



WELCOME TO THE CITY OF HAMILTON

PLANNING COMMITTEE

May 31, 2022

PED22091– Condominium Conversion Policy Review

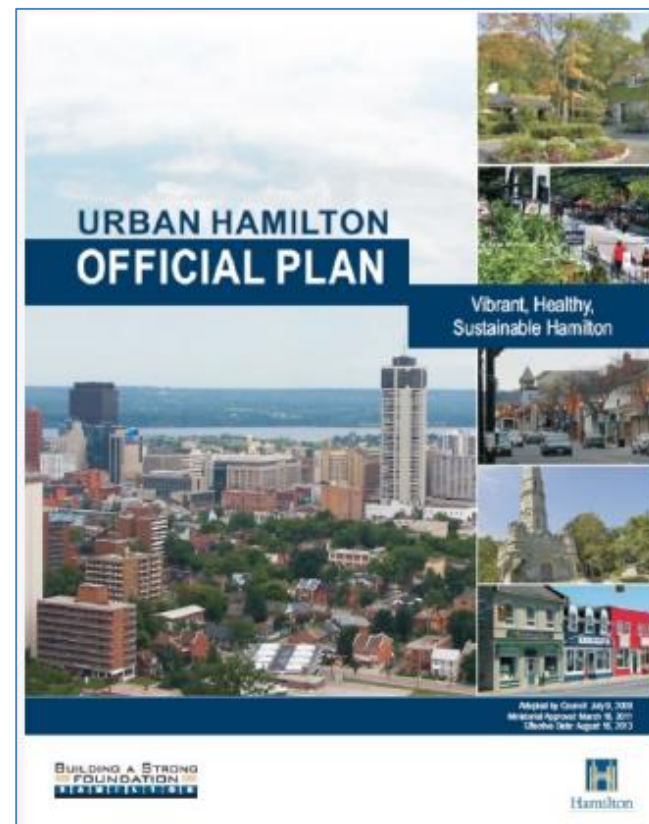
(City-wide)(Outstanding Business List Item)

Presented by: Melanie Pham

Project Background

2018: Motion at Planning Committee to review existing criteria for conversions of primary rental housing from rental tenure to condominium, within the City's Official Plan.

Direction to report back with recommendations on how to strengthen the policies and provide protection for rental housing.



Rental Housing and Affordability

- Rental housing is a key part of the City's housing continuum.
- Primary rental housing is a significant contributor to affordable housing options.
- Affordable rental housing development has not kept pace with demand. Vacancy rates for the most affordable rental units are very low, below 1.0 percent.
- Existing primary rental housing can be lost due to conversions to condominium tenure or through demolitions.

Primary rental housing = 6 or more units owned by a single owner and intended to be permanently rented.

Existing Policies – Conversions

Scenario 1: All of the following criteria are met.

1. The rental vacancy rate by dwelling unit type and structure type has been at or above 2.0% for the preceding 24 months.
2. The conversion will not reduce the vacancy rate below 2.0%
3. The existing market rent levels are not more than 10% below the average market rent levels for similar unit types/sizes.
4. For vacant units, the last rents charged were not significantly below the average market rent levels.

Scenario 2: At least 75% of the current tenants support the conversion to condominium.

Scenario 3: The building or group of buildings is a protected heritage property.

Scenario 4: Repair or retrofitting is immediately required to meet health and safety standards and the income received from rent and available government funding is not capable of supporting the work required.

Existing Policies - Demolitions

Demolitions permitted only when:

1. The same vacancy rate and market rent criteria in **Scenario 1** for condominium conversions are met, or,
2. The building is determined to be structurally unsound.

Downtown Secondary Plan – requires replacement units to be provided when rental units are demolished.

Research

- Review of data on housing and housing need.
- Review of existing data for the last 10 years related to vacancy rates, condominium conversions and demolitions of rental housing.
- Comparison review of policies and practices in other municipalities. (Appendices C and D)
- Reviewed 21 Ontario municipalities.

Key Findings of Comparison Review - Conversions

Findings	Municipalities
Contain restrictive policies for condominium conversions.	All
Have Vacancy Rate criteria.	All. 3% for most.
Have other criteria referencing average market rents, affordable housing supply, impacts to rental housing stock, the condition of a building, heritage status, and tenant rights.	Varies
Allow for replacement affordable units or a contribution to an affordable housing fund.	2
Use or reference a permit process via a Municipal Act By-law as an additional tool to help regulate conversions and protect affordable units.	3

Key Findings of Comparison Review - Demolitions

Findings	Municipalities
Note that demolition control by-laws may be used to control the demolition of residential buildings.	All
Contain restrictive policies for demolitions of rental housing to protect affordable units.	About half. Criteria varies.
Reference provision of replacement units.	5
Use a Municipal Act/City of Toronto Act by-law as an additional tool to help regulate demolitions and protect affordable units.	2

Recommendations

1. Establish a Municipal Act By-law to regulate conversions and demolitions of primary rental housing through a permit process and allow conditions to be applied.
 - Relocate detailed vacancy rate and market rent level criteria from the UHOP to the Municipal Act By-law.
 - Add a requirement that the City-wide vacancy rate be at or above 3% for the previous 24 month period, in addition to a 2% vacancy rate for the unit type and local housing market zone.

Recommendations

2. Policy Changes – Urban Hamilton Official Plan

- Simplify criteria for conversions and demolitions and relocate detailed criteria to a Municipal Act By-law.
- Remove policy permitting conversions if 75% of tenants are in agreement.
- Add flexibility for demolitions, to permit where replacement units will be provided.

Next Steps

- Recommendation (a) – Consult with the public and stakeholders on proposed changes to framework for conversions and demolitions.
- Recommendation (b) – Report back with final recommendations and modifications. (Estimated Q1 2023)

Public Consultation

- PIC (Virtual as needed)
- Invitation to stakeholders to comment
- Online web page and commenting





Hamilton

THANK YOU FOR ATTENDING

THE CITY OF HAMILTON PLANNING COMMITTEE