



## **Development Process Shortchanges Seniors in Affordable Housing**

Seniors owning affordable housing units on rented pad spaces at TriWay Mobile Home Park in Langford are being cheated out of normally-available funds. To be fair, it is not a problem created by the long-time property owner/landlord, but has developed in the proposed sale and redevelopment process that includes a partial park closing. In this unique process, a serious and unmanageable situation has arisen.

Through the process of rezoning the land and completion of the land sale to a local developer, normal activities of selling homes to move into senior care facilities or with family, or for any reason, have been curtailed. Home owners are held hostage by “the system”, aided knowingly by Municipal Council and to the sole benefit of the developer.

On the open market, similar dwelling units in comparable manufactured/mobile home parks sell quickly. However, realtors look for longevity of residence, and are unwilling to list homes without assurance of a guaranteed future for the park. During the rezoning process and land sale of this site, there has been no willingness to commit to a definitive timeline for residents, other than “there is lots of time [for residents] to make decisions”. The basis for the problem is that one part of the park is being closed for redevelopment, leaving another part of the park ‘intact’. This, without a horizon for residents in either part, and with the boundaries of the two parts still unknown.

The Manufactured Home Park Tenancy Act (MHPTA) dictates a bottom line of Assessed Value plus 12 months rent when homes are bought up as part of a redevelopment plan. This minimal amount has been cemented into the developer’s agreements with the City of Langford, and residents are aware of it. Developers on the mainland are offering assessed value plus 25% or more, or other versions of close-to-market value, to displaced homeowners. Those developers have been upfront with a date for completion of the sale and with assistance to find alternative accommodations. In the Langford case, TriWay Park residents don’t have a ‘deal’ to look forward to other than what is in the Act, at least verbally. Anyone wishing to sell on the market – specifically those remaining in the new, smaller park (whoever they are) – are effectively prevented from selling their units on the open market. This stalemate has existed since the property went up for sale in March, 2019.

Some quick analysis of situations at TriWay Park show that for Unit ‘A’, assessed value for 2020 is just under \$90,000 and a realtor was ready to list the unit for \$145,000 in early 2019 before the land was put up for sale. The homeowner has been unable to sell since then (20 months), and potentially stands to lose about \$50,000. This is lost equity: ownership in a viable form of affordable housing, which could be the main or only funds available to support the owner through later years with nursing care or alternative accommodations. And yet market values have continued to rise through the months.

Unit ‘B’, assessed at just over \$95,000 and likely to be marketable at \$150,000 is in a similar situation, as is Unit ‘C’ assessed at just under \$110,000 and ready to list at \$175,000, according to the owners. The spread between assessed and market value is lost to the owners due to the artificial cap on value imposed through the MHPTA, capitalized upon by the developer, and aided by the City. At a moderate average of

\$20,000 gap per unit, for roughly 75 units, \$1.5 million in equity is being forfeited for no good reason. In effect, seniors in affordable housing are supplementing the developer.

Completing the picture are additional costs for units that have been vacated due to illness, death, or moves in place at the time the sale was announced), and that cannot be rented (landlord's rules), plus continuing pad rent, utilities, insurance, upkeep and in some cases mortgage payments that still need to be met.

Owners are being cheated by the system. The situation is more than desperate for some, and frustrating for everyone locked into a situation they can only escape from by taking a major loss. This is unjust, and could be solved with a few words in the MHPTA: use "...higher of appraised or assessed value...". So simple! At the local level, the Manufactured Home Park Redevelopment Policy that City of Langford has in place could also recognize the equity of seniors in an 'important source and supply of affordable housing' – the current wording - by incorporating the same phraseology.

There are other related issues. According to the developer in recent public statements, twelve units are expected to be relocated into the new, smaller park arrangement, although residents have not been notified which units these might be. Also, there is no plan for the longevity of the new, smaller park, and a 'protective' covenant, originally expressed to residents as permanent, seems to be removable within as little as a year of the property sale. The uncertainty abounds, and the frustration with a system that holds residents hostage to a developer's profit and the municipality's need for growth and prestige, is growing daily.

This is in large part a provincial issue, and the Premier's office has been informed. The Housing Minister has so far chosen to not address the issue. Nevertheless, it is hoped that serious action will be taken on behalf of homeowners in manufactured home parks with land tenancies across BC, to correct this major injustice. That said, it just could be "too bad, so sad" for TriWay Park residents.

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