

Attachment 6
Tenant Assistance Plan



February 13, 2025

Ms. Wendee Lang
Sr. Development Planner
City of New Westminster, 511 Royal Ave.,
New Westminster, B.C. V3L1H9

By E-mail: wlang@newwestcity.ca

Dear Wendee:

RE: 65 First Street: Tenant Assistance Policy

When Merchant House Capital acquired Kinnaird Place in March 2021, we helped resolve a housing challenge for 61 condominium owners. The Kinnaird Place strata had determined that deferring important building repairs and selling the property for development was the best course of action. Unfortunately, market conditions turned against this strategy, and disaster struck when a burst water main flooded the bottom-floor units. After years of effort, the strata owners were effectively trapped.

Merchant House acquired Kinnaird Place because we believed there was a better solution. We focused on operating the building as rental property while deferring potential redevelopment until market conditions improved, which we estimated would take approximately five years.

A key element of this asset management strategy was entering into a Housing Agreement with the City of New Westminster, where our long-term redevelopment plans were clearly communicated. Among the terms of the Housing Agreement are several commitments to tenants and the City, but the overarching principle has been to prioritize tenant needs. This includes providing all tenants with a copy of the Housing Agreement as part of their lease agreement.

Foremost in the Housing Agreement are financial commitments to help tenants find replacement housing. These commitments include the following: all tenants of Kinnaird Place are entitled to a four-month termination notice, three months of free rent, and additional support through the Tenant Assistance Plan.

The Tenant Assistance Plan is designed to provide financial and service support to tenants in order to facilitate housing replacement and minimize disruption. The plan is flexible to accommodate the fact that each tenant's situation may be unique and may require different levels of support. A key component of the plan is ongoing communication with tenants so they are informed about developments that may affect their housing, giving them adequate time to plan and respond. (See attached Tenant Notice dated Nov 7, 2023.)

The Tenant Assistance Plan includes the following:



1. Housing replacement support from a paid housing specialist, responsible for sourcing replacement housing for tenants. This includes ongoing communication with each tenant to assess relocation impacts and needs and providing additional financial and/or service support where necessary.
2. Access to a moving allowance and pet deposit support for each tenant, up to \$250.
3. Early move-out options that allow tenants to terminate their lease at any time after the termination notice has been given while still receiving support benefits.
4. On-site disposal of unwanted household items, furniture, etc.
5. Financial support to supplement necessary housing security deposits for replacement housing, equal to 50% of the last month's rent.

Currently, there are 8 tenants who fall under the "Pre-Existing Tenants" definition of the February 18, 2020, Housing Agreement (a tenant list is available upon request). Pre-Existing Tenants will be entitled to an additional \$2,000 in financial support.

The YWCA has confirmed that eligible tenants may apply for affordable housing under their applicable housing policies. Additionally, all tenants will have the option to return to the building once development is complete and construction is finished.

As previously stated, we believe the most sensible approach to managing the challenges and disruption of terminating tenancies and rehousing tenants is to give tenants as much control as possible. To meet this standard, it is crucial that we provide accurate, transparent, and timely information, along with as much notice as possible as the project moves through key stages toward redevelopment. This will allow tenants to assess how the changes will impact them and to plan accordingly.

Attached are tenant information notices dated November 7, 2023, September 3, 2024, and December 12, 2024. These notices are distributed to each tenant's unit and are permanently displayed in the tenant community space on the ground floor.

On November 11, 2024, we held a Tenant Open House to introduce the proposed rezoning application and discuss its implications. Please review the December 12, 2024, tenant notice, as it includes a question-and-answer section addressing the main discussion points from that meeting. During that meeting, we reiterated our commitment to providing accurate, transparent, and timely communication with tenants and emphasized that their needs would be prioritized.

Should you have any questions or require clarification, please do not hesitate to contact the undersigned.

Sincerely,
Merchant House Capital inc.

David Fullbrook



To: Kinnaird Place Residents.

From: Merchant House Capital Inc
David Fullbrook, CEO

Re: Rezoning Application for Kinnaird Place

Date: September 3, 2024

Hello Kinnaird Place Residents:

We have recently been working with the City of New Westminster to revise our rezoning and development permit application for Kinnaird Place. We first submitted the application in October of 2023. The application process is complex and time consuming with many separate policy initiatives that must be addressed at the same time. These policies impact height, density, design, affordable housing, and include our approach to managing the relocation of building residents when construction would commence.

In the coming weeks we expect the City to formally announce the project. We anticipate that media attention will occur as a result.

Firstly, we would like to re-emphasize that our obligation with regard to communicating about the project is to our residents first and foremost. We will not release information to the wider public until we have provided that information to our residents.

Secondly, the timeline for development is not a fast one. The decision to build at Kinnaird Place is a future decision, and regardless of the rezoning application outcome, will depend on market forces beyond our control, including interest rates, construction costs and market supply.

Finally, in the not too distant future we will be reaching out again to provide detailed information on the project to you. We expect to launch an information website in late-Sept which will provide project information. We also will be planning a public open house both virtually and in-person to answer any questions and provide further information. We look forward to announcing those date in the near future.

Sincerely,
Merchant House Capital, Inc.
David Fullbrook, CEO



To: Kinnaird Place Residents.

From: Merchant House Capital Inc
David Fullbrook, CEO

Re: Rezoning Application for Kinnaird Place

Date: November 7, 2023

When Merchant House acquired Kinnaird Place in March of 2021 from 61 individual condominium owners, the Vancouver Sun wrote an article on this unique transaction (<https://vancouversun.com/business/real-estate/new-westminster-strata-windup-and-sale-finds-solution-in-a-bumpy-market>). Having failed to sell the property a number of times, a burst water main and a slumping real estate market had effectively trapped owners in a dire situation. Merchant House provided a solution. For Merchant House, we approached the purchase of the property less as a development project, as other failed Buyers had, and more about converting the building into rental apartments. We sought an approach to balance the immediate need for quality rental housing for residents of New Westminister with a longer term approach to create a community-oriented redevelopment of the site.

Foremost in our approach was to prioritize the needs of residents. At the time of purchase Merchant House in a signal of good faith entered into a housing agreement with the City of New Westminister which bound ownership to certain obligations, to include:

- a. To allow only monthly rentals...no short terms stay or Airbnb use
- b. To honour all pre-existing rental agreements ...no renoviction
- c. To provide good and efficient management
- d. To make all Residents aware and eligible that at such time as the building is vacated for redevelopment, Residents would be provided with four (4) months notice; compensation equal to three (3) months rent; and a Tenant Assistance Program to support residents while relocating.

To prioritize the needs of Residents includes the commitment to maintain communication on the status of our longer term plans for Kinnaird Place. To this end, after a substantial amount of planning and analysis Merchant House is preparing to submit a rezoning application to the City of New Westminister.

As a resident of Kinnaird Place, we wanted you to know this information before anyone else; however, please understand this is only an application to begin the process of considering the future redevelopment of Kinnaird Place. The application process is lengthy and will be subject to the input of many community stake holders, including you. No doubt plans will change as the



project takes shape during the application process, but we invite you to participate and make comment on the kind of development you would support in the neighborhood you live in.

Also, please know that approval of such application will not necessarily result in immediate development. While a development of the site may well be approved, this is only part of the process; a building permit and market conditions that support development result in a process that can reasonably be expected to take many years. During this time, the building will continue to operate as it has in the past, and we hope you continue to enjoy Kinnaird Place as your home.

We will endeavour to maintain our commitment to prioritizing residents and providing meaningful communication to you as stakeholders before we make our plans known to the wider New Westminster community.

We hope to see you in the future as the we begin this next stage in the Kinnaird Place journey.

Sincerely,
Merchant House Capital, Inc.
David Fullbrook, CEO



To: Kinnaird Place Residents
From: Merchant House Capital Inc.
Re: November 11 Tenant Open House
Date: December 12, 2024

Dear Kinnaird Place Residents,

Thank you so much to everyone who joined us for the in-person Open House on November 11. We truly appreciate the time you took to come together and share your thoughts with us. It was a valuable opportunity to have an open and honest conversation, and we're grateful for your active participation.

During the meeting, we touched on a couple of key points that we want to continue to emphasize:

1. **Our Commitment to Clear Communication:** We will always prioritize keeping you informed with accurate, timely, and transparent updates on anything that may affect your home.
2. **The Redevelopment Process:** We know the process of replacing Kinnaird Place with new housing will take time. We acquired Kinnaird Place and entered into the Housing Agreement with the City of New Westminster back in March 2020—almost five years ago. While rezoning is an important step, it doesn't mean the end of your tenancy. By keeping you informed every step of the way, our intention is to give you ample time to plan for whatever comes next.

Question: When will residents be asked to move?

Answer: This is a great question, and we understand the importance of clarity. Right now, we can't say for certain. The rezoning is just one step in a much longer process, and we expect that market conditions will need to improve before construction can begin. The best indicator that construction is getting closer would be the submission of a Building Permit application. At this time, we do not anticipate applying for a Building Permit in 2025. In our discussions with residents, we talked about using a Building Permit application date as a key indicator that a construction date has been targeted. This seems a sensible way of keeping residents informed about a timeline toward construction.

Question: Can you provide more information about the 2020 Housing Agreement and the Tenant Assistance Plan?

Answer: For those of you who signed a lease at Kinnaird Place, the Housing Agreement is included with your lease documents. If you'd like a copy, please reach out to the resident manager, and we'll be happy to provide one. As a reminder, the 2020 Housing Agreement requires that in the event of termination of all the lease tenancies, the Landlord shall provide



each tenant four (4) months notice and three (3) months of free rent. In addition the Landlord will offers support under the Tenant Assistance Policy, which includes:

1. **Housing replacement assistance:** Housing replacement support will be provided by a paid housing specialist, tasked with sourcing replacement housing for tenants; to include engaging in on-going communication with all tenants to understand and assess tenant relocation impacts and needs and provide additional financial support where required.
2. **Financial support for moving:** Each tenant can receive up to \$250 for moving or pet deposit expenses.
3. **Flexible move-out options:** Once termination notice is given, tenants can choose to leave early while still keeping all applicable support benefits.
4. **On-site disposal services:** We will help with the disposal of unwanted household items and furniture.
5. **Security deposit assistance:** We will provide financial support to cover 50% of your last month's rent to help with securing new housing.
6. **Additional support for long-term tenants:** If you've lived here since before February 18, 2020, you're eligible for an extra \$2,000 in financial assistance.

Question: What about the current condition of the building?

Answer: Kinnaird Place will continue to be maintained as a functioning apartment building under the guidelines of the Landlord-Tenant Act. If you experience any issues with your apartment, please don't hesitate to contact the Resident Manager.

Once again, thank you for your thoughtful questions and for being a part of the November 11 Open House. Above all, we want to express our heartfelt appreciation for the community we have here at Kinnaird Place. It's truly been a pleasure getting to know you all, and we look forward to staying connected through this journey.

Warmly,
Merchant House Capital, Inc.