



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Planning Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	December 11, 2018
SUBJECT/REPORT NO:	Application for a Condominium Conversion for Lands Known as 220 Dundurn Street South, Hamilton (PED18230) (Ward 1)
WARD(S) AFFECTED:	Ward 1
PREPARED BY:	Daniel Barnett (905) 546-2424 Ext. 4445
SUBMITTED BY:	Steve Robichaud Director, Planning and Chief Planner Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

That **Red-Line Revised Condominium Conversion Application CDM-CONV-18-01, by 220 Dundurn Street Inc. c/o Denis Vranich, Owner**, to establish a Draft Plan of Condominium (Condominium Conversion) for an existing multiple dwelling, consisting of 124 dwelling units, 159 resident parking units and 23 locker units, on lands located at 220 Dundurn Street South (Hamilton), as shown on Appendix “A” to Report PED18230, be **APPROVED** on the following basis:

- (a) That this approval for Red-Line Revised Draft Plan of Condominium Application 25CDM-CONV-18-01 applies to the Draft Plan, prepared by A.J. Clarke and Associates certified by B. J. Clarke, O.L.S., dated May 2, 2018, showing common element areas which include stairwells, elevators, hallways, driveway access, visitor parking, landscaped areas, lobby areas, lounges, centralized mail box and fitness room, a total of 124 dwelling units, 159 resident parking units, and 23 locker units, attached as Appendix “B” to Report PED18230;
- (b) That the conditions of Draft Plan of Condominium Approval attached as Appendix “C” to Report PED18230 be received and endorsed by City Council.

EXECUTIVE SUMMARY

The purpose of this application is for a Draft Plan of Condominium (Condominium Conversion) for 124 existing dwelling units, 159 resident parking units and 23 locker units located at 220 Dundurn Street South (Hamilton).

In accordance with the Urban Hamilton Official Plan (UHOP), the owner has demonstrated compliance with the Condominium Conversion policies in respect to the vacancy rate requirements and affordable housing requirements.

The Condominium Conversion will allow for the tenure of the units to change from rental to condominium ownership. The existing tenants are protected under the *Residential Tenancies Act*.

The proposed Condominium Conversion has merit and can be supported, subject to the recommended draft plan conditions, as the proposal is consistent with the Provincial Policy Statement (2014), conforms to the Growth Plan for the Greater Golden Horseshoe (2017), and complies with the “Housing” policies of the UHOP.

Alternatives for Consideration – See Page 12

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Recent condominium conversions have generally seen a doubling in property value. The property is currently taxed at the New Multi-Residential tax rate. After conversion, the property will be taxed at the Residential tax rate. The New Multi-Residential rate is the same as the Residential rate, therefore the condominium conversion may represent a net increase to the City in property taxes. However, the net effect cannot be determined until the Municipal Property Assessment Corporation (MPAC) re-values the building. This is done after the condominium plan is registered.

This property is currently assessed at \$25,539,234 with annual taxes of \$322,294.92 comprised of \$278,878.22 municipal and \$43,416.70 education. If the value doubles, as in past conversions, the assessment will go to \$51,078,000 and taxes at the residential tax rate would be comprised of \$557,751.33 municipal taxes and \$86,832.60 education taxes for a total of \$644,583.93. This would be a potential increase of tax dollars to the municipality of \$278,878.22. That increase would be higher or lower, depending on the new value created by MPAC.

Staffing: N/A

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Legal: The *Planning Act* does not require a notice of Public Meeting for an application for Condominium Conversion. However, as a best practise, formal notice was given to all existing residents.

HISTORICAL BACKGROUND

The applicant is seeking approval of a Draft Plan of Condominium (Condominium Conversion) to allow a change in tenure from rental to condominium for the 124 residential dwelling units consisting of 110 bachelor units and 14 one bedroom units, that currently exist within the building located at 220 Dundurn Street South, Hamilton. The three storey building was renovated in 2015 along with a small three storey addition at the rear of the existing building, and also includes 23 locker units and common element areas including stairwells, elevators, hallways, driveway access, landscaped areas, lobby areas, lounges, centralized mail box and fitness room. The subject property also includes 159 surface resident parking spaces and 31 visitor parking spaces.

The subject property is approximately 1.34 ha (13,400 sq m) in size, and is located at the south west corner of Dundurn Street South and Chatham Street within the Kirkendall North Neighbourhood.

The subject property was rezoned from “D” (Urban Protected Residential District – One and Two Family Dwellings, etc.) District to “DE” (Low Density Multiple Dwellings) District in December 1997.

A Site Plan Control Application (DA-13-077) was applied for on May 3, 2013 and was granted final Site Plan Approval on September 23, 2014 for a three storey, 124 unit multiple dwelling.

Information respecting vacancy rates was submitted by the applicant prior to the submission of the application in February, 2018 to demonstrate compliance with the policies of the UHOP with respect to the requirements for vacancy rate and affordable housing requirements.

On August 1, 2018, a tenant information meeting was held by the applicant to inform existing tenants of the proposed Condominium Conversion and provide tenants with an opportunity to ask questions. A notice of the tenant information along with answers to five frequently asked questions was delivered to all existing tenants of 220 Dundurn Street South. Eight individuals signed the attendance register and were present at the meeting. The notice and minutes of the tenant information meeting and copies of the questionnaires are attached as Appendix “D” to Report PED18230.

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Chronology:

<u>February 28, 2018:</u>	The applicant provided staff with information demonstrating the rent levels of the existing bachelor and one bedroom units.
<u>March 6, 2018:</u>	Housing Services staff provided comments confirming that the Condominium Conversion complies with the vacancy rate and affordable housing requirements.
<u>May 3, 2018:</u>	Application for Condominium Conversion submitted.
<u>May 16, 2018:</u>	Condominium Conversion Application 25CDM-CONV-18-01 deemed complete.
<u>July 17, 2018:</u>	Notice of Tenant Information Meeting delivered to residents of 220 Dundurn Street South (see Appendix “D” to Report PED18230).
<u>August 1, 2018:</u>	Tenant Information Meeting held (see Appendix “D” to Report PED18230).
<u>November 23, 2018:</u>	Formal Notice of the Condominium Conversion Application sent to the residents of 220 Dundurn Street South.

Details of Submitted Application:

Location:	220 Dundurn Street South (Hamilton)
Owner / Applicant:	220 Dundurn Street Inc. c/o Denis Vranich
Agent:	A.J. Clarke and Associates Ltd. c/o Franz Kloibhofer
Property Size:	<u>Lot Area:</u> 1.34 ha (13,400 sq m)
	<u>Lot Frontage:</u> 76.28 m
	<u>Lot Depth:</u> 171.21 m Irregular
	<u>Servicing:</u> Full Municipal Services Available

Existing Land Use and Zoning:

	<u>Existing Land Use</u>	<u>Existing Zoning</u>
Subject Land:	Multiple Dwelling	“DE/S-1391” (Low Density Multiple Dwellings) District, Modified and “DE/S-1391a” (Low Density Multiple Dwellings) District, Modified
<u>Surrounding Land:</u>		
North:	Commercial Uses	“K” (Heavy Industrial, Etc.) District District Commercial (C6) Zone and District Commercial (C6, 300) Zone
East:	Commercial Uses	“H” (Community Shopping and Commercial, Etc.) District Neighbourhood Commercial (C2) Zone
South:	Commercial Uses and Single Detached Residential Dwellings	“H” (Community Shopping and Commercial, Etc.) District and “D” (Urban Protected Residential – One and Two Family Dwellings, Etc.) District Neighbourhood Commercial (C2) Zone
West:	CP Rail Line and Industrial Uses	Research and Development (M1, 6) Zone

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POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Provincial Planning Policy Framework

The Provincial Planning Policy Framework is established through the *Planning Act* (Section 3) and the Provincial Policy Statement (PPS). The *Planning Act* requires that all municipal land use decisions affecting planning matters be consistent with the PPS.

The mechanism for the implementation of the Provincial plans and policies is through the Official Plan. Through the preparation, adoption and subsequent Ontario Municipal Board approval of the City of Hamilton Official Plans, the City of Hamilton has established the local policy framework for the implementation of the Provincial planning policy framework. As such, matters of provincial interest (e.g. efficiency of land use, balanced growth, environmental protection and sensitive land uses) are reviewed and discussed in the Official Plan analysis provided below.

Noise

“1.2.6.1 *Major facilities and sensitive land uses* should be planned to ensure they are appropriately designed, buffered and / or separated from each other to prevent or mitigate *adverse effects* from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term viability of *major facilities*.”

The subject property is located along Dundurn Street South a minor arterial road and located adjacent to a railway line, both potential noise sources. A noise study was required through Site Plan Control Application DA-13-077 to identify potential noise sources and to identify any required mitigation measures. Noise warning clauses advising purchasers and tenants about potential noise impacts are required to be included in the Condominium Agreement. This has been addressed as Condition No. 9) of Report PED18230.

Cultural Heritage

“2.6.1 Significant built heritage resources and significant cultural heritage landscapes shall be conserved.

2.6.2 Planning authorities shall not permit development and site alteration on adjacent lands to protected heritage property except where the proposed development and site alteration has been evaluated and it has been demonstrated that the heritage attributes of the protected heritage property will be conserved.”

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The subject property is included on the City's inventory of buildings of architectural and / or historical interest. As the proposed application is for a conversion in tenure only and the existing building will be maintained, the proposal is consistent with the policies of the PPS with respect to conserving built heritage resources.

Therefore, the proposal is consistent with the PPS.

Growth Plan for the Greater Golden Horseshoe (2017):

The application has been reviewed with respect to the Growth Plan for the Greater Golden Horseshoe. The application conforms with the guiding principles of Policies 1.2.1, 2.2.6 1) a) and 2.2.6 3) with respect to supporting a range and mix of housing options to accommodate a diverse range of household sizes and incomes (both form and tenure). Since the proposal provides an opportunity for a range of housing types in providing an opportunity for home ownership in an area that does not contain many condominium tenure buildings, the proposal conforms to the Growth Plan.

Urban Hamilton Official Plan:

The subject property is identified as "Neighbourhoods" on Schedule "E" - Urban Structure and is designated "Neighbourhoods" on Schedule "E-1" - Urban Land Use Designations. The existing three storey multiple dwelling maintains a density of approximately 92.6 units per hectare therefore the existing use, height and density comply with policies E.3.2.3, E.3.5.2, E.3.5.7 and E.3.5.8.

The proposal to change the tenure from rental to condo ownership does not change the use of the lands, however the change in the tenure does require evaluation against the policies of Section B.3.2.5.1 for Condominium Conversion of Rental Units.

"B.3.2.5.1 To protect the adequate provision of a full range of housing, conversion to condominium of rental apartment or townhouse buildings or groups of buildings comprised of six or more units shall be permitted if any one of three general criteria are met, outlined as a), b) and c) below:

- a) all the following criteria are met:
 - i) the rental vacancy rate by dwelling unit and structure type for the City and the respective local housing market zone, as identified on Schedule G – Local Housing Market Zones and based on CMHC data, has been at or above 2.0% for the preceding twenty-four months; and,

- ii) the proposed conversion shall not reduce the rental vacancy rate by dwelling unit and structure type to below 2.0% for the City and the respective local housing market zone; and,
 - iii) the existing market rent levels for the units proposed to be converted are not significantly (approximately 10%) below the average market rent levels for the City and the respective local housing market zone for rental units of a similar dwelling unit and structure type and size; and,
 - iv) for vacant rental units, the last market rent levels charged prior to vacancy for the units proposed to be converted were not significantly (approximately 10%) below the average market rent levels at the time for the City and the respective local housing market zone for rental units of a similar dwelling unit and structure type and size; or,
- b) at least 75% of the current tenants support the conversion to condominium, as demonstrated to the satisfaction of the City; or,
 - c) the subject building or group of buildings is a *protected heritage property* on the date of application."

Policy B.3.2.5.1 permits the conversion to condominium tenure if the proposed Condominium Conversion meets one of the three options under Policy B.3.2.5.1.

As discussed in greater detail in the Housing Servicing Division section of the Relevant Consultation and Section 3 of the Analysis and Rationale for Recommendation Sections of this Report, the proposal meets the criteria of Policy B.3.2.5.1 a) related to vacancy rate and affordable housing threshold requirements.

Therefore, as the application satisfies the criteria of Policy B.3.2.5.1 a), the application complies with the UHOP.

City of Hamilton Zoning By-law No. 6593

The subject property is zoned "DE/S-1391" and "DE/S1391a" (Low Density Multiple Dwellings) District, Modified in the City of Hamilton Zoning By-law No. 6593, which permits the use of a multiple dwelling.

Minor Variance Applications HM/A-13:83 and HM/A-13:173 were approved by the Committee of Adjustment to permit the following:

- i) a lot area of 13,300 sq m instead of 17,029 sq m;

ii) to reduce the minimum parking space size from 2.7 m wide by 6.0 m long to 2.6 m by 5.5 m; and,

iii) permeable pavers in addition to asphalt.

The proposal to change the tenure from rental to condominium ownership does not change the use of the lands.

The final Plan of Condominium will be required to comply with all of the applicable provisions of the City of Hamilton Zoning By-law No. 6593 in force and effect at the time of registration of the Draft Plan of Condominium. This requirement is being addressed as Condition No. 1) of Appendix "C" to Report PED18230.

RELEVANT CONSULTATION

The following Departments and Agencies had no comments or objections to the proposed conversion:

- Hydro One; and,
- Forestry and Horticulture Section, Public Works Department.

The following Departments and Agencies have provided comments with respect to the proposed application.

Transportation Planning, Public Works Department has advised that Dundurn Street South has an ultimate width of 36.576 m and that the existing right of way width is 20 m. It is noted that Site Plan Control Application DA-13-077 was applied for and reviewed prior to the UHOP coming into effect. As the application is to convert the tenure of the existing dwelling units there is no opportunity to require land dedication to achieve the ultimate road allowance width as part of this application. It is however noted that land dedication will be required as part of any future re-development of the subject lands.

Staff advised that Chatham Street is proposed for bicycle lanes and that there are existing bicycle lanes on Dundurn Street South.

Transportation Planning advised that a 5.0 m by 5.0 m visibility triangle is required between the driveway limits and the ultimate property line. Staff also requested that a turning plan be provided on the Site Plan and that a minimum driveway width of 7.5 m be provided at the ultimate property line. Sidewalks with a minimum width of 2.0 m are required within the right of way and 1.5 m are required on-site. A Transportation Demand Management Report (TDM) was also requested.

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As the Draft Plan of Condominium Application is for the establishment of tenure and not the construction of the building, there is not an opportunity to establish a visibility triangle, bicycle lanes, a turning plan, minimum driveway width, sidewalks both within the right of way or on-site and to request a TDM Report.

Growth Planning, Growth Management staff noted that road width of Dundurn Street South is not shown on the Plan nor are the specific municipal services shown on the Plan, as required under Section 51(17)(b) and (k) of the *Planning Act*.

The Draft Plan Condominium has been red-line revised to reflect the changes identified by Growth Planning staff. The Owner will need to update the Draft Plan of Condominium to reflect the red-line revisions. This requirement has been addressed as Condition No. 11) of Report PED18230.

Growth Planning staff require that the Owner submit a list indicating the mail address unit number of each residential unit on each floor. This requirement has been addressed as Condition No. 10) of Appendix “C” to Report PED18230.

Growth Planning staff requested the following note be added to the Draft Approval conditions:

“Note: Pursuant to Section 51(32) of the *Planning Act*, draft approval shall lapse if the plan is not given final approval within 3 years. However, extensions will be considered if a written request is received before the draft approval lapses.”

This note has been addressed at the end of Appendix “C” to Report PED18230.

Canadian Pacific Railway noted that the residential development is located within 300 m of a railway line and within 1,000 m of a railway yard. Canadian Pacific Railway requested that a noise warning clause be included in the Condominium Agreement. This has been addressed as Condition No. 9) of Report PED18230.

Housing Services Division, Community and Emergency Services Department advised in their comments dated March 6, 2018 that the properties were examined with respect to policies B.3.2.5.1 through B.3.2.5.5 of the UHOP. Policy B.3.2.5.1 a) of the UHOP identifies four conditions that must be satisfied in order to recommend Condominium Conversion approval. The four criteria are outlined in detail in the UHOP policy section of Report PED18230. Housing Services staff advised that policies B.3.2.5.1 a) i) and ii) are met in that the vacancy rate has exceeded two percent for both the area and City in respect to each unit type for the past 24 months and will continue to exceed the minimum two percent vacancy rate even after the Condominium Conversion. Additionally with respect to the affordable housing requirement policies of the UHOP (B.3.2.5.1 a) iii) and iv)), all the currently occupied and vacant bachelor units and one bedroom units have or previously had rent levels greater than the CMHC

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affordability threshold of \$597 for a bachelor unit and \$773 for a one bedroom. Therefore, the proposed Condominium Conversion complies with Policy B.3.2.5.1 a) of the UHOP.

Union Gas, Canada Post, Bell Canada, and Canadian Radio and Telecommunication Commission (CRTC) have not yet provided comments at the time of writing Report PED18230, however Condition Nos. 4), 5), 6), 7) and 8) of Appendix “C” to Report PED18230 represent standard conditions from Union Gas, Canada Post, Bell Canada and CRTC, and have been included.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

1. The proposed Plan of Condominium (Condominium Conversion) Application can be supported for the following reasons:
 - (i) That the proposed Draft Plan of Condominium is consistent with the PPS and conforms to the Growth Plan; and,
 - (ii) It complies with Residential Condominium Conversion Policy B.3.2.5.1 a) of the UHOP.
2. Subsequent to the submission of the application an information package respecting Condominium Conversion was delivered to all existing residents of the building. A tenant information meeting was held on August 1, 2018, which was attended by eight individuals who signed the attendance register (attached as Appendix “D” to Report PED18230) and were present at the meeting. A copy of the information provided to the tenants was provided to City staff and deemed acceptable.
3. The proposed Condominium Conversion meets the Conversion Policy B.3.2.5.1 a). The vacancy rate for both bachelor units and one bedroom units has been consistently above 2% for the past 24 months and the conversion of the 110 bachelor units and 14 one bedroom units will not result in the vacancy rate for these unit types to drop below 2%.

The rental levels for the bachelor units range from \$1,299 to \$2,999 and therefore exceed the CMHC affordable rent threshold of \$597. The rent levels of the one bedroom units range from \$1,499 to \$2,999 and therefore exceed the CMHC affordable rent threshold of \$773.

As the proposed Condominium Conversion meets the vacancy rate and affordable rent threshold requirement, the proposal complies with the policies of the UHOP.

4. In accordance with Section 9(4) of the *Condominium Act*, when an application is made to convert a residential building from rental to condominium tenure, the municipality shall require the owner / applicant to retain a qualified professional to inspect the property, and report to the municipality all matters that it considers may be of concern related to structural and mechanical integrity. This requirement is being addressed as Condition No. 3) of Appendix “C” to Report PED18230.
5. The Draft Plan of Condominium does not reflect the final Site Plan, as approved on August 18, 2014 with respect to the location of garbage collection. The Owner will be required to revise the Draft Plan of Condominium to reflect the final Site Plan Drawing DA-13-077 or receive approval to amend the final Site Plan Drawings to reflect the change to the location of the garbage collection. In addition, levels two and three on the Draft Plan of Condominium have been identified as not being to scale and the redline revised Draft Plan of Condominium has identified that the plan needs to be scaled. This requirements are addressed through Conditions Nos. 2) and 11) of Appendix “C” to Report PED18230.

ALTERNATIVES FOR CONSIDERATION

Should the proposed Condominium Conversion not be approved, the existing units will remain as rental tenure.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement & Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

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Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – Location Map

Appendix "B" – Draft Plan of Condominium

Appendix "C" – Draft Plan of Condominium Conditions

Appendix "D" – Notice and Minutes of Tenant "Information Meeting" on May 15, 2013,
and Resident Questionnaires

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