

Okanagan Valley

Surrey

Corporate Report

NO: R106

COUNCIL DATE: May 29, 2006

REGULAR COUNCIL

TO: Mayor & Council **DATE: May 24, 2006**
FROM: Acting General Manager, Planning and Development **FILE: 0340-05**
SUBJECT: Manufactured Home Park Redevelopment and Strata Conversion Policy -City Policy No. O-34A

RECOMMENDATION

It is recommended that Council:

1. Receive this report as information;
2. Approve the revised City Policy No. O-34A .Manufactured Home Park Redevelopment and Strata Conversion Policy attached as Appendix Ito this report; and
3. Authorize the City Clerk to forward a copy of this report to the Surrey Manufactured Home Owners Association and the Seacrest Residents Association.

INTENT

The purpose of this report is to:

- Review the City's existing policy related to the conversion of manufactured home and trailer parks;
- Compare the City's current policy with similar policies from other jurisdictions and
- Recommend modifications to the current policy that address pending and future conversion proposal issues.

BACKGROUND

In December 1995, Council adopted City Policy No. O-34A .Manufactured Home Park Redevelopment and Strata Conversion Policy, attached as Appendix 11 to this report.

This Policy requires:

1. That pre-notification notices be sent to all occupants or tenants of a manufactured home park subject to a redevelopment or strata conversion application, once the file has been assigned to a staff member to process;
2. That the applicant of any manufactured home park site undergoing redevelopment or strata conversion provide all tenants of the park with a letter at least 10 days prior to the matter being presented to Council for consideration. This letter should advise the tenants of the time and date of the Council meeting when such application is to be considered, and that any tenants who deem their interest to be affected by such redevelopment or strata conversion may contact the City to advise on their views regarding redevelopment or strata conversion;
3. That redevelopment or strata conversion applications include proposed plans for relocation of persons occupying the current manufactured home park site;
4. That any rezoning or strata conversion of existing manufactured home parks where non-CSA approved or older manufactured homes are located not be considered until Council is satisfied that a viable relocation plan for affected units is in place;
5. That the owner of any manufactured home park site proposing to redevelop to another residential zone or strata title the lots, provide present tenants with a first refusal to purchase prior to giving notice to tenants that they must vacate the manufactured home park site.

Although there have been conversions of rental pads to strata lots, Council has not considered an application to redevelop a manufactured home property under this policy.

In December 2005, the City received an application (File No. 7905-0405-00) to rezone and subdivide the Seacrest Manufactured Home Park, located at 864 16Q Street. The application would replace approximately 15 manufactured homes and a trailer park operation with 15 single family lots.

At the April 24, 2006 Regular Council Land Use Meeting, Doreen Mortensen, President of the Surrey Manufactured Home Owners Association, as well as a representative of the Seacrest Residents Association, appeared as a delegation. Mrs. Mortensen expressed concern relative to the displacement of residents of the Seacrest Manufactured Home Park as the result of a rezoning application on that given notice to vacate. It was also noted that there are a limited number of sites to move to. The concerns and requests of the delegation are more fully outlined in the "Discussion" section of this report.

Council requested that staff meet with the delegation and provide a report back to Council on this matter. It was also noted that staff should review the recently adopted Coquitlam Policy on this matter.

Staff met with representatives from the delegation on May 18, 2006 and the results of the meeting are also reflected in this report.

At the May 15, 2006 Regular Council Meeting, Council tabled a Notice of Motion on the matter of policies and strategies to accommodate tenants of mobile home parks who are forced to relocate, pending the receipt of this staff report.

DISCUSSION

Context – Manufactured Homes within Surrey

A significant number of Surrey residents live in manufactured homes. It is estimated that 2,900 residents currently occupy approximately 1,700 units in 22 registered manufactured home or trailer park locations throughout the City. A map showing the distribution of these sites throughout the City is attached as Appendix III to this report. Many of these homes are owned and taxed, based on the assessed value of the home, while the sites they occupy (“pads”) are often rented.

Manufactured homes provide an affordable, ground-oriented housing option. Units generally have two or more bedrooms, ranging from 800 to 1,200 square feet in size. According to the current Multiple Listing Service (MLS) listings, the market value of these units is typically between \$10,000 and \$80,000, with an average price of \$44,000 and a median price of \$35,000. Pad rents can range from \$450 to \$700 per month, with \$600 being a typical monthly rent for an average sized home.

A study of 2001 census data from areas in the City with high concentrations of residents living in manufactured homes, shows a significantly higher percentage of seniors and a significantly lower percentage of children and young adults, than the averages for the City or British Columbia. The average household income in these areas is approximately two-thirds of the City average and the incidence of low income households is approximately twice the City and Provincial averages. This is an indication that manufactured homes do provide a form of affordable housing to certain sectors of the community.

Based on the estimates provided by the proponent for the Seacrest redevelopment proposal, the cost of relocating these homes to new sites within Surrey was estimated at between \$4,000 and \$12,000, depending on the size and condition of the home and the number of added structures to relocate.

Resident concerns over a recent proposal for the conversion of manufactured home pads in South Surrey to single family residential lots has resulted in a request for staff to meet with affected stakeholders and to prepare a report on the current policy for Council consideration.

Zoning for Manufactured Homes

There are two zones within Surrey Zoning By-law, 1993, No. 12000 that accommodate manufactured homes and mobile homes:

- . The “Manufactured Home Residential Zone (RM-M)” intended for the provision of *manufactured home parks* where such units are intended to be occupied for dwelling purposes; and

The “Tourist Accommodation Zone (CTA)” intended to accommodate tourist accommodation, tourist trailer parks and campsites. While this zone is intended for transient use of up to six months of the year, there have been difficulties in enforcing these provisions and a significant number of long term residents occupy units within this zone.

As it is considered that both zones offer similar tenure to owners of manufactured homes that are not easily transported, it is recommended that the policy should apply to established manufactured homes in both zones.

Concerns of Local Manufactured Home Owners

The delegation that appeared at the Regular Council Land Use Meeting on April 26, 2006, expressed concern that the owner/prospective developer of the Seacrest site has not proposed adequate compensation to the current tenants, especially within the context of the current housing market. It was noted that many people reside in manufactured homes by economic necessity, that these parks allow pets and a sense of freedom similar to regular home ownership, and that many people have made additions and improvements to their homes by adding extended living spaces, patios and gardens, for which they will not be compensated. The delegation expressed the concern that the *Manufactured Home Park Tenancy Act* does not adequately compensate the owner of a manufactured home who is given notice to vacate and that there are a limited number of sites on which to move.

The Surrey Manufactured Home Owners Association requested that Council consider the following:

- Park owners/developers would buy out the manufactured home owner at a rate and time set by an adjudicator – the rate based on the current property tax assessment and actual real estate value of the home;
- When a manufactured home can be successfully moved to an approved site and the move is acceptable to the tenant, all expenses connected to that move, including landscaping to a similar condition, should be paid by the park owner/developer. A fee should be set for alternative housing until the relocated home is ready for occupancy; and
- That Seacrest and other applications be tabled until a satisfactory solution is found.

Meeting with Representatives of the Surrey Manufactured Homes Association

On May 18, 2006 staff met with representatives of the Surrey Manufactured Home Owners Association, President Doreen Mortensen and Treasurer Ginger Nicholson. The concerns of the Association, related to the redevelopment of manufactured home parks, were discussed in detail at the meeting and options for proposed revisions to the City’s policy were reviewed. The representatives noted that the issue of park redevelopment was a Province wide problem and that Provincial requirements for assistance to the residents of manufactured homes had been reduced since 2002, while pressure for redevelopment has been steadily increasing.

There was an awareness by the Association that, while it would be problematic for the City to restrict the development rights of land owners, a comprehensive consultation plan and the provision of a range of options to assist park residents in securing alternative housing would be considered as a reasonable approach to the issue. It was suggested that broader consultation with the tenants of manufactured home parks would be advisable in order to inform all park residents of proposed policy changes. Staff will continue to consult with the Surrey Manufactured Home Owners Association and affected residents, regarding the revised policy and will bring forward any necessary policy refinements for Council's consideration.

Assessment of the Current City of Surrey Policy O-34A

While the current policy does provide provisions for the notification of residents regarding development proposals and requires the development of a relocation plan, it is limited in the relocation options that are provided to residents. The proposed revisions to the policy, as presented in this report, would ensure early notification, the preparation of a comprehensive on-going communication plan and the identification of a range of options. In particular, in addition to compensation for the costs of relocating to other sites, the revised policy would promote options that could return the residents' home equity or allow residents to remain on the site in either affordable rental housing or a purchased unit.

City of Coquitlam's Policy

In reviewing existing policies related to assisting the tenants of manufactured and mobile home parks during redevelopment or strata conversions, the policy adopted by the City of Coquitlam was identified as the most comprehensive policy currently in use. Coquitlam's policy is based on a review of existing policies in Abbotsford, Surrey, Kelowna and Peachland. Coquitlam's Mobile Home Park Redevelopment Tenant Assistance Policy is attached as Appendix V.

Coquitlam has recently received applications to redevelop three of the seven manufactured home parks currently existing in Coquitlam, for new housing, which led to the development and adoption of their comprehensive new policy. The Coquitlam policy contains a number of elements that are in the current Surrey policy, such as the requirement for pre-notification by the applicant and a relocation plan.

The Coquitlam policy includes the following additional provisions:

- The applicant is required to notify all tenants of plans for redevelopment and that a relocation assistance program is part of these plans. Copies of these communications must be submitted with the application and are attached to the report to Council;
- The applicant must formulate a plan for communicating the relocation assistance program with existing residents;
- The Relocation Assistance Program, which must be submitted with the development application, must include a demographic profile of residents, including general

income levels and housing needs/relocation preference options, a profile of mobile home condition and potential for moving and re-use of these homes;

- The Relocation Assistance Program is to be flexible and multi-dimensional, including various options and components to respond to different tenant characteristics, needs and circumstances and;
- The Relocation Assistance Program may include arranging and paying for the disposal of units, compensatory payments of a value that would provide tenants with some amount of equity and greater flexibility in planning for relocation, opportunities for the first right of refusal on the purchase of available units in the new development and advice on options for relocating.

One additional element of the Coquitlam proposal is that where the plans for redevelopment include a residential component, one component of the program “**shall**” be an affordable housing option for tenants to remain on the site. Under this policy the applicant would be required to enter into a housing agreement registered against the title of the property.

Coquitlam staff report that local developers have proposed both an affordable rental housing building and discounted market housing units under the new policy as part of the compensation package for the occupants of the proposed building sites.

Provincial regulations require that tenants in manufactured home parks be given 12 months notice of the final moving date from the time that all permits have been granted and that they be given a payment equivalent to 12 months pad rent.

Proposed Surrey Policy Revisions

It has been over a decade since the City of Surrey has reviewed its policy with regard to the relocation of residents of manufactured or mobile home parks due to redevelopment applications or strata conversions. Current market conditions would suggest that there may be additional applications for redevelopment of sites now occupied by mobile homes.

In reviewing other existing policies, it is recommended that the following elements be considered for addition to the existing policy. A revised policy would focus on ensuring ample notification, comprehensive communication with residents and a range of relocation options for residents. Proposed enhancements include:

- **Advance Notification** . Tenants will need to be notified of the proposal at the initiation of the process (i.e., at the pre-application phase);
- **Communications Plan** . The proponent will be required to commit, at the rezoning application phase, to a plan specifying how and when tenants would be informed of developments in the application process and on the development of a Relocation Assistance Program.
- **Relocation Assistance Program** . Prior to the rezoning application being heard, the

proponent will need to prepare a Relocation Assistance Program supported by background information on the demographic characteristics of all owners, their housing needs and preferences and a plan that includes relocation of units, where feasible. The Assistance Program will require a range of options to be presented, including:

Relocation Assistance Option:

- Provision of information on relocation options, such as alternative park locations and costs, market and non-market housing units in area;

Payment of relocation costs (up to the assessed value of the home and disposal costs) to a new site in the Lower Mainland, within 100 kilometres of the site; Compensation Option: The purchase of the home at fair market value, as determined by a mutually acceptable professional appraiser accredited by the Appraisal Institute of Canada, including disposal costs and moving expenses; Affordable Housing Option: Where a significant number of new housing units are being constructed, the provision of affordable housing on the development site to meet core housing need, as defined by Canada Housing and Mortgage Corporation. This could be supported through density bonusing to provide sufficient development potential at no additional cost to the developer and include affordable rental units or a discount on the purchase of market-value units.

Comparison of Surrey's Policy With Those of Other Jurisdictions

Staff has undertaken a review of Provincial Legislation, the policy framework in the State of Washington, and the policy recently adopted by the City of Coquitlam. A summary of these policies, as well as a comparison with Surrey's current Policy No. O-34A, the proposals by the Surrey Manufactured Home Owners Association and the proposals for the revised Surrey Policy No. O-34A, are attached as Appendix IV.

Financial Impact

The application of this policy will increase costs to the developer for redevelopment of existing manufactured home park sites, compared to the costs associated with a property unencumbered by existing tenants. If a buy-out option in the Assistance Program is preferred by tenants, a potential average cost per tenant of approximately \$40,000 could be incurred. In the case of the Seacrest proposal, this could add approximately \$500,000 to the total development cost, which would either reduce the value of the land or be passed on to the end buyers.

CONCLUSION

There is increasing pressure for the redevelopment of manufactured home and trailer park sites in the Greater Vancouver Regional District. While Surrey has had a policy in place since 1995 to assist residents of manufacture home and trailer parks, there have been requests to enhance this policy. After a review of existing policies for Surrey and other jurisdictions, revisions to Policy No. O-34A . Manufactured Home Park Redevelopment and Strata Conversion have been prepared for Council's consideration (Appendix I). As there is an urgent need to provide a clear policy guidance to applicants for manufactured home park redevelopment, it is recommended that Council approve the proposed revisions to City Policy No. O-34A Manufactured Home Park Redevelopment and Strata Conversion Policy (Appendix I) for immediate application and authorize the City Clerk to forward a copy of this report to the Surrey Manufactured Home Owners Association and the Seacrest Residents Association.

How Yin Leung
Acting General Manager
Planning and Development

Attachments:

Appendix I Revised City Policy No. O-34A

Appendix II Current City Policy No. O-34A

Appendix III Map of Distribution of Manufactured Home/Trailer Park Locations in Surrey

Appendix IV Matrix of Requirements and Policies from other Jurisdictions City of Coquitlam

Mobile Home Park Redevelopment Tenant Assistance

Appendix V Policy City of Coquitlam

City of Kelowna

CITY POLICY NO.034A

REFERENCE:

APPROVED BY:

CITY COUNCIL

DATE:

HISTORY:

REVISED

TITLE: MANUFACTURED HOME PARK REDEVELOPMENT AND STRATA CONVERSION POLICY

1. The Relocation Assistance Program outlined in this policy shall be considered to be in addition to any provincially mandated requirements, such as the provision of minimum notice of termination of a tenancy and financial compensation.
2. Notices to residents regarding the redevelopment or strata conversion proposal shall be provided to residents by the Proponent for the application at the pre-application stage. The notice shall include a copy of this policy and a notice that a Relocation Assistance Program will be provided by the Proponent.
3. A Communications Plan acceptable to the City shall be provided by the Proponent to the City showing when and how residents will be notified of process steps and relocation assistance options.
4. Timely process updates shall be provided to residents by the Proponent, including notice of Council meetings related to the application, public hearing dates and methods for advising City staff and Council of resident concerns.
5. Demographic profiles, housing needs, relocation preferences, assessment of home condition and potential/cost for relocation/reuse shall be provided by the Proponent to the City for each home on the application site, where available.
6. Comprehensive information on relocation options, such as alternative park locations and costs, market and non-market rental units in the area, shall be made available to residents by the Proponent.
7. A Relocation Assistance Program shall be prepared by the Proponent for all residents. A range of options will be offered, including:
 - (a) An option for a right of first refusal for park residents to purchase a housing unit or, in the case of park strata conversions, a lot within the new development, for purchase at or below fair market value;
 - (b) An option, in addition to provincially mandated compensation requirements, to pay all reasonable relocation costs (up to the assessed value of home and disposal costs) to new site in the Lower Mainland within 100 kilometers of the site. A commitment should be made to cover additional costs associated for relocating non-CSA and older units in an acceptable state;
 - (c) An option for the purchase of park residents homes at fair market value, as determined by a mutually agreeable professional real estate appraiser accredited by the Appraisal Institute of Canada. The proponent should pay reasonable disposal costs and moving expenses;
 - (d) An option for the Proponent to enter into a Housing Agreement with the City to reserve a proportion of the units for affordable rental units for park residents, together with reasonable moving expenses. The allocation of these units should be prioritized by established housing need with a rent suitable for the income of the residents. This option could be supported by density bonusing for the additional units required and must be secured in the agreement by a mechanism such as the

registration of the affordable housing on the title of the property;

- (e) The Proponent may provide relocation assistance options to residents in addition to those outlined in this policy.
8. The complete Relocation Assistance Program, with signed agreements from residents, confirmation of offers made and the status (e.g., age, income, health), where available, for those refusing to sign an agreement shall be provided by the Proponent for presentation to Council, as part of the staff report for the redevelopment or strata conversion application.

CITY POLICY NO. 034A

REFERENCE:
REGULAR COUNCIL MINUTES
11 DECEMBER 1995
PAGE 10

APPROVED BY: CITY COUNCIL
DATE: 11 DEC 1995 (RES.95—4 166)

HISTORY: NEW

TITLE: MANUFACTURED HOME PARK REDEVELOPMENT AND STRATA CONVERSION POLICY

The following is a policy for the redevelopment and strata conversion of existing manufactured home parks which supplements the provisions outlined in the Condominium Act and the Residential Tenancy Act.

1. That pre-notification notices be sent to all occupants or tenants of a manufactured home park subject to a redevelopment or strata conversion application, once the file has been assigned to a staff member to process.
2. That the applicant of any manufactured home park site undergoing redevelopment or strata conversion provide all tenants of the park with a letter at least 10 days prior to the matter being presented to Council for consideration. This letter should advise the tenants of the time and date of the Council meeting when such application is to be considered, and that any tenants who deem their interest to be affected by such redevelopment or strata conversion may contact the City to advise on their views regarding redevelopment or strata conversion.
3. That redevelopment or strata conversion applications include proposed plans for relocation of persons occupying the current manufactured home park site.
4. That any rezoning or strata conversion of existing manufactured home parks where non-CSA approved or older manufactured homes are located not be considered until Council is satisfied that a viable relocation plan for affected units is in place.
5. That the owner of any manufactured home park site proposing to redevelop to another residential zone or strata title the lots, provide present tenants with a first refusal to purchase prior to giving notice to tenants that they must vacate the manufactured home park site.

City of Coquitlam Policy

MOBILE HOME PARK REDEVELOPMENT TENANT ASSISTANCE POLICY

The following is a Council policy to address the displacement of tenants through the rezoning and redevelopment of mobile home parks. The policy is meant to provide tenants with the opportunity for greater notification and assistance from development proponents than is currently required under the *Manufactured Park Tenancy Act*.

The applicant shall:

- **notify existing tenants of plans for redevelopment; and**
- **communicate with and formulate a relocation assistance program for existing tenants**

according to the following guidelines.

Communication of Plans for Redevelopment

1. 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 in the mobile home park.
Copies of these communications shall be submitted with the application for the development and will be attached to the report that is forwarded to Council.
2. The applicant shall formulate a plan for communicating the relocation assistance program with existing residents. The communication plan should provide tenants with information that will assist them in making plans for alternative living arrangements. Proponents should provide updates to resident as the process progresses, including when the application for redevelopment is considered at Committee of the Whole, Council meetings, and Public Hearings.

II. Relocation Assistance Program

1. Content

The relocation assistance program shall:

- a. Include a profile of resident demographic characteristics such as age, family size/structure, general income levels, housing needs/relocation option preferences, where this information is attainable;
- b. Include a profile of mobile home condition and potential for moving and re-use of homes, where this information is attainable;
- e. Be flexible and multi-dimensional by including various options and components in order to respond to different tenant characteristics, needs and preferences;

II. Relocation Assistance Program

- d. Components may include, in addition to the statutory requirements under the

Manufactured Home Park Tenancy Act:

1. Arranging and paying for the disposal of mobile homes;
- ii. Unconditional compensatory payments of a value that would provide tenants with some amount of equity and greater flexibility in their plans for relocation (e.g. a payment equivalent to the assessed value of the mobile home). This would be in addition to the mandatory payment under the

Manufactured Home Park Tenancy Act,

- in. Opportunities for first right of refusal to purchase and purchase discounts on local units developed by the applicant, including new units built on the subject site;
- iv. Advice on options for relocating in the local and regional context in regards to market housing, non-market housing, and mobile home park opportunities.

Where plans for redevelopment include a residential component, one of the program components shall be an affordable housing option for tenants to remain on the subject site. The applicant will be required to enter into a Housing Agreement to secure any affordable housing options offered to existing residents as part of new development on the site. As per the *Local Government Act*, a I-Lousing Agreement must be registered on title;

- e. Include a status report on the implementation of the program, indicating preferred options for the tenants.

III. Timing

The applicant shall formulate, communicate, and begin implementing components of the program as soon as possible after plans for redevelopment are made. The relocation assistance plan shall be submitted with the development application.

IV. Evaluation and Securing of the Plan

City staff will evaluate the proposed relocation assistance program in conjunction with the redevelopment application to ensure that it meets the objectives of this policy. Staff will include this information in the development application evaluation report that is forwarded to Council for its consideration of the application, along with any other documentation relating to the program.

CITY OF KELOWNA
POLICY: 229
PAGE: 1 of 1
COUNCIL POLICY MANUAL

APPROVAL DATE: 1993/02/08
RESOLUTION 4: S120/93/02/O8
REPLACING #:
DATE OF LAST REVIEW: April 2005

SUBJECT: MOBILE HOME PARK REDEVELOPMENT

1. All Tenants affected by any proposed mobile home park redevelopment be advised by the owner that an application for a mobile home site redevelopment has been made.
2. The Owners of any proposed mobile home park site redevelopment include in their zoning and development application any proposals for the relocation of persons occupying the current mobile home park site.
3. The Owners of any mobile home park site proposing to redevelop to another residential zone, provide present tenants with a first refusal to purchase prior to giving notice to tenants that they must vacate the mobile home park site.
4. The applicant of any mobile home park site undergoing redevelopment provide all tenants of the park with a letter at least 10 days prior to the matter being presented to Council for their consideration. This letter would advise the tenants of the date and time of the Council Meeting when such application is to be considered, and that any tenants who deem their interest to be affected by such redevelopment may appear before Council and express their views regarding this redevelopment.
5. That any rezoning of existing mobile home parks where non-CSA approved or older mobile or manufactured homes are located, will not be considered for rezoning until a viable relocation plan for affected units is in place.

REASON FOR POLICY: Policy established because of concern for people being displaced when redevelopment of mobile home park sites.

LEGISLATIVE AUTHORITY: Council Resolution.

PROCEDURE FOR IMPLEMENTATION: Through the Planning Department as applications are received.