CITY OF NANAIMO
THE HARBOUR CITY

Information Report

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SUBJECT TENANT PROTECTIONS PROJECT

OVERVIEW

Purpose of Report:

To introduce the Tenant Protections Project and outline next steps in the process.

BACKGROUND

Manufactured home park communities and apartment buildings with rental housing units provide important affordable housing in the City of Nanaimo. Residents in manufactured home communities and older rental apartment buildings can be vulnerable to displacement and may have limited affordable options when their properties are considered for redevelopment. The Tenant Protections Project will propose protections, beyond Provincial requirements, for residents whose tenancy is terminated when a property is considered for redevelopment.

City Plan policy encourages "*requiring tenant relocation plans as a condition of rezoning or redevelopment of existing mobile home parks and purpose-built rental buildings of four or more units*" (C3.2.15). An *Integrated Action Plan* priority action is to "*create a tenant relocation policy to support tenants impacted by redevelopment and displacement*."

In April 2024, the Province passed "Bill 16 – Housing Statutes Amendment Act, 2024" which provides municipalities with the authority to develop a 'tenant protection bylaw' that can require property owners and developers to provide added support (beyond Provincial requirements) for tenants facing displacement in cases of redevelopment. The supports may include financial assistance, moving assistance, help to find a new place to live, or the right to enter into a new tenancy agreement with the owner in another building. Prior to April 2024, the City's main recourse was to secure tenant protections as part of a rezoning process for a specific property, and some municipalities created a policy for this purpose (see attachments A and B). With Bill 16 providing the opportunity to create a tenant protection bylaw, tenant protections can be secured at the time of redevelopment, regardless if a rezoning of the property is required. In September 2024, the Province provided interim guidance for tenant protections bylaws and more comprehensive guidance is expected from the Province in 2025.

Prior to the introduction of Bill 16, City Staff had commenced research on tenant protection policies in 2024. Staff are now ready to proceed with the project, and this Staff Report introduces the topic and outlines the expected 2025 project timeline.

DISCUSSION

While the Province offers some protections for residents facing eviction through the *Manufactured Home Park Tenancy Act* (MHPTA) and *Residential Tenancy Act* (RTA), this project will consider additional relocation protections that can be offered to residents in the event that a manufactured home park property or rental apartment building is considered for redevelopment.

Protections for Residents of Manufactured Home Communities

The City of Nanaimo currently has approximately 20 manufactured home park communities that contain approximately 1,700 homes. All of the manufactured home park properties are designated as "Suburban Neighbourhood" in *City Plan*. The "Suburban Neighbourhood" designation supports single unit dwellings, duplexes, and ground-oriented multi-unit dwellings. Also, all (except one) properties are zoned R12 "Mobile Home Park Residential", thus a rezoning application would be required for a development proposal that is not a manufactured home park. The rezoning process provides the City with the discretion to consider if the proposed use is consistent with *City Plan* policy, and with the discretion to impose conditions/requirements that may include additional protections for tenants.

The MHPTA requires that when a landlord intends to convert all or a significant part of a manufactured home park to a non-residential use or any residential use other than a manufactured home park, the following legal requirements must be met:

- The landlord must have completed the rezoning application process before issuing the termination notice. Once the rezoning process is complete, the landlord may issue a 12-month termination notice.

- The landlord is required to provide the resident with compensation in the amount of $20,000 on or before the effective date of the notice.

- Residents receiving a 12-month notice have the option to move out before the specified date in the notice, unless the tenancy is of a fixed-term nature.

- When landlords initiate the termination of a manufactured home park tenancy for converting the use of the park, they must take proactive steps to fulfill that purpose within a reasonable period. Failure to do so may result in the obligation to compensate the tenant with an additional $5,000 or the equivalent of 12-months' rent as stipulated in the tenancy agreement.

- Additional Compensation: A tenant can request additional compensation if the following criteria are met; a) If a tenant can prove that they were unable to obtain the necessary permits or approvals to move the manufactured home, or that they were unable to move the manufactured home to another site; and b) they do not owe any tax in relation to the home.

This project will propose options for the City to add requirements that offer more protections for residents required to relocate. Several municipalities have manufactured home park redevelopment policies in place that are applied at the time a property is considered for rezoning. A summary of a few of these municipal policies is provided in Attachment A. The policies outline the requirements and conditions a development applicant must meet at the time of a rezoning application. Typical protection requirements and conditions include:

- **Communication Plan**: Development applicant to provide and implement a communication plan to ensure that residents are given ongoing updates about the development application process from start to finish.
- **Relocation Plan**: Development applicant to provide a viable relocation plan for each resident.
- **Right of First Refusal**: Development applicant to offer a right of first refusal to purchase a housing unit in the new development (if applicable).
- **Financial Compensation**: Development applicant to provide financial compensation for each resident, including moving assistance (above the MHPTA).

The opportunities in Bill 16 will allow the City to consider tenant protections for manufactured home park communities at the time of development permit, building permit, and/or strata conversion in the form of a 'tenant protection bylaw'. This project will consider the appropriate communication plan, relocation requirements, financial compensation, and other potential conditions for the Nanaimo context.

Tenant Protections for Residents of Rental Buildings

The City of Nanaimo has business licences for 126 rental apartment buildings that provide an estimated 4,800 rental units. There are more rental buildings in the city that do not have a business licence, these are generally rental buildings of four or less units, and some older building stock that has not changed ownership. This project will consider protections for tenants of rental apartment buildings (of four or more units) for the following scenarios:

- Renovations, demolition, and redevelopment of existing residential buildings, and,
- Conversion of previously occupied residential buildings into a strata ownership.

Provincial protections for tenants of a rental apartment building are within the RTA, and when an owner proposes to end a tenancy the tenant protections include:

- Four months notice to end tenancy for renovation or demolition,
- Two months notice to end tenancy for landlord use of property, and,
- Final month is rent-free.

The City has not experienced issues with strata conversions of existing residential buildings to date for a variety of reasons, including:

1. The City has a policy that restricts strata conversion of existing residential rental buildings of four or more units when the rental vacancy rate falls below 3% (and the rate has been below 3% since 2014); and,
2. A strata conversion requires that the building be upgraded to substantially comply with current BC Building Code standards, which can be a cost prohibitive process.

We may soon reach the conditions that allow for strata conversions of rental buildings. The 2024 vacancy rate was 2.9%, a reflection of the significant increase in rental building construction in recent years. Also, as Nanaimo's housing market increases in value, the costs associated with redevelopment and strata conversion of existing rental buildings may become more economically feasible in the coming years. A potential 'tenant protection bylaw' that places requirements on developers to provide additional protections can be a proactive tool that eases the burden for

displaced tenants. This would also need to be balanced with not unduly impacting the rejuvenation of rental buildings and manufactured home parks, and the benefits of expanding the existing rental stock.

Several municipalities have tenant relocation policies in place that are applied at the time a rental apartment building is considered for redevelopment (rezoning or strata conversion). A summary of these policies is provided in Attachment B. Typical tenant protection requirements and conditions that a development applicant must provide are:

- **Communication Plan**: Development applicant to provide and implement a communication plan to ensure that residents are given ongoing updates about the development application process from start to finish.
- **Relocation Plan**: Development applicant to provide a viable relocation plan for each resident.
- **Right of First Refusal**: Development applicant to offer a right of first refusal to purchase a housing unit in the new development (if applicable).
- **Financial Compensation**: Development applicant to provide financial compensation for each resident, including moving assistance (above the RTA).

The opportunities in Bill 16 will allow the City to consider tenant protections for residents of rental apartment buildings at the time of development permit, building permit, and/or strata conversion in the form of a 'tenant protection bylaw'. This project will consider the appropriate communication plan, relocation requirements, financial compensation, and other potential conditions for the Nanaimo context.

NEXT STEPS

1. **January to May 2025**: Staff are in the process of retaining a consultant to complete a financial analysis to recommend appropriate tenant relocation and compensation conditions that are suited to the Nanaimo market and residents' needs.

2. **Spring 2025**: Consultation and engagement with key stakeholders to determine appropriate conditions related to a communication plan, relocation plan, right of first refusal options, and financial compensations. Key stakeholders will include residents of mobile home communities, rental building tenants, property owners, and the development community.

3. **Summer 2025**: Present draft tenant protection bylaw and/or policy to Council for consideration of adoption.

4. **Fall 2025:** Develop administrative procedures and build Staff capacity for processing development applications that require tenant relocation protections. Create communication materials, website, and a process guide to inform and support tenants and the development community.

SUMMARY POINTS

- The Tenant Protections Project will propose protections that can be incorporated into a bylaw and/or policy, for residents whose tenancy is terminated when a property is considered for redevelopment in manufactured home park communities and rental apartment buildings of four or more units.
- Bill 16 gives municipalities the authority to develop a 'tenant protection bylaw' to require development applicants to provide added support (beyond Provincial requirements) to tenants facing displacement, such as financial assistance, moving assistance, help to find a new place to live, and/or the right to enter into a new tenancy agreement with the owner in another building.
- The next steps in the process are to complete a financial analysis to recommend appropriate tenant relocation and compensation conditions that are suited to the Nanaimo market and resident needs, and to consult with key stakeholders.

ATTACHMENTS

ATTACHMENT A: Summary of Protection Policies from Other Municipalities – For Residents of Mobile Home Parks

ATTACHMENT B: Summary of Protection Policies from Other Municipalities – For Tenants of Rental Apartment Buildings

Submitted by:	**Concurrence by:**
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ATTACHMENT A

Summary of Protection Policies from Other Municipalities – For Residents of Mobile Home Communities

Note: The policies listed below are required as a condition of a rezoning application of a mobile home park property. Provincial Bill 16 allows municipalities to adopt a 'tenant protection bylaw' that could contain similar protections (as listed below) at the time of development permit and/or building permit, as well as a condition of rezoning.

Municipality	Policy Title	Policy Summary
City of Kelowna	Mobile Home Park Redevelopment Policy (2010)	**Communication Plan** - Advise residents of redevelopment application, and update residents as the process proceeds. **Relocation Plan** – Implement a viable relocation plan for residents. **Right of First Refusal** - Provide tenants with a right of first refusal to purchase a new housing unit on the property (if applicable).
City of Revelstoke	Manufactured Home Park Redevelopment, Residential Tenant and Strata Conversion Policy (2023)	**Communication Plan** - Advise residents of redevelopment application, and update residents as the process proceeds. **Relocation Plan** – Implement a viable relocation plan for residents. **Right of First Refusal** - Provide tenants with a right of first refusal to purchase a new housing unit on the property (if applicable).
Regional District of Nanaimo	Manufactured Home Park Redevelopment Policy (2006)	**Communication Plan** - Advise residents of redevelopment application, and update residents as the process proceeds. **Relocation Plan** - Implement a viable relocation plan for residents, including providing tenants with information to assist in making place for alternative living arrangements, inform them of their rights, survey the residents on their housing / relocation needs, and assist them in determining the condition of their manufactured home. **Right of First Refusal** - Provide tenants with a right of first refusal to purchase a new housing unit on the property (if applicable). **Financial Compensation** - Arrange and pay for the disposal of a manufactured home. Provide financial compensation to resident, based on the assessed value of the mobile home.
District of Sooke	Manufactured Home Park Redevelopment Policy (2008)	**Communication Plan** - Advise residents of redevelopment application, and update residents as the process proceeds. **Relocation Plan** – Implement a viable relocation plan for residents. **Right of First Refusal** - Provide tenants with a right of first refusal to purchase a new housing unit on the property (if applicable). **Financial Compensation** - Pay for the disposal or moving of a manufactured home. Provide financial compensation to resident, based on the assessed value of the mobile home OR one year of pad rent whichever is higher.
City of Coquitlam	Mobile Home Park Redevelopment Tenant Assistance Policy (2021)	**Communication Plan** – Host a tenant information meeting and advise residents of redevelopment application, and update residents as the process proceeds. **Relocation Plan** - Implement a viable relocation plan for residents, including providing a tenant relocation coordinator. **Right of First Refusal** - Provide tenants with a right of first refusal to purchase a new housing unit on the property (if applicable). **Financial Compensation** - Provide financial compensation to residents based on the tenant's length of tenure and moving assistance allotment. **Other** - Where plans for redevelopment include a residential component, provide a low-cost housing option for resident to remain on the site, and this shall be secured with a Housing Agreement on title.

Municipality	Policy Title	Policy Summary
City of Langford	Manufactured Home Park Redevelopment Policy (2015)	**Communication Plan** - Advise residents of redevelopment application, and update residents as the process proceeds. **Relocation Plan** - Implement a viable relocation plan for residents. **Right of First Refusal** - Provide tenants with a right of first refusal to purchase a new housing unit on the property (if applicable). **Financial Compensation** - Arrange and pay for the disposal of manufactured home. Provide financial compensation to resident, based on the assessed value of the mobile home. **Other** – City to establish a reserve fund as a support for owners of manufactured homes in the event of the redevelopment of a manufactured home park to a different use and allocate an amount equal to 10% of the municipal portion of the property taxes paid by manufactured homes in manufactured home parks to that fund. The reserve funds may be made available to homeowners through their non-profit manufactured home park associations by way of a municipal grant application.
City of Maple Ridge	Manufactured Home Park Redevelopment Tenant Assistance Policy (2018)	**Communication Plan** - Host resident information meeting and to advise residents of redevelopment application, and update residents as the process proceeds. **Relocation Plan** – Implement a viable relocation plan (with three options) for residents, with a tenant relocation coordinator. **Right of First Refusal** - Provide tenants with a right of first refusal to purchase a new housing unit on the property (if applicable). **Financial Compensation** - Provide financial compensation, based on length of tenancy. Provide financial assistance for moving, based on number of bedrooms. **Other** - Provide a 2-year eviction notice, effective from the date of final approval for the rezoning application.
City of Surrey	Manufactured Home Park Redevelopment and Strata Conversion Policy (2015)	**Communication Plan** - Advise residents of redevelopment application, and update residents as the process proceeds. **Relocation Plan** - Implement a viable relocation plan for residents. **Right of First Refusal** - Provide tenants with a right of first refusal to purchase a new housing unit on the property (if applicable). **Financial Compensation** - Pay for the disposal or moving of a manufactured home. Provide financial compensation to resident, based on the assessed value of the mobile home. **Other** - Reserve a proportion of the new units for affordable rental or market housing for the existing manufactured home park residents, and reimbursement of reasonable living and moving expenses. The allocation and cost of these units should be related to housing need and the income of the residents (with Housing Agreement on title).

ATTACHMENT B

Summary of Protection Policies from Other Municipalities – For Tenants of Rental Apartment Buildings

Note: The policies listed below are required as a condition of redevelopment of a rental apartment building (typically at strata conversion or rezoning). Provincial Bill 16 allows municipalities to adopt a 'tenant protection bylaw' that could contain similar protections (as listed below) at the time of development permit, strata conversion, and/or building/demolition permit, as well as a condition of rezoning.

Municipality	Policy Title	Brief Overview
City of Revelstoke	Manufactured Home Park Redevelopment, Residential Tenant Protection, and Strata Conversion Policy (2023)	**Communication Plan -** Notification requirements to inform tenants of the development application process. **Tenant Relocation Plan -** Assistance in finding new affordable accommodation. **Right of First Refusal -** Applicant to offer a right of first refusal for new unit on the property. **Other** – Applicant may provide new below market housing units on site for eligible displaced tenants (with Housing Agreement secured on title) or a contribution to the Housing Legacy Reserve Fund.
City of Vancouver	Tenant Relocation and Protection Policy (updated in June 2024)	**Communication Plan –** Mandatory ongoing notification and tenant meeting requirements throughout the development application process. Interim and final report required to be submitted to the City to demonstrate all tenant protection requirements have been met, prior to issuance of occupancy for new units on the property. **Tenant Relocation Plan –** Assistance in finding new equally affordable accommodation. Three reasonable and affordable options are to be provided to each tenant. **Right of First Refusal –** Applicant to offer a right of first refusal for new unit on the property, with 20% discount off starting market rents, or a unit in another building. **Financial Compensation –** Applicant to pay between 4-24 months rent depending on length of tenancy. Owner may need to offset relocation costs. **Other** –Extra requirements for tenants being displaced in certain areas such as Broadway Plan area, and Transit Oriented Areas. There are also extra requirements when tenants in non-market housing are being displaced, and for vulnerable tenants (i.e. seniors or persons with disability).
City of Coquitlam	Tenant Relocation Policy (2021)	**Communication Plan** – Mandatory ongoing notification and tenant meeting requirements. **Tenant Relocation Plan** – Relocation plan and a relocation coordinator is required. **Right of First Refusal** - Applicant to offer a right of first refusal for new unit on the property. **Financial Compensation** – To be provided based on length of tenancy. Moving assistance to be provided based on number of bedrooms and is paid by a one-time flat rate. **Other** – Separate requirements for tenants displaced from non-market units.

Municipality	Policy Title	Brief Overview
City of Burnaby	Tenant Assistance Policy (2022)	**Communication Plan** – Mandatory ongoing notifications and tenant meeting requirements. **Tenant Relocation Plan** – Tenant relocation coordinator is required to provide assistance in finding new affordable accommodation. Three reasonable and affordable options are to be provided to each tenant. Extra support for vulnerable tenants must be provided. **Right of First Refusal** - Applicant to offer a right of first refusal for new unit on the property. **Financial Compensation** – Applicant to pay lump sum payment to tenant or 'top-up' increase of new unit rent rate for a specific time. Moving assistance must be provided based on number of bedrooms and is paid as a one-time flat rate. **Other** – Applicant to provide bonding at the beginning of the application process to ensure requirements are met.
City of Langley	Tenant Relocation Policy (2024)	**Communication Plan** – Mandatory ongoing notifications and tenant meeting requirements. Tenant relocation website required. Final tenant relocation report required as condition of demolition of building. **Tenant Relocation Plan** – Tenant relocation coordinator is required to provide assistance in finding new affordable accommodation. Three reasonable and affordable options are to be provided to each tenant. Extra support for vulnerable tenants must be provided (i.e. seniors, disability). **Right of First Refusal** - Applicant to offer a right of first refusal for new unit on the property at rent set at 20% below average, or purchase of unit at 15% discount of purchase price. **Financial Compensation** – Applicant to pay lump sum payment to tenant or 'top-up' increase of new unit rent rate for a specific time. Moving assistance must be provided based on number of bedrooms and is paid by a one-time flat rate. Compensation is to be paid out at the time of termination of tenancy in either cash and/or free rent per the tenant's preference.
District of Saanich	Tenant Assistance Policy (2023)	**Communication Plan** – Mandatory ongoing notifications to tenants. Submit a tenant relocation status report before the issuance of any building permits pertaining to the site. **Tenant Relocation Plan** – Tenant relocation coordinator is required to provide assistance in finding new affordable accommodation. Extra support for vulnerable tenants must be provided (i.e. seniors, disability). **Right of First Refusal** - Applicant to offer a right of first refusal for new unit on the property at rent set at 20% below average. **Financial Compensation** – Applicant to pay lump sum payment to tenant or 'top-up' increase of new unit rent rate for a specific time. Moving assistance must be provided based on number of bedrooms and is paid by a one-time flat rate. Compensation is to be paid out at the time of termination of tenancy in either cash and/or free rent per the tenant's preference. **Other** - Extra support for vulnerable tenants must be provided.