

CITY OF COQUITLAM

Policy Guide & Procedure

RENTAL HOUSING REDEVELOPMENT – TENANT ASSISTANCE POLICY GUIDE

Issue Date: September 2018

Purpose:

This document applies to property developers acquiring existing rental housing sites (multi-family, co-op, non-market) with the purpose of redeveloping them in Coquitlam. If you apply to redevelop sites containing existing purpose-built rental housing in Coquitlam, you are asked to follow Policy 1.4 of the City’s Housing Affordability Strategy (HAS) in addition to the statutory requirements set out under the *Residential Tenancy Act*.

HAS policy 1.4 (page 22 of the [Housing Affordability Strategy](#)) requires the property owners intending to redevelop a site with existing rental housing to prepare a “Tenant Relocation and Assistance Strategy”. This policy guide provides further detail and clarity on the City’s expectations for preparing that strategy. In addition, attached to this document is a sample Rental Housing Strategy, based on an approved strategy, and intended to assist applicants in preparing their own Strategy.

The redevelopment of mobile home parks is also subject to policy guidelines, with additional expectations for financial compensation for individual mobile homes. The Mobile Home Park Redevelopment Tenant Assistance Policy can be found on the [Coquitlam’s website](#). The redevelopment of mobile home parks is governed by the [B.C. Provincial Manufactured Home Park Tenancy Act](#).

Tenants currently in any non-dedicated rental units (secondary suites, single-family, coach houses and market condo units) should understand their rights under the British Columbia Residential Tenancy Act. Additional tenant resources may also be found at the Tenant Resource & Advisory Centre (www.tenants.bc.ca).

Policy 1.4 of the Housing Affordability Strategy directs the following:

Require a Rental Housing Strategy (a tenant relocation and assistance strategy) for the redevelopment of sites with existing purpose-built rental and co-op units according to the following criteria:

- An assessment of existing on-site rental housing (number, bedroom-mix, tenancy characteristics, unit rent levels and occupancy/vacancy);
- Proposed options for relocating and assisting existing renters;
- Proposed process for relocating renters during and after redevelopment;
- Proposed financial assistance options for tenant relocation; and
- Strategy for managing communications and relations between a developer and existing renters, including the retention of a housing consultant to lead this process.

Key Points to consider when preparing a Rental Housing Strategy:

1. When do I need to submit my Rental Housing Strategy?

The Rental Housing Strategy should be submitted with the development application. Proponents are encouraged to submit their preliminary actions on this topic as part of the pre-application. Staff will evaluate the proposed Rental Housing Strategy in conjunction with the redevelopment application to ensure that it meets the objectives of the policy; that is, to understand the needs of existing tenants and assist them in the process to find alternate accommodation.

Staff will include this information in the report to Council requesting first reading to allow time for the applicant to address any requested adjustments.

2. When should I let tenants know about possible development plans?

At the **pre-application stage**, the applicant should notify in writing all tenants that plans for redevelopment are being made and that a relocation assistance program is part of these plans. Notices should also be posted on communal notice boards and facilities within the purpose built rental housing site. Copies of these communication materials should be submitted with the application for the development and will be attached to the report that is forwarded to Council.

The tenant assistance program will apply to all tenants with leases or month-to-month tenancy at the time the Rental Housing Strategy is submitted.

It is important that any communications are clear that this is **not a formal notice to vacate**, but rather an early effort to make tenants aware of possible changes, the anticipated timing of such changes, and the efforts that will be undertaken to assist tenants in finding and securing alternate accommodation. The plan for communicating to tenants throughout the process should be outlined in a **communication strategy**.

3. What are options and processes for relocating tenants?

Where possible, development plans should be phased to retain some of the existing units, to provide an interim housing solution for tenants and distribute the number of tenants in the rental market at any one time.

Some proponents who own and manage other rental properties in the region have offered units to existing tenants, and have kept the rent levels consistent with the current amount the tenant is paying. Others have talked with other rental property managers in the neighbourhood to, if possible, access units for tenants to move into.

4. What should the communication strategy include?

The communication strategy should provide tenants with information that will assist them in making plans for alternative living arrangements. Communication should be through both face-to-face and written communication.

Proponents should provide updates to residents as the process progresses, including when the application for redevelopment is considered at Council meetings and Public Hearings.

A Resident Support Specialist who is leading the process and managing communication between the developer and tenants should be available on-site. Translation services should be provided as needed.

A follow-up report indicating the type of financial and non-financial assistance was provided should be submitted to the City when the process has concluded. This report should include a status report on the implementation of the program, indicating preferred options for the tenants.

5. How much financial compensation to tenants is required?

As outlined in the HAS, the expectation is that financial compensation will be greater than the minimum required under the *Residential Tenancy Act*. The objective is to give tenants who are facing relocation additional resources to secure alternate housing in a constrained rental market, and to assist in funding tenants' costs of moving.

Proponents have used a combination of the following as methods of compensation:

- Payments equal to a number of months of rent, with length of tenancy and type of unit used as determinants of amount of compensation, i.e., a long term tenant with a family in a 3 bedroom-unit may experience more disruption and difficulty finding a similar unit in the market and would therefore be entitled to greater compensation;
- Additional support for moving costs and packing expense;
- Additional incentive for an early move out as a way to distribute the number of people searching for housing in the local market;
- The opportunity for first right of refusal to purchase, and purchase discounts on new units built on the subject site.

6. Is it necessary to hire a resident support specialist/consultant to help with the relocation process?

Some proponents may have this type of expertise on staff through their property management function, while others may need to retain outside expertise. The objective is to have a Resident Support Specialist on-site to assist tenants in the relocation process – finding alternate housing, and accessing BC Housing rent supplement assistance where appropriate. Some proponents find it helpful to have a professional facilitator lead meetings with residents. The Resident Support Specialist and Housing Consultant do not have to be the same person.

7. What are the requirements related to the new Conditional Demolition Permit?

The receipt of a Conditional Demolition Permit allows a proponent to send residential tenants a formal Notice to Vacate as per recent changes in the Residential Tenancy Act. The act requires landlords to give tenants **four months' notice** in order to demolish a dwelling. Depending on the negotiated Rental Housing Strategy with the tenants, this notice period may be longer than four months.

The following items need to be completed before a proponent can apply for a Conditional Demolition Permit, if the existing building is occupied residential rental:

- Application only after 3rd reading.
- Communication between the proponent and tenants should be well underway as the Rental Housing Strategy is required by Development Permit application.

For more information, or to discuss a development application, please contact the City of Coquitlam Planning and Development Department at planninganddevelopment@coquitlam.ca or 604-927-3400.

Date

City of Coquitlam
 3000 Guildford Way
 Coquitlam, BC Canada V3B 7N2

Attention: General Manager, Planning and Development

Dear [REDACTED]

RE: Rezoning applications for [REDACTED]

RENTAL HOUSING STRATEGY

This section of the document covers the five criteria that the Housing Affordability Strategy specifies should be included in the Rental Housing Strategy. We acknowledge that relocation can be stressful for tenants and we will endeavor to treat all tenants with dignity and respect throughout the relocation process.

Criteria 1: Existing On-site Rental Housing

a) Current Unit Mix

The rental units at Subject Site are located in a series of [REDACTED]-year-old wood-frame, low-rise buildings, which are nearing, or have passed, their end of life.

A number of units are uninhabitable, for the following reasons:

The current unit mix is summarized below:

Unit Mix	# Units	Ave. Size (sf)	Current Rents
Studio	0	0	\$0
1 Bedroom	0	0	\$0
2 Bedroom	0	0	\$0
3 Bedroom	0	0	\$0
Occupied Units	0		
Unoccupied Units	0		
Total Unit Count	0		

[REDACTED] staff has managed the day-to-day operations and leasing of the community since acquiring the property in [REDACTED] and therefore, have firsthand knowledge of each resident's unique circumstances.

There are a variety of residents currently living on the property. Of the occupied units: [REDACTED]% are seniors, [REDACTED]% are families with children, and [REDACTED]% are currently on some form of government assistance.

b) Tenure Summary

Resident tenure ranges in length from xx to xx years. Based on the proposed phasing strategy outlined in the following document, the below information notes length of tenure by phase of redevelopment:



c) Rental Market Conditions

Based on information gathered from Canadian Mortgage and Housing Corporation (CMHC) and [redacted] (Third Party) Appraisals, the market conditions at the time of the rezoning application can be outlined as follows:

- Based on information from CMHC's Rental Market Report for 2017, the rental apartment vacancy rates are low but higher in comparison to the Vancouver CMA:

Zone	October 2016	October 2017
North Burnaby	1.0%	1.0%
Tri-Cities	1.2%	1.7%
Vancouver CMA	0.8%	0.7%

- Additionally, Applicant commissioned [redacted] Appraisals to complete a survey of (#) rental apartment buildings containing [redacted] # of units in the Subject neighborhood in Month and Date (most recent appraisal). The below data was collected and is shown compared to the CMHC Rental Market Report Fall 2017 for the Tri-Cities zone:

Unit Type	No. of Units	Vacancies	Survey Vacancy	Survey Turnover Rates	CMHC Vacancy Fall 2017	CMHC Turnover Fall 2017
Bachelor	21	0	0.0%	11.9%	1.1%	13.4%
1 Bedroom	445	2	0.5%	13.3%	0.8%	15.6%
2 Bedroom	364	2	0.5%	12.3%	2.4%	13.7%
3 Bedroom	55	0	0.0%	7.0%	8.3%	20.9%
Total	885	4	0.5%	12.4%	1.7%	15.8%

- Average rents for rental housing noted in Third Party Appraisal survey are compared to the CMHC Rental Market Report – Fall 2017 for the Tri-Cities zone:

Zone	Survey Rent Range	Survey Average Rent	CMHC Fall 2017
Bachelor	\$775 - \$900	\$824	\$761
1 Bedroom	\$775 - \$1,150	\$972	\$897
2 Bedroom	\$950 - \$1,400	\$1,202	\$1,112
3 Bedroom	\$1,245 - \$1,425	\$1,340	\$1,219

- Note whether current rents at Subject Site are comparable to Subject neighborhood rental rates.

Criteria 2 & 3: Proposed Relocation Options and Process

Applicant proposes a number of measures to assist residents in their relocation from Subject Site to new suites, as follows:

a) Resident Relocation Assistance Team

- Applicant has recently hired a dedicated **Resident Support Specialist** having a job description focused specifically on tenant consultation and relocation. The office will be located on-site to be easily accessible by residents. The work hours are flexible to match the needs of the residents (i.e., meetings in the evenings after residents return from work). This staff person brings deep experience in the rental management industry and will be meeting with other local rental managers who may offer vacancies to tenants who are being relocated.
- The Resident Support Specialist's first task is to initiate one-on-one meetings with each tenant to discuss and develop a relocation approach tailored to each tenant.
- The Resident Support Specialist will also coordinate resources to assist in the search for new homes as well as potentially assist the most vulnerable residents with coordination of existing government programs such as BC Housing and other not-for-profit groups, letters of reference, and moving logistics. These services may also include working with a transition specialist.
- Applicant has the ability with approximately _____ (#) rental suites under management across the Lower Mainland to provide relocation options as those suites become available.
- Other relocation options would include existing rental housing, secondary suites, and leasing of new strata condominiums in Coquitlam.

b) On-site Relocation

- For residents required to relocate on-site, Applicant will make vacant suites in future phases available should they wish to relocate on-site based on need

and tenure. Should residents choose to relocate on-site the Resident Relocation Assistance Funds will be deferred until their ultimate relocation off-site.

c) Purpose-Built Rental Building

- Residents will be provided first right of refusal in new purpose-built rental building at **Subject Site**. If below-market rental suites are offered in that building, existing residents who qualify will be given first consideration.

Criteria 4: Proposed Financial Assistance

Applicant proposes a financial assistance package to displaced residents that is equivalent to two to seven months of free rent, depending on the following criteria:

a) Relocation Tenant Assistance Funds

- To assist with the costs of relocation, all residents to receive [redacted] months' of their then-current rent to be paid upon move-out of their current units. These funds are available to all residents regardless of length of tenure.

b) Early Relocation Incentive

- To encourage residents to relocate in advance of end date of notice period, a further [redacted] month's rent will be provided if residents move within the first [redacted] months of the notice period.
- One of the benefits to residents relocating earlier in the notice period is to spread out the quantity of residents relocating into the market at the time.

c) Three-Bedroom Suites

- Residents of three bedroom suites will receive a further [redacted] month of free rent recognizing the limited availability of 3-bedroom suites in the market.

d) Tenure Acknowledgement

- As a significant portion of residents are long standing residents of Subject Site, an acknowledgement of tenure is proposed in addition to the Relocation Tenant Assistance funds and Early Relocation Incentive. Tenure Acknowledgement will be paid upon move-out, as follows:
 - Residents who have a tenure of over five years will receive a further [redacted] month's rent.
 - Residents who have a tenure of over 10 years will receive a further [redacted] month's rent.
 - Residents who have a tenure of over 20 years will a further [redacted] month's rent.

e) Purchase Discount

- Several residents have inquired about purchasing strata condominiums from Applicant. Applicant will offer existing residents the opportunity to credit the last [REDACTED] months of their then-current rent towards the purchase of a condominium at Subject Project.

The above program will be offered to residents at the time their move-out notice is delivered.

Many residents have signed fixed-term leases and/or have moved in after the date of Applicant's rezoning application for Subject Site. Industry practice suggests that these residents would not be eligible for the financial compensation described above. Instead, they would be governed on the basis of the *Residential Tenancy Act* (British Columbia). Nevertheless, Applicant will be offering the same package and assistance to all residents as a sign of goodwill.

Criteria 5: Communications Strategy

a) Resident Communication to Date

At the time of acquisition of Subject Site, Applicant provided written communication to residents to inform them that Applicant had purchased the property for the purpose of future redevelopment and that future relocation of residents would be necessary. In addition, the following practices were put in place:

- All new residents (residents who moved in after Applicant purchased the Subject Site) were informed of Applicant redevelopment intentions through a countersigned letter of acknowledgement at the time of move-in.
- More recently, new residents have entered into fixed-term leases in addition to being provided notification and acknowledgment of future redevelopment at the time of move-in.
- On-site relocation of residents from less desirable suites to more desirable suites and where possible to buildings located in later phases of redevelopment.
- A Resident Open House was held in (DATE) to communicate with residents and listen to questions and concerns regarding future redevelopment.
- Since the Open House in (DATE), multiple update letters have been distributed to residents informing them of the current status of redevelopment plans and possible timing for future development application, including, at the time of Applicant's rezoning application for Subject Site in (DATE).
- A special Resident Open House was held in (DATE) in advance of the Public Open Houses with respect to the rezoning application for Subject Site. This meeting was for residents of units at Subject Site only and provided details of the support Applicant will provide through the relocation process.

b) Future Resident Communication and Advance Notice

- The Resident Assistance Coordinator will be located on-site with flexible hours to meet the needs of residents.
- A one-on-one meeting will be held with residents of each unit at **Subject Site**.
- Translation services will be provided, as required.
- Further updates are planned pending review of this proposed Rental Housing Strategy with City staff.
- **Applicant** will continue with frequent and ongoing communication with residents from time to time throughout the rezoning process for **Subject Site** to keep residents up to date on timing of approvals and potential notice period.
- **Applicant** has engaged professional communications and planning firms to help manage public relations and the media.
- Notices will be delivered by **Applicant** to tenants at the time of rezoning approval for **Subject Site** (i.e., Council approval and post-Public Hearing) or sooner based on feedback from City Housing Staff.
- **Applicant** endeavors to provide as much notice to residents as possible. However, the minimum notice period proposed is six months, which is in excess of the legally required notice period of two months.
- This extended notice period will assist residents with relocating over an extended move-out period and preventing saturation of what is currently a challenged rental market.

We trust the Rental Housing Strategy discussed above meets the City's objectives. Please don't hesitate to contact us if you have any questions.

Sincerely,

NAME