

September 2019
SURREY AFFORDABLE HOUSING STRATEGY

RELOCATION ASSISTANCE TO TENANTS WHEN REDEVELOPMENT OCCURS

THIS PAMPHLET IS FOR GENERAL GUIDANCE ONLY.
IT DOES NOT REPLACE BY-LAWS OR OTHER LEGAL DOCUMENTS.

The purpose of this Information Bulletin is to provide guidance on the City's requirements related to the assistance of tenants when redevelopment of a rental apartment building occurs. Appendices to this document provide further guidance, including *Appendix A: Tenant Relocation Checklist*. (Please note the information in this bulletin is subject to change.)

This Bulletin is intended to be used in conjunction with ***Policy O-61, Rental Housing Redevelopment: Rental Replacement and Tenant Relocation Assistance***.

Proponents should also refer to the Planning and Development Information Bulletin, ***Replacing Rental Housing When Redevelopment Occurs*** for guidance on the requirements for the replacement of rental housing lost during redevelopment.

Surrey Affordable Housing Strategy

The *Surrey Affordable Housing Strategy* is focused on facilitating the retention and development of purpose-built market and non-market rental housing. The *Strategy* was adopted by Council in April 2018, and complements other City plans and strategies, including the *Official Community Plan* and neighbourhood concept plans, as well as other housing policies and regulations.

The *Surrey Affordable Housing Strategy* identifies Surrey's existing purpose-built rental stock as an important asset for the community, providing secure rental housing for a range of households. The *Strategy* acknowledges that this rental stock is coming under increased pressure for redevelopment. When redevelopment of purpose-built rental housing sites occurs, existing tenants may be challenged to find replacement housing.

The Strategy recommended that the City develop a tenant protection and relocation policy to protect tenants who may be at risk of losing their housing through redevelopment.

Policy on Tenant Relocation Assistance

In April 2018, Council adopted *Policy 0-61, Rental Housing Redevelopment: Rental Replacement and Tenant Relocation Assistance*. The Policy sets out requirements to provide assistance to tenants during redevelopment of purpose-built rental housing.

Provincial Residential Tenancy Act

The requirements outlined in this Information Bulletin and Policy 0-61 shall be considered to be in addition to any provincially mandated requirements under the Residential Tenancy Act.

Proponents should familiarize themselves with requirements under the Provincial Residential Tenancy Act. There have been changes to the Act (May 2018), including changes related to notices to end tenancy and compensation.

Applicable Developments

Policy 0-61 applies to all applications for redevelopment that involve the demolition of six or more purpose-built rental units within a multi-family residential building.

Note: If a non-profit housing operator seeking to re-develop a non-market housing site has its own tenant relocation policy, the requirements outlined in that policy may be considered in lieu of the requirements outlined in the City of Surrey Policy 0-61. In this case, the non-profit applicant should submit their policy for review at the time of application.

Exempted Developments

Policy 0-61 does not apply to the secondary rental market such as single family homes, duplexes, secondary suites and coach houses, or individual condominium units rented out by owners. Purpose-built rental buildings with less than 6 units are also exempted from Policy 0-61.

Eligible Tenants

All tenants residing in the building at the time that the development application is submitted are eligible for all relocation assistance outlined in Policy 0-61.

Tenants that move into the building after the development application is submitted are not required to be provided with relocation assistance (although the Proponent may choose to provide the tenant with assistance). These tenants must be made aware in writing of the Proponent's intent to redevelop, and that the Proponent is not required to provide them with relocation assistance and compensation.

Tenant Relocation Assistance: Requirements

1. Current Occupancy Summary

Documentation on the existing rental building shall be provided by the Proponent to the City with the development application. The summary should include:

- Number of units;
- Unit size and bedroom type;
- Rental rates for each unit;
- Existing vacancy / occupancy rates;
- Demographic profiles including mobility limitations and / or accessibility requirements, pets, and number of people per unit; and
- Length of tenancy for each tenant.

Appendix C of this document includes a sample Occupancy Summary Form.

2. Communications Plan

A Communications Plan acceptable to the City should be provided by the Proponent with the development application. "Early and often" communication with tenants is strongly encouraged.

The Communications Plan should include:

- a. When and how tenants will be notified throughout the application process:
 - Notice to tenants regarding the redevelopment proposal should be provided to tenants by the

Proponent as soon as possible and not later than two weeks after an application is received by the City. The notice should include a copy of Policy 0-61.

- Timely process updates should be provided to tenants by the Proponent, including notice of Council meetings related to the application, public hearing dates and methods for advising City staff and Council of tenant concerns.

b. Steps and opportunities for tenant input.

c. Sample notices to tenants.

3. Tenant Relocation Coordinator

The Proponent will designate a Tenant Relocation Coordinator to facilitate communications with tenants, and to implement the Tenant Relocation Plan. Tenants should be given contact information for the Tenant Relocation Coordinator.

The Proponent may choose to hire a consultant with expertise in tenant relocation. This is particularly advised for redevelopments where tenant relocation may be more complex – for example, when there are vulnerable tenants or tenants with special needs, large families, or when there are a large number of tenants being relocated.

4. Tenant Relocation Plan

The Proponent will prepare a Tenant Relocation Plan to assist tenants in finding new housing. The Tenant Relocation Plan shall be provided by the Proponent to the City with the development application.

The Plan shall be tailored to the needs of the tenants as much as possible. At a minimum, the Plan shall include:

a. Financial Compensation

- The Proponent shall provide, at a minimum, the equivalent of at least 3 months' rent to each tenant. This can be provided as a lump sum payment, or free rent or a combination, at the discretion of the tenant.

b. Relocation Assistance

All tenants must be offered assistance in relocating. Tenants that want assistance in relocating should be provided with:

- Assistance in finding a minimum of 3 options of comparable units in the City of Surrey, with at least one option in the same neighbourhood where possible, unless otherwise agreed to by the tenant.
- Options should be no more than 10% above the Canadian Mortgage and Housing Corporation (CMHC) average rent for the applicable unit size in the City of Surrey, unless agreed to by the tenant.

Note: CMHC's Annual Rental Market Report for Vancouver CMA is issued each fall. The report contains average rents by number of bedrooms for each municipality in Metro Vancouver, including the City of Surrey. City of Surrey Average Rents for 2018 are included in Appendix B as a reference. The Proponent should use the Average Rents for the most current year.

- In cases where the tenant's current rent is more than 10% above the CMHC average rent, options should be provided at a maximum of the tenant's current rent.
- The tenant's needs and requirements should be considered including affordability, accessibility, household size, and need for pet friendly accommodations.
- For vulnerable tenants with additional requirements, the Proponent is encouraged to work with a non-profit housing provider, health or social service agency to meet the tenant's needs.
- Tenants who do not want to be provided with relocation assistance shall provide written notice to the Proponent.

c. Right of First Refusal

- The Proponent will provide all eligible tenants with the right of first refusal to rent a unit in the redevelopment, at no more than 10% below the CMHC average rent for the applicable unit size in the City of Surrey.

5. Reporting Requirements

The Proponent should submit to City staff regular status updates showing evidence that the Communication Plan and Tenant Relocation Plan are being implemented.

Status updates should provide information updating the Planner on all aspects of implement the Tenant Relocation and Communications Plans, including:

- For each tenant, the results of relocation assistance, including options provided, location and monthly rent in the new unit, move out date, and details of any additional assistance for vulnerable tenants.
- Total compensation provided for each tenant.
- Whether the tenant will be exercising the right of first refusal to rent in the new building, and if so, the unit type and starting rent.
- Samples of communications with tenants.

Appendix D includes a sample Tenant Relocation Report.

Ending Tenancies

The Residential Tenancy Act (RTA)

Under the Residential Tenancy Act, there are generally two options for ending tenancies when a building is being demolished, renovated, repaired or converted:

- Notice to End Tenancy: A landlord gives legal notice to end the tenancy for the purposes of demolition, renovation, repair or conversion.
- Mutual Agreement to End Tenancy: Landlord and tenant mutually agree in writing to the terms in which a tenancy is ended.

The Practice of Ending Tenancies

Under the Residential Tenancy Act, landlords must give four months' Notice to End Tenancy for demolition. This notice cannot be issued until all permits and approvals that are required by law are in place. Tenants have the legal right to stay in the building until the end of the four months' notice period.

However, some tenants may wish to start looking for new accommodations and move out prior to a formal Notice to End Tenancy. In this case, the Proponent can offer tenants the option for a Mutual Agreement to End Tenancy and assist tenants in relocating prior to the issuance of a Notice to End Tenancy.

As a good practice, Proponents should seek to stagger tenant move out dates, especially with larger rental buildings. This will make it easier for tenants to find new places to live and avoids a situation where all the tenants of a building are looking for new accommodations in the rental market at the same time. Tenants should be compensated as they move out.

Examples:

Tenant A receives communication from your company that you have submitted an application to the City to redevelop a property with rental housing onsite. Tenant A wants to ensure that her family can stay in the neighbourhood and wants to start looking for a new place immediately. Your company provides assistance for Tenant A to find a new place to rent. Your company and Tenant A agree to end the Tenancy, and she is provided with the equivalent of 3 months' rent as compensation under the City of Surrey Policy 0-61.

Tenant B wishes to stay in his apartment. After your company receives all the relevant permits, you issue a Notice to End Tenancy, with four months' notice as required under the RTA. Your company provides Tenant B with relocation assistance. Tenant B stays in his apartment until the end of the four months. He is given the choice of receiving a lump sum payment equivalent to 3 months' rent, or can choose not to be charged rent for the last three months.

Tenant C moves into the building after your company submits a Development Application to the City. Tenant C is advised that the building will be demolished and redeveloped. The Tenancy agreement signed between your company and Tenant C is a fixed term agreement that requires the tenant will move out at the end of the fixed term. Tenant C is not required to be provided with compensation or relocation assistance under the City of Surrey Policy 0-61.

APPENDICES

Appendix A: Tenant Relocation Assistance Checklist

Appendix B: CMHC Average Rents (2018) And BC Housing HILS (2018)

Appendix C: Sample Occupancy Summary Report

Appendix D: Sample Tenant Relocation Report

APPENDIX A: TENANT RELOCATION ASSISTANCE CHECKLIST

Pre-Application

- Review applicable laws and policies:
 - Provincial Residential Tenancy Act (RTA).
 - City of Surrey Policy O-61 Rental Housing Redevelopment: Rental Replacement and Tenant Relocation Assistance.
- Designate a Tenant Relocation Coordinator and ensure that all tenants have contact information.
- Begin communication with tenants. At this stage, Proponents should notify tenants of the intent to redevelop the building, as well as information on the process and timeliness.
- Begin to identify vulnerable tenants, and additional support needed for these tenants.
- Prepare documents to submit with the Development Application, including the Current Occupancy Summary, Communications Plan, and Tenant Relocation Plan.

Application

- The following documents should be submitted with the Development Application:
 - Current Occupancy Summary
 - Communications Plan
 - Tenant Relocation Plan
- Communication to tenants regarding the development application should be provided as soon as possible and no later than two weeks after an application is received by the City. Please note: Proponents should not issue any Notices to End Tenancy at this time.

In Development

- Implement the Communication Plan. Proponents are strongly encouraged to communicate 'early and often' with tenants.
- Implement the Tenant Relocation Plan.
- Provide regular status updates to the City Planner showing evidence that the Communication Plan and Tenant Relocation Plan are being implemented.

Prior to Issuance of Permits

- Provide evidence to the satisfaction of the City demonstrating that all aspects of the Tenant Relocation Policy have been completed.

After Permits Issued

- Issue 4 months Notice to End Tenancy to any remaining tenants.

APPENDIX B: CMHC AVERAGE RENTS (2018) AND BC HOUSING HILS (2018)

CMHC Private Apartment Average Rents for the City of Surrey by Bedroom Type (2018)

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
\$774	\$978	\$1151	\$1307

Source: CMHC, Rental Market Report Vancouver CMA, Fall 2018

Note: This table is for reference only; the Proponent should use CMHC average rents for the most recent year.

BC Housing, Housing Income Limits (2018)

Housing Income Limits (HILs) represent the income required to pay the average market rent for an approximately sized unit in the private market. Average rents are derived from CMHC's annual Rental Market Report. The size of unit required by a household is governed by federal / provincial occupancy standards. HILs are calculated for the Vancouver CMA (Metro Vancouver) and are not provided specifically for Surrey.

Bachelor	1 Bedroom	2 Bedroom	3 Bedroom
\$41,500	\$48,000	\$58,000	\$68,000

Source: BC Housing, 2018 Housing Income Limits (HILS)

Note: This table is for reference only; the Proponent should use HILs for the most recent year.

APPENDIX C: SAMPLE OCCUPANCY SUMMARY REPORT

Date:

Address:

Application #:

Owner:

SUMMARY

Total number of units:

Total number of bedrooms:

Total number of tenants:

Unit #	Occupied / Vacant	Tenant Name	Phone / Email	Unit Size (# of beds)	Number of Tenants	Monthly Rent	Date of Move-In	Length of Tenancy	Demographic Profile*	Other

*Demographic profile including any mobility limitations, accessibility requirements, pets, language

