

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: November 8, 2021

TO: Mayor and Council

FROM: Greg Newman, Acting Director, Planning and Development Services

SUBJECT: Consideration of First Three Readings of “White Rock Housing Agreement (1485 Fir Street) Bylaw, 2021, No. 2408”

RECOMMENDATIONS

THAT Council:

1. Give the first three readings to White Rock Housing Agreement (1485 Fir Street) Bylaw, 2021, No. 2408 and that final adoption of the Bylaw be given at the next regular meeting of Council; and
 2. Endorse the Tenant Relocation Plan included as Appendix A to this corporate report dated November 8, 2021, from the Acting Director, Planning and Development Services, titled “Consideration of First Three Readings of “White Rock Housing Agreement (1485 Fir Street) Bylaw, 2021, No. 2408.”
-

EXECUTIVE SUMMARY

On July 12, 2021, Council gave third reading to “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 -1485 Fir Street) Bylaw, 2020, No. 2363” which, if adopted, will allow for the construction of a six-storey, 80-unit rental apartment at 1485 Fir Street. The property is currently occupied by a three-storey 25-unit rental apartment building. Efforts to support existing tenants through the process of redevelopment have been undertaken in accordance with the City’s Tenant Relocation Policy (i.e., Policy No. 514).

This corporate report presents White Rock Housing Agreement (1485 Fir Street) Bylaw, 2021, No. 2408. The Bylaw, if adopted, will help secure 25 units for returning tenants in addition to four (4) “rent controlled units” which will add further housing affordability to the project. The Bylaw establishes maximum permitted rents and a requirement that all 80 units remain rental in tenure over the life of the building. The Bylaw also sets obligations on the Owner to support tenants through the redevelopment process, including the allocation of tenant compensation in accordance with Policy No. 514. As a complement to the Bylaw, the Owner has prepared a Tenant Relocation Plan. The Plan provides further clarity to tenants regarding the supports available to assist them through the redevelopment. The Housing Agreement Bylaw introduced in this report has been reviewed by the City’s external legal counsel, and the Applicant’s solicitor, and is considered a strong mechanism for the implementation of the City’s Tenant Relocation Policy.

PREVIOUS COUNCIL DIRECTION

The following table summarizes Council’s decision-making as it relates to the zoning bylaw amendment and major development permit applications tied to the proposal.

Motion # & Meeting Date	Motion Details
<p>2020-527 Oct 5, 2020</p>	<p>THAT Council give first and second readings to “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 -1485 Fir Street) Bylaw, 2020, No. 2363” as presented, and direct staff to schedule the required Public Hearing;</p> <p>THAT Council direct staff to resolve the following issues prior to final adoption, if Bylaw No. 2363 is given Third Reading after the Public Hearing:</p> <ul style="list-style-type: none"> a. Ensure that all engineering requirements and issues, including dedication of a 5.0 metre by 5.0 metre corner cut on the corner of the site at Fir Street and Russell Avenue, intersection improvements including ‘watch for pedestrian’ signage as well as tactile paving on the northwest and northeast corners of George Lane and Thrift Avenue, and completion of a servicing agreement, are addressed to the satisfaction of the Director of Engineering and Municipal Operations; b. A Tenant Relocation Plan and adoption of a Housing Agreement Bylaw are finalized; and c. The consolidation of existing three lots and the demolition of the existing residential building occurs; and <p>THAT pending adoption of “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 – 1485 Fir Street) Bylaw, 2020, No. 2363,” Council consider issuance of Development Permit No. 432 for 1485 Fir Street.</p>
<p>2021-268 May 10, 2021</p>	<p>THAT Council gives second reading to “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (CD-64 – 1485 Fir Street), 2020, No. 2363”, as amended.</p>
<p>2021-042 February 8, 2021</p>	<p>THAT Council give third reading to "White Rock Zoning Bylaw 2012, No. 2000, Amendment (CD-64 - 1485 Fir Street) Bylaw, 2020, No. 2363."</p>

INTRODUCTION/BACKGROUND

In 2019, the City received concurrent applications for zoning bylaw amendment and a major development permit which, if approved, will allow for the construction of a six-storey, 80 unit rental apartment building at 1485 Fir Street. The property is currently occupied by a 25 unit three-storey rental building known as “White Birch Apartments.” Bylaw No. 2363, being a Bylaw to amend City of White Rock Zoning Bylaw, 2012, No. 2000 to enable the redevelopment, received third reading on February 8, 2021. In preparing the Bylaw for Council’s consideration, staff noted the following pre-adoption requirements:

- a) Ensure that all engineering requirements and issues, including dedication of a 5.0 metre by 5.0 metre corner cut on the corner of the site at Fir Street and Russell Avenue, intersection improvements including ‘watch for pedestrian’ signage as well as tactile paving on the northwest and northeast corners of George Lane and Thrift Avenue, and completion of a

servicing agreement, are addressed to the satisfaction of the Director of Engineering and Municipal Operations;

- b) A Tenant Relocation Plan and adoption of a Housing Agreement Bylaw are finalized; and
- c) The consolidation of existing three lots and the demolition of the existing residential building occurs.

As noted under item “(b)” above, a Tenant Relocation Plan and Housing Agreement Bylaw must be finalized prior to the approval of the zoning amendment bylaw. The Tenant Relocation Plan recognizes the Owner’s obligations as they relate to giving notice to tenants of the redevelopment proposal and the availability of assistance to aid in relocation during demolition and construction. A copy of the final Tenant Relocation Plan is included as Appendix A. It is worth noting that the Owner has provided additional information regarding local and provincial supports available to assist tenants with particular vulnerabilities / needs.

The purpose of the Housing Agreement Bylaw is to ensure that the terms of City’s Tenant Relocation Policy are upheld, particularly as they relate, in this case, to:

1. securing 25 units for returning tenants at rates below market rent, with the rental rate discounted relative to preceding length of tenancy (i.e., between 20% and 30%);
2. discounting rents by 10% within those units which are not occupied by a returning tenant, with the rates being tied to the units for the life of the building;
3. securing four (4) units with rent controls that set maximum rents at average rents for the unit type within White Rock as determined through the Canada Mortgage and Housing Corporation’s (CMHC) annual Rental Market Survey; and
4. securing all 80 units as rental tenure units for the life of the building.

Table 1.0 below summarizes the key components of the Housing Agreement Bylaw and their alignment with the City’s Tenant Relocation Policy. The Bylaw itself, being “White Rock Housing Agreement (1485 Fir Street) Bylaw, 2021, No. 2408,” is included separately on the regular Council agenda for consideration of the first three readings.

Table 1: Review of Housing Agreement Bylaw against Tenant Relocation Policy (Policy No. 514)

Tenant Relocation Policy Reference	Housing Agreement Bylaw Reference
<p>1.5 Compensation Financial compensation must be provided to displaced tenants based on the length of their tenancy. The Policy includes a “Compensation Table” which outlines the number of months’ rent to be paid to tenants based on their “Length of Tenancy (in years)”. For example, a tenant who, at the time of receiving notice of the application, had lived in the building for three years would be entitled to 10 months’ rent whereas someone who had lived in the building for 20 years would be entitled to 34 months’ rent. Payment of compensation, as noted in the Policy, must be made “no later than the termination of tenancy”.</p>	<p>Section 2.1 of the Housing Agreement Bylaw requires that Owner “covenants and agrees that”:</p> <p>(a) the Lands will not be developed and no building or structure will be constructed or used on the Lands unless as part of the development, construction, or use of any such building or structure, the Owner also designs and constructs to completion, in accordance with a building permit issued by the City, any development permit issued by the City and, if applicable, <u>any rezoning consideration applicable to the development</u> on the Lands, at least twenty-five (25) Rental Replacement Units and four (4) Rent Controlled Rental Units; and</p> <p>Further, Section 2.2 (b) of the Bylaw provides that the “Owner covenants and agrees that:”</p> <p>(b) it will provide every Eligible Tenant with the notice, moving expenses and assistance and <u>other benefits and</u></p>

Tenant Relocation Policy Reference	Housing Agreement Bylaw Reference																								
<p>Section 49 (2)(b) of the Province’s <i>Rental Tenancy Act</i> requires a minimum of four (4) months’ notice of any intention to end tenancy to demolish a rental unit “if the landlord has all the necessary permits and approvals required by law”. The City’s Tenant Relocation Policy (Section 1.3(b)) requires that “Formal Notice” be provided to tenants a minimum of two months from the issuance of a demolition permit; the Provincial requirement of four months prevails.</p> <p>Ultimately, tenants must be provided compensation on or before the date they are required to vacate the building to accommodate demolition and they must have received at least four months’ notice of this need to vacate following the landlords receipt of a demolition permit.</p>	<p><u>assistance set out in the Tenant Relocation Plan</u>; [and]</p> <p>(c) it will in all other respects comply with and fulfil the terms and conditions set out in the Tenant Relocation Plan;</p> <p>In addition to executing the Housing Agreement Bylaw the Owner is required to finalize a Tenant Relocation Plan. This Plan must include the following details as outlined in the City’s Tenant Relocation Policy:</p> <ol style="list-style-type: none"> 1. Occupancy Report 2. Vulnerable Tenants Approach 3. Tenant Communication Strategy 4. Tenant Relocation Coordinator 5. Compensation 6. Relocation Assistance 7. First Right of Refusal <p>The Owner’s final Tenant Relocation Plan will be presented to Council in tandem with confirmation of the satisfaction of other pre-adoption requisites (i.e., the assembly of existing parcels and execution of a Works and Servicing Agreement). The final Plan will be used in concert with the terms of the Housing Agreement Bylaw to ensure tenants are adequately accommodated through redevelopment.</p>																								
<p>1.7 First Right of Refusal must be given to all displaced tenants at rents below starting market rent for a similar unit in the development for a period of one (1) year, after which rents may increase in accordance with the <i>Residential Tenancy Act</i> (British Columbia):</p> <table border="1" data-bbox="204 1335 761 1948"> <thead> <tr> <th>Length of Tenancy (in years)</th> <th>% Below Market Rent</th> </tr> </thead> <tbody> <tr> <td>Less than 1</td> <td>20%</td> </tr> <tr> <td>1</td> <td>21%</td> </tr> <tr> <td>2</td> <td>22%</td> </tr> <tr> <td>3</td> <td>23%</td> </tr> <tr> <td>4</td> <td>24%</td> </tr> <tr> <td>5</td> <td>25%</td> </tr> <tr> <td>6</td> <td>26%</td> </tr> <tr> <td>7</td> <td>27%</td> </tr> <tr> <td>8</td> <td>28%</td> </tr> <tr> <td>9</td> <td>29%</td> </tr> <tr> <td>10 or more</td> <td>30%</td> </tr> </tbody> </table>	Length of Tenancy (in years)	% Below Market Rent	Less than 1	20%	1	21%	2	22%	3	23%	4	24%	5	25%	6	26%	7	27%	8	28%	9	29%	10 or more	30%	<p>The requirement to provide “first right of refusal” for displaced tenants is satisfied by Section 2.2 (a) of the Housing Agreement Bylaw. Schedule B to the Bylaw establishes “Permitted Rents” in accordance with the City’s Tenant Relocation Policy with details as follows:</p> <ul style="list-style-type: none"> • 25 Replacement Units: <p>“Replacement Rental Units” [<u>returning tenant</u>] – rents set at initial maximum of \$1,500 for a one-bedroom unit and \$2,000 for a two-bedroom unit with reductions per Policy 514 (i.e., 20% – 30% reductions) based on the tenant’s preceding length of tenancy.</p> <p>“Replacement Rental Units” [<u>non-returning tenant</u>] – held at 10% below market rent charged for similar unit in the Development for the life of the building.</p> <p>In addition to the units made available for displaced tenants, the Bylaw recognizes four (4) “rent controlled rental units” for those who satisfy an “Income Threshold” as defined in Section 1.1 (g) of the Bylaw (i.e., gross household income being no greater than 80 percent of the median household income in the City – <i>per 2016 Census median household income in White Rock was \$62,344</i>;</p>
Length of Tenancy (in years)	% Below Market Rent																								
Less than 1	20%																								
1	21%																								
2	22%																								
3	23%																								
4	24%																								
5	25%																								
6	26%																								
7	27%																								
8	28%																								
9	29%																								
10 or more	30%																								

Tenant Relocation Policy Reference	Housing Agreement Bylaw Reference
	<p><i>\$49,875 at 80 percent</i>). The provision of these four (4) “Rent Controlled Rental Units” is secured by Section 2.1 (a) of the Bylaw and the “Permitted Rents”, as outlined in Schedule B:</p> <ul style="list-style-type: none"> <p>Four (4) “Rent Controlled Rental Units”</p> <p>“Rent Controlled Rental Units” are those rented to “Income Tested” Tenants and tied to the average rent for the unit type in White Rock as determined by CMHC’s most recent Rental Market Survey. The rates are secured for a period of 10 years following occupancy of the building. After 10 years there is no maximum rent limit tied to the unit.</p> <p>Note that “Permitted Rents”, as defined in the Bylaw, can be increased annually “in accordance with any maximum positive change authorized under the <i>Residential Tenancy Act</i> (British Columbia) between January 1, 2022 and the month in which the rent is being increased, and may be further increased with the prior written consent of the City to cover unexpected increases in operating, maintenance and servicing costs.”</p> <p>With the exception of the 25 Replacement Units and the 4 Rent Controlled Rental Units, all remaining 51 units are considered “Secured Rental Units” for which there is no maximum rent set in the Bylaw.</p>

As noted in Table 1.0, the Housing Agreement Bylaw will be used to secure 25 units for returning tenants in addition to providing four (4) “rent controlled rental units” which will be tied to average rental rates for similar units within the White Rock area, as determined through CMHC’s annual Rental Market Report; the average rent tied to the four “rent controlled rental units” would be secured by the Bylaw for a period of 10 years following the occupancy of the building. Rental rates tied to those 25 rental units set aside for returning rates, if not occupied by a returning tenant, will be held at 10 percent below market rates for a similar, one or two-bedroom unit, within the Development for the life of the building.

The final Tenant Relocation Plan, included as Appendix A, will help complement the terms of the Housing Agreement Bylaw by specifying to existing tenants their rights pursuant to Policy 514. This Plan includes an acknowledgement of the levels of compensation available to existing tenants, the relocation assistance to be provided by the developer, and the name and contact information of a Tenant Relocation Coordinator who will assist tenants through the redevelopment process. The Plan also acknowledges the availability of housing-related services as provided by the Fraser Health Authority and BC Housing. Finally, consistent with the Housing Agreement Bylaw, the Plan recognizes the “first right of refusal” for displaced tenants to return to the new development at rates ranging from 20 to 30 percent below the market rent attributed to the new development. Overall, staff believe the Tenant Relocation Plan and the Housing Agreement Bylaw will help secure the rights of existing tenants as they relate to the matters outlined in the City’s Tenant Relocation Policy.

FINANCIAL IMPLICATIONS

The City of White Rock’s Density Bonus / Amenity Contribution Policy (‘Policy No. 511’) provides that a community amenity contribution (CAC) is required for every development in the Town Centre Transition land use designation which exceeds 1.5 FAR. The CAC required for this project would amount to approximately \$1.1M based on the formula established in Policy No. 511. The Policy also provides for a waiver of up to 100 percent of the CAC if affordable housing is secured by way of relevant legal agreements; there is also a 50 percent CAC waiver option to support displaced tenants in accordance with the City’s Tenant Relocation Policy (No. 514) and a 50 percent waiver when rental tenure housing is secured by way of a legal agreement. In this case, the Housing Agreement Bylaw would act to secure the affordable housing components recognized in the Density Bonus Policy thereby enabling a 100 percent waiver of the CAC.

Development Cost Charges (DCCs) would apply to this development. The City of White Rock Development Cost Charges Imposition Bylaw, 2015, No. 2112, establishes a DCC rate of \$11,253.30 per multi-unit residential dwelling unit. Credit for the existing 25 units would be granted meaning total DCCs required by the City of White Rock would amount to approximately \$618,931 dollars (i.e., 55 units net x \$11,253.30).

LEGAL IMPLICATIONS

The authority to enter into a Housing Agreement is established by Section 483 of the *Local Government Act*. The adoption of an implementing housing agreement bylaw will help to ensure that the allocation of affordable housing units, and the associated maximums on rental rates, are secured with the advancement of the development in accordance with the objectives of the City’s Tenant Relocation Policy. The housing agreement bylaw referred to in this report has been reviewed by the City’s external legal counsel as well as the Applicant’s counsel; it is understood that the Applicant agrees with the terms of the Bylaw.

COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS

The zoning bylaw amendment application and the major development permit application have been subject to a Public Information Meeting and a Public Hearing. The Owner has also maintained a dialogue with current tenants, ensuring they are aware of the Owner’s obligations pursuant to the City’s Tenant Relocation Policy. Should Council approve of Housing Agreement Bylaw No. 2408, and ultimately the Zoning Amendment Bylaw No. 2363, the Owner would be able to apply for a demolition permit to enable the project to proceed through to construction.

Upon receipt of a demolition permit from the City, the Owner would, per requirements of the *Rental Tenancy Act*, need to provide tenants with four months’ notice of an intention to terminate their tenancy. Through this process the Owner would also be required, per the terms of the Housing Agreement Bylaw, to assist eligible tenants with moving expenses and other matters (e.g., finding alternative accommodation) as set out in the Tenant Relocation Plan. Overall, the recommended Housing Agreement Bylaw will help to establish a legal obligation on the Owner to fulfill the expectations of the City’s Tenant Relocation Policy as they relate to assisting tenants through the demolition and construction process. Furthermore, the Housing Agreement Bylaw requires that the Owner provide proof back to the City of the final rent roll, prior to the receipt of an occupancy permit tied to the new apartment. This rent roll will identify the rental rates being charged to returning and non-returning tenants who occupy the 25 “replacement rental units”, the rates charged to those occupying the four (4) “rent controlled rental units” and the rents charged to the tenants of the remaining “secured rental units.”

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

Not Applicable.

IMPLICATIONS FOR TREE PRESERVATION AND TREE CANOPY ENHANCEMENT

Not Applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES

The project at 1485 Fir Street has been advanced, through an interactive process, in alignment with the City’s amended Tenant Relocation Policy and will uphold Council’s interest in supporting affordable housing options.

OPTIONS / RISKS / ALTERNATIVES

The following alternative options are offered for Council’s consideration:

1. Council could choose not to give readings to Housing Agreement (1485 Fir Street) Bylaw, 2021, No. 2408 which would preclude the ability of Council to adopt White Rock Zoning Bylaw, 2012, No. 2000 Amendment (CD-64 – 1485 Fir Street) Bylaw, 2020, No. 2363 thereby enabling the development.
2. Council could direct staff to make changes to Housing Agreement (1485 Fir Street) Bylaw, 2021, No. 2408.

CONCLUSION

This report presents Council with Housing Agreement (1485 Fir Street) Bylaw, 2021, No. 2408 which, if adopted, will secure the legal obligations of the Owner to uphold the objectives of the City’s Tenant Relocation Policy. Staff have reviewed the Bylaw, alongside the City’s external legal counsel, and believe it to be acceptable. Further, the Owner has submitted a final Tenant Relocation Plan which outlines how existing tenants will be assisted if the project proceeds through demolition to construction.

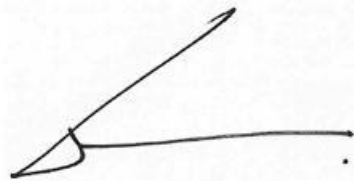
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg Newman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Greg Newman, MCIP, RPP
Acting Director, Planning and Development Services

Comments from the Chief Administrative Officer

I concur with the recommendations of this corporate report.

A handwritten signature in black ink, appearing to read "Guillermo Ferrero". The signature is stylized, with a long horizontal stroke and a diagonal stroke above it.

Guillermo Ferrero
Chief Administrative Officer

Appendix A: Tenant Relocation Plan (1485 Fir Street, White Rock)