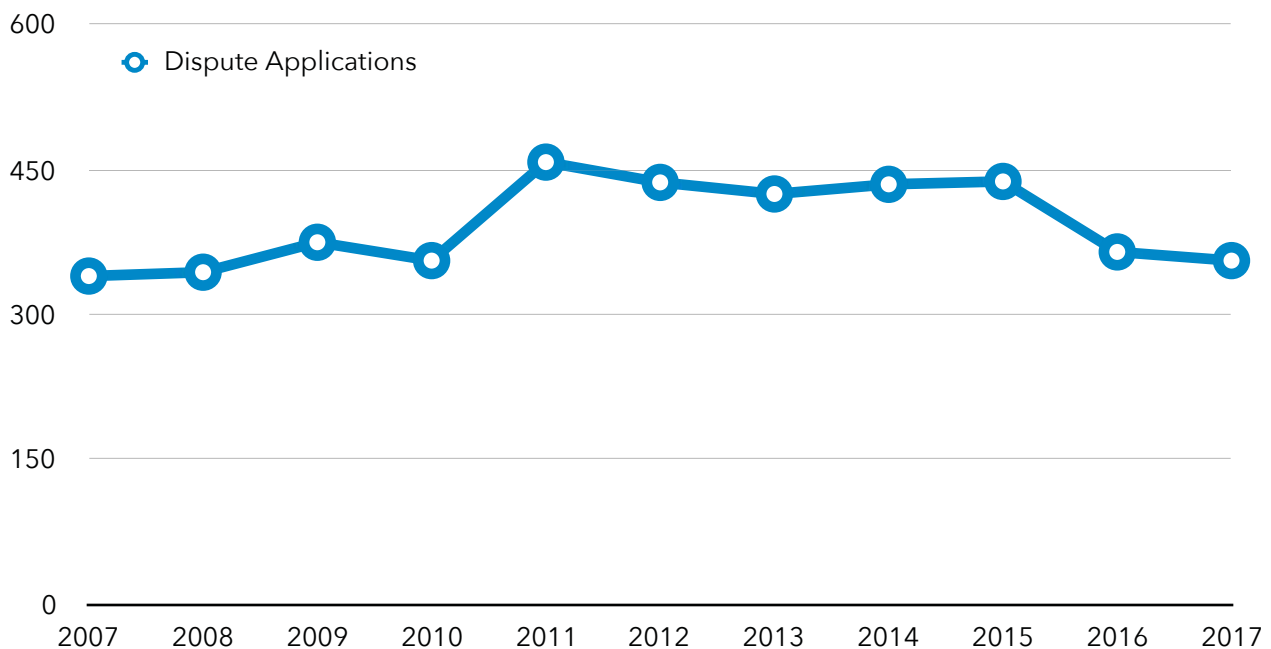
¹⁹ “Landlord counters renovations claim”, *Maple Ridge-Pitt Meadows News*, August 3, 2017

the increased rental rates.²⁰ The owner indicated that rental rates would increase from \$750 for a one bedroom to \$1000 or more, depending on market prices²¹ - an increase of 33%. According to media coverage, there did not appear to be any formal tenant assistance package, however the owner of the property indicated that the landlords worked to support moving costs and returned damage deposits regardless of the condition of the unit²².

In light of these issues, research was undertaken to explore if there was any correlation between the rate of change in the City with the number of landlord-tenant disputes. The RTB tracks the number of dispute applications made on behalf of landlords and tenants. After a review of the data from 2007 to 2017 in Maple Ridge, it appears that while the rate of change is increasing, the number of dispute applications over the same period have remained relatively constant.

Dispute applications to the RTB come up when a landlord and tenant cannot resolve a dispute related to a tenancy. This includes disputes related to an eviction. What is unknown, at this time, is whether the relative stability of the number of dispute applications in Maple Ridge may be an indication that the local development community is adhering to the RTA when evicting tenants, or if it is an indication that tenants do not know their rights when evicted for renovations or redevelopment.

Figure 3: Number of RTB Dispute Applications, Maple Ridge (2007-2017)²³



²⁰ "Renovictions' come to Maple Ridge", Maple Ridge-Pitt Meadows News, July 31, 2017

²¹ "Landlord counters renovictions claim", Maple Ridge-Pitt Meadows News, August 3, 2017

²² "Rents jump at Maple Ridge 'renoviction' apartments", Maple Ridge - Pitt Meadows News, October 10, 2017

²³ Residential Tenancy Branch Dispute Applications, Province of BC, 2017

Case Studies

There are a limited number of member municipalities in the region that have tenant relocation policies for multi-unit rental buildings, whether voluntary or mandatory. Through a review of Metro municipalities, the following have a some form of Tenant Relocation Policy for multi-unit rental buildings: City of North Vancouver, District of North Vancouver, City of Vancouver, City of Richmond, City of Burnaby, and the City of New Westminister.

The following section summarizes a selection of multi-unit rental tenant relocation policies in three selected Metro Vancouver municipalities. The three selected (City of North Vancouver, City of Vancouver, and City of New Westminister), present a range of possible policy options for Maple Ridge to consider.

City of North Vancouver

The City of North Vancouver (CNV) prepared their Residential Tenant Displacement Policy in 2015. The policy is a voluntary commitment for the applicant. Below is a summary of the policy.

RESIDENTIAL TENANT DISPLACEMENT POLICY

The policy applies to all rezoning applications (referred to as "development applications" in CNV) seeking Council approval to redevelop or demolish an existing purpose-built rental building designated Level Four and higher in the Official Community Plan. Level Four Residential means properties that are designated "Medium Density" (townhouses, rowhouses) or an FSR of 1.0. The policy does not apply to developments that are permitted outright under the Zoning Bylaw, or for tenants displaced from non-secure rental units (secondary suites, coach houses, market condos).

If the applicant voluntarily commits to providing tenant assistance, the following is expected to be submitted at the beginning of the rezoning process:

- Current Occupant Summary: including number of units, types of tenancies (e.g. periodic or fixed term), rent rates, unit sizes, and accessibility requirements or other supports required by tenants.
- Tenant Communication Plan: outlining the proactive engagement and input opportunities through the development application process.

During the application review process, the applicant is expected to designate a Tenant Relocation Coordinator to support tenants in finding up to three comparable rental units in the City of North Vancouver. Rents in these unit options cannot exceed 10% above the average rent established in the CMHC Rental Market Report. Tenants may opt-out of this service. The applicant is expected to compensate all tenants on a periodic tenancy, with three months rent to assist with finding alternative accommodations. Tenants on fixed-term tenancy follow the process outlined in the RTA, but applicants are encouraged by the City to compensate tenants with an amount that is at least three months rent equivalent.

Once the rezoning has been approved, the applicant is expected to provide two months notice to the tenants after the demolition permit is issued. Finally, the City expects that the applicant provides displaced tenants with a first right of refusal to live in the new building. New rent amounts are to be negotiated between the owner and the tenant.

City of Vancouver

The City of Vancouver (CoV) prepared their Tenant Relocation and Protection Policy in 2015. Noting that the City has different powers under the *Vancouver Charter*, the policy is mandatory for rezoning or development permit applications for existing residential rental buildings.

TENANT RELOCATION AND PROTECTION POLICY

The City requires a Tenant Relocation Plan or Tenant Impact Statement when tenants in an existing residential rental unit are displaced or impacted as a result of redevelopment or major renovations. The policy is applied to all zones except single detached, industrial and agricultural zones and targets the City's "primary" rental stock which includes purpose-built market rental housing, non-market or social housing, buildings with rental units above commercial space, and large multiple conversion dwellings with six or more units.

When an applicant seeks rezoning or a development permit within the applied zones involving primary rental stock, they are required to provide a Tenant Relocation Plan when tenants occupying existing units will be displaced as a result of the application or permit. The Relocation Plan must include:

- Financial compensation based on length of tenancy (2 months' rent: 4 year tenancies, 3 months' rent: 5-9 year tenancies, 4 months' rent: 10+ year tenancies, 6 months' rent: 20+ year tenancies);
- A minimum of 2 month's notice to end tenancies after all permits are issued;
- Assistance for tenants who request help finding new accommodations including the provisions of three options in Vancouver, and no more than the CMHC average rent for the area;
- Arrangements for an insured moving company or a flat payout rate for moving expenses;
- First right of refusal for existing tenants to return to the new building with a 20% discount off starting market rents for projects with replacement secured market rental housing or projects with new social housing; and,
- Additional support for special circumstances (i.e. persons with disabilities, vulnerable households) including:
 - Additional financial compensation, support by partnering with health organizations or other non-profit services; and,
 - Additional support by identifying at least one alternate accommodation option within 10% of the tenant's current rent for those tenants with low income and paying significantly lower than the CMHC average rent for the area.

In cases where tenants will not be permanently displaced as a result of rezoning or redevelopment (i.e. they are able to remain in the building while work is ongoing), applicants are required to provide a Tenant Impact Statement - a notarized declaration that tenancies will not be impacted by the proposed work. If, at any time during the work it becomes necessary to displace the tenants, applicants will be requested to provide a permanent tenant relocation plan as described above.

City of New Westminster

The City of New Westminster prepared their Tenant Relocation Policy in 2016. The policy is mandatory for rezoning applications and heritage alteration permits and is applied on a voluntary basis for development permits and demolition permits. Below is a summary of the policy.

TENANT RELOCATION POLICY

The policy applies to rezoning applications and heritage revitalization agreements which involve the demolition of six or more purpose-built market rental units within a multi-unit building. It is applied on a voluntary basis for development or demolition Permits which involve the demolition of six or more purpose-built market rental housing units within a multi-unit building.

In the case of rezoning applications or heritage revitalization agreements, applicants are required to include a Tenant Assistance Plan with the application to the City's Land Use and Planning Committee, submit evidence that the Tenant Assistance Plan has been communicated to the tenants prior to First Reading, and demonstrate that the tasks in the Tenant Assistance Plan have been completed prior to receiving a demolition permit.

A Tenant Assistance Plan includes:

- A commitment to provide a minimum of three months' notice prior to eviction;
- Compensation equal or greater to the equivalent of three months' rent;
- Documentation of units including unit types, rental rates and vacancy rates in the building;
- A strategy for assisting tenants in finding appropriate housing; and,
- A communications plan for the applicant and tenants, including notice of all consultation events or activities related to the application.

Whether the applicant is in the mandatory stream (rezoning, heritage alteration permits) or the voluntary stream (development permit, demolition permit), prior to the issuance of a Development Permit for the property to be redeveloped, the applicant must provide the City with a letter indicating all of the Tenant Assistance Plan commitments have been met.

Summary of Comparable Municipalities

Below is a high-level summary of tenant relocation assistance policies in new development projects in other communities.

Table 2: Summary of Comparable Municipalities

	City of North Vancouver	City of Vancouver	City of New Westminster
Approach	Voluntary	Mandatory	Mandatory - Rezoning/ Heritage Alteration Voluntary - Development or Demolition Permits
Unit Types	Purpose-built rental buildings of medium density or higher (FSR 1.0+ - townhouses/ rowhouses).	Purpose built market rental, non-market or social housing, buildings with rental units above commercial, and multiple conversion (6+ units)	Demolition of 6+ purpose-built market rental housing units
Trigger	Rezoning, Development Permit Variance Application	Rezoning/Development Permit	Rezoning/Heritage Alteration/Development or Demolition Permit
Submissions	<ul style="list-style-type: none"> • Current Occupancy Summary (application stage) • Tenant Communication Plan (application stage) • Tenant Relocation Coordinator status report and documentation (application review prior to occupancy) 	<ul style="list-style-type: none"> • Tenant Relocation Application Form • Tenant Relocation Plan (application stage) • Tenant Relocation Report (prior to occupancy) • Tenant Impact Statement (tenants not permanently displaced) 	<ul style="list-style-type: none"> • Tenant Assistance Plan (application stage) • Evidence of communications (prior to 1st reading) • Letter of commitments met (prior to issuing permits)

Compensation	3 months rent	Based on tenancy length: <ul style="list-style-type: none"> • 2 months' rent: 4 year tenancies • 3 months' rent: 5-9 year tenancies • 4 months' rent: 10+ year tenancies • 6 months' rent: 20+ year tenancies 	Greater than or equal to 3-months' rent
Assistance in Securing Housing	<ul style="list-style-type: none"> • Find up to 3 comparable rental units in the City of North Vancouver. • Maximum rents 10% above the CMHC average rent for the area. 	<ul style="list-style-type: none"> • 3 compatible options in the City of Vancouver, at least 1 in same neighbourhood. • Maximum rents should be no more than CMHC average rents for 1 area • Arrangement of moving company or payout for moving expenses. 	<ul style="list-style-type: none"> • Assistance in securing housing will be reviewed by City staff and the Land Use and Planning Committee as part of the preliminary report. The Committee can refer to Council. • No specific requirements for the assistance strategy.
Notice	2 months' notice after permits issued	2 months' notice after permits issued	3 months' notice prior to eviction
First Right of Refusal For New Units	Yes. To be negotiated between property owner and tenant	Yes. Required 20% discount off starting market rents for replacement rental /new social housing	Not required

Key Considerations for the City of Maple Ridge

Research from comparable municipalities indicate that there are a range of options for Tenant Relocation Assistance for multi-unit rental buildings. Based on this research, preliminary considerations for the City of Maple Ridge are outlined as follows:

#1 Mandatory Approach for Rezoning Applications

- For the purpose of ensuring that existing rental tenants are not displaced by redevelopment associated with a rezoning application, Maple Ridge may consider applying a Tenant Relocation Assistance Policy to all purpose built rental building rezoning applications. This would not include buildings subdivided by a strata plan, and secondary market rentals such as secondary suites, market rental condominium units, or other investor-owned houses/units.
- Consider applying a voluntary Tenant Relocation Assistance program for Development Permit applications or Demolition Permit applications where rental tenants will be displaced.

#2 Relocation Assistance Plan

- Consider the following components for a Tenant Relocation Assistance Plan to be provided by an applicant at time of rezoning application:
 - A summary of the existing building occupants, unit types, rental rates, and length of tenancies.
 - A tenant communications strategy to inform residents of the rezoning and redevelopment application. Consider mandatory notification timelines prior to eviction. For example, requiring 2 months notice after issuance of a permit, which is consistent with the Residential Tenancy Act.
 - A commitment to identifying a minimum of three alternative accommodation options for each tenant in a comparable unit type in Maple Ridge, with at least one in the same neighbourhood.
 - Consider requiring alternative accommodation options to be at rates no more than CMHC's average rents for the area, or within 10% of the current rental rate. Also consider special circumstances for individual tenants such as pet-friendly buildings and accessibility.
 - Consider requiring the applicant to provide documentation of the implemented plan and timely communication to tenants prior to first reading and updates prior to receiving final approval.

#3 Financial Compensation and Moving Expenses

- Consider requiring a financial compensation allocation to each current tenant to support their relocation at an amount that is equivalent of three month's rent payable.

- In addition to financial compensation, consider requiring arrangements for an insured moving company, or equivalent flat rate payout, for tenant moving expenses.

#4 First Right of Refusal

- Consider requiring the provision of a first right of refusal to current tenants to live in the new building upon completion.
- For current tenants who choose to live in the new building, consider requiring a discounted rental rate - for example, a 20% discount below anticipated market rental rates. If the current rental rate is higher than the proposed discount below market rental rates, then the rent would be provided at the current rental rate.





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- c. A commitment to identify at least three alternative rental options for each current tenant that are comparable in unit type and are in Maple Ridge, with at least one in the same neighbourhood:
 - i. In the case where the current rents are below the average rents for the City of Maple Ridge as per the CMHC Rental Market Report for the previous year, then the alternative rental options should be within 10% of the current rent;
 - ii. In the case where the current rents are at or above the average rents for the City of Maple Ridge as per the CMHC Rental Market Report for the previous year, then the alternative rental options may be provided at the current rental rate;
 - iii. All alternative rental options should be comparable in unit type, unless otherwise agreed to, and be tailored to the tenant (pet friendly, mobility considerations, etc.).
 - iv. Where it can be demonstrated that comparable alternative rental options are not available, rental units outside of the preferred location may be considered, provided that such rents are within 10% of the average rents for the City of Maple Ridge as per the CMHC Rental Market Report for the previous year.
- d. Financial compensation equivalent to two months current rent allocated to each current tenant to assist in their relocation and in compensation for moving expenses, to be provided on or before the move-out date. Such compensation can take the form of free rent, a lump sum payment, or a combination of both as agreed to with the tenant.
- e. A commitment that each tenant will be given a minimum of two months notice to end the current tenancies, and that such notice will be served only after the date of Final Approval by Council.

Prior to proceeding forward to Council, the First Council Report must include:

1. Copies of all early and ongoing tenant communication, including minutes and an attendance list of the applicant-led consultation meeting;
2. A commitment by the applicant to uphold and implement the Relocation Assistance Plan.

Prior to receiving Final Approval:

1. Regular updates on the progress of the Relocation Assistance Plan must be provided to the City at each stage of the application process as the application progresses.
2. A final report must be provided to the City which outlines the names of current tenants; whether the tenant was accommodated in the new building; whether the tenant was accommodated in an alternate rental option; if accommodated in an alternative rental option, the location, unit type and rent of the alternative rental option, as compared to the tenant's previous unit type and rent; the total financial compensation provided per tenant; and copies of all communication provided to the tenants.

Following Final Approval:

1. Provision of two month notice, only after the date of Final Approval by Council.

Purpose:

To ensure that existing rental tenants are not impacted or displaced as a result of proposals to redevelop properties with purpose-built rental housing, through a rezoning application, heritage revitalisation agreement, strata conversion of a previously occupied building, or change to rental units secured through an existing Housing Agreement with the City.

This Policy Statement applies to all existing purpose-built rental buildings, or a collection of buildings, with a total of five or more purpose-built rental housing units, excluding those secondary rental market units that were not originally purpose-built to be rental units (such as condominiums) or other buildings, structures or uses that comprise fewer than five dwelling units (such as duplexes, triplexes, fourplexes, secondary suites, detached garden suites, temporary residential uses, or accessory employee residential uses). This policy does not apply to developments that are permitted outright under the Zoning Bylaw.

Definitions:

Purpose-built rental means a residential building that is not subdivided by strata plan, and in which all or a portion of the dwelling units have been purposely built and/or secured through a Housing Agreement to be rented or leased under a tenancy agreement for either periodic or fixed-term tenancies as defined under the Residential Tenancy Act.

Key Areas of Responsibility:

Action to Take

To require applicants proposing a rezoning, heritage revitalisation agreement, or strata conversion of a previously occupied building that would redevelop properties with purpose built rental housing of five or more units to provide the measures outlined in this Policy Statement.

Responsibility

Planning Department



Deep Roots
Greater Heights

POLICY STATEMENT

District of Maple Ridge

<p>Title: Modular Manufactured Home Park Redevelopment Tenant Assistance Policy</p>	<p>Policy No : 6.27 Supersedes: <u>April 22, 2008</u></p>
<p>Authority: <u>Council</u> Approval: <u>TBD</u></p>	<p>Effective Date: <u>TBD</u></p>
<p>Policy Statement:</p> <p>Rezoning applications that propose the redevelopment of properties used as mobile home parks should include the following measures:</p> <ol style="list-style-type: none"> 1. A Rezoning Application must include: <ol style="list-style-type: none"> a. Proof of <u>early and ongoing</u> tenant notification of plans to redevelop the property, <u>including a consultation meeting with existing tenants early in the process with opportunities for tenants to voice comments about the rezoning application.</u> a-b. A Relocation Assistance Plan that includes; <ol style="list-style-type: none"> i. a professional appraisal of the site's housing stock and its feasibility for relocation to a new site, ii. a qualitative survey of residential housing preferences, an assessment of the ability of tenants to secure accommodation in the proposed new development, and, iii. where residential development is proposed, affordable housing options on the subject site with opportunities for tenants to continue their tenancy there. b-c. A commitment to hire a qualified professional to assist tenants <u>impacted by the rezoning application by;</u> <ol style="list-style-type: none"> i. identifying <u>at least three satisfactory and comparable alternative housing options for each current tenant that are preferably in Maple Ridge,</u> ii. advocating on behalf of tenants in accessing available subsidies and programs, iii. liaising with appropriate agencies, and iv. providing updates to the municipality on the progress of the Relocation Assistance Plan. 2. <u>Prior to proceeding forward to First Reading, the First Reading Report must include:</u> <ol style="list-style-type: none"> a. <u>Proof of all early and ongoing tenant communication, including minutes and tenant comment forms from the applicant-led consultation meeting;</u> 	

- a-b. Where a tenant owns the housing unit, a commitment to provide compensation measures which will include but are not limited to:
- i. the applicant assuming responsibility for the disposal of structures considered to be at the end of their useful life, or where the tenant chooses a different housing tenure;
 - ii. compensation payments based on the greater of professionally appraised values, assessed values, or \$10,000.
 - iii. the right of first refusal for tenants wishing to purchase a unit in the proposed new development, with the compensatory amount being applied as a down payment to the fair market value on a new unit.
 - iv. two years eviction notice, effective from the date of Final Approval for the Rezoning Application.

b-c. Where a tenant rents or leases the housing unit, a commitment that the measures established by Council Policy No. [] – Tenant Relocation Assistance Policy – will be satisfied.

3. Prior to Receiving Final Approval:

- a. Regular updates on the progress of the Tenant Relocation Assistance Plan are to be provided as the application progresses. Staff will evaluate the tenant assistance plan for compliance and its merits in meeting tenant needs, and will include this measure as part of the criteria for a favourable recommendation for Council's consideration.
- b. Prior to receiving Final Reading, the applicant must:
 - i. demonstrate compliance with the conditions of the tenant relocation plan (have either completed these requirements or submitted securities in the amount of the required compensation measures to ensure honouring these commitments).
 - ii. register on title a restrictive covenant giving tenants two years eviction notice effective from the date of Final Approval.
 - iii. Demonstrate acceptance from tenants with regard to relocation packages.

Purpose:

The ~~Manufactured Modular~~-Home Park Redevelopment Tenant Assistance Policy is intended to supplement Provincial regulations (the Manufactured Home Park Tenancy Act) in providing assistance to tenants at risk of displacement due to the potential redevelopment of mobile home parks within the City of Maple Ridge. Compensatory measures outlined in this policy pertain to tenancy agreements where the mobile home pad is rented but the dwelling itself is owned by the tenant. In instances where tenancy includes the rental of the housing unit, Council Policy No. [] – Tenant Relocation Assistance Policy – will apply. This policy will be triggered by a rezoning application for the subject property.

Definitions:

Mobile Homes, Mobile Home Parks, and Mobile Home Plots are defined in the Maple Ridge Zoning Bylaw.