SUBJECT: Application for Approval of a Draft Plan of Condominium Conversion for Lands Located at 70 Emerald Street South (Hamilton) (PED07252) (Ward 2)

**RECOMMENDATION:**

That approval be given to **Condominium Conversion Application CDM-CONV-07-01, by Gaspar & Silva Limited (c/o Herminio Silva), Owner**, to establish a Draft Plan of Condominium for an existing 46 unit, 7-storey multiple dwelling with 45 parking space units, at 70 Emerald Street South (Hamilton), as shown on the attached map marked as Appendix “A” to Report PED07252, subject to the following conditions:

(a) That this approval apply to the plan, prepared and certified by Bryan Jacobs, O.L.S., dated January 29, 2007, showing a total of 46 apartment units and 45 parking space units, attached as Appendix “B” to Report PED07252.

(b) That the following conditions shall apply to the Draft Plan of Condominium approval:

**Development Planning and Engineering:**

(i) That the Final Plan of Condominium comply with all of the applicable provisions of the applicable Zoning By-law.

(ii) That the owner satisfy all conditions, financial or otherwise, of the City of Hamilton.
(iii) That the Owner shall submit a report in accordance with Section 9(4) of The Ontario Condominium Act, 1998, prepared and certified by a qualified Registered Professional Engineer or Licensed Architect, to the satisfaction of the Chief Building Official of the City of Hamilton, to confirm the structural and mechanical integrity of the building and any Owner initiated measures required to correct any deficiencies prior to the release of the final plan for registration.

(iv) That the owner pays all outstanding municipal taxes, to the satisfaction of the Corporate Services Department (Tax Administration/Banking Section).

Bell Canada:

(v) That the Owner covenants and agrees to provide the Manager, Engineering Design and Construction with evidence that satisfactory arrangements, financial and otherwise, have been made with a telecommunication service provider approved by the Canadian Radio and Telecommunication Commission (CRTC), to provide adequate telecommunication service to the lands with the approved Draft Plan, including 9-1-1 emergency calling service that identifies, at a minimum, the callers name and location information.

EXECUTIVE SUMMARY:

The purpose of this application is to establish a Plan of Condominium for 46 existing rental apartment units and 45 parking space units. The existing tenants are protected under the Tenant Protection Act.

The proposed condominium conversion has merit and can be supported as it conforms to the City of Hamilton Official Plan, the “Urban” Policies of the Hamilton-Wentworth Official Plan, and is consistent with the Provincial Policy Statement.

BACKGROUND:

Proposal

The subject property contains a 7-storey apartment building with 46 dwelling units. A total of 45 parking spaces are also provided (15 at grade and 30 underground), which
are identified on the proposed Draft Plan of Condominium as separate units. The property is located on the west side of Emerald Street South, between Main Street East and Hunter Street East. The building contains 25 one-bedroom dwelling units, 20 two-bedroom dwelling units, and 1 bachelor apartment. This proposal is for a change in tenure from rental apartment units to condominium apartment units.

**Location:** 70 Emerald Street South

**Owner/Applicant:** Gaspar & Silva Limited

**Property Description:**
- Lot Area: 0.17 hectares
- Lot Frontage: 47.39 metres
- Lot Depth: 37.48 metres

**Existing Land Use and Zoning**

<table>
<thead>
<tr>
<th>Existing Land Use</th>
<th>Existing Zoning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subject Lands</strong></td>
<td>“E” (Multiple Dwellings) District</td>
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<tr>
<td><strong>Surrounding Land Uses</strong></td>
<td></td>
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<tr>
<td>North:</td>
<td>Triplex</td>
</tr>
<tr>
<td>West:</td>
<td>Multiple Dwelling and other low and medium density residential uses</td>
</tr>
<tr>
<td>South:</td>
<td>Single Detached Dwellings and Converted Dwellings</td>
</tr>
<tr>
<td>East:</td>
<td>Mixed Commercial and Residential uses</td>
</tr>
</tbody>
</table>

**ANALYSIS/RATIONALE:**

1. The proposal has merit and can be supported for the following reasons:

   (i) It is consistent with the Provincial Policy Statement.

   (ii) It conforms to the Hamilton-Wentworth Official Plan and the City of Hamilton Official Plan.
(iii) It is compatible with existing uses in the surrounding area.

2. The City of Hamilton Official Plan housing policies are intended to guide future growth and development, which includes fostering a healthy rental housing market within the City. In this regard, Section C7.11 of the City of Hamilton’s Official Plan identifies three conditions that must be satisfied in order to recommend approval of condominium conversions. These conditions are as follows:

(i) The rental vacancy rate by dwelling/structure type for the City and the respective local housing market zone has been at or above 2.0% for the preceding twenty-four months.

(ii) The proposed conversion will not reduce the rental vacancy rate by dwelling/structure type to below 2.0% for the City and the respective local housing market zone.

(iii) The existing market rent levels for the units proposed to be converted are not significantly below the average market rent levels for the City and the respective local housing market zone for rental units of a similar dwelling/structure type.

The Canada Mortgage and Housing Corporation (CMHC) provides annual statistical information on the national, provincial and local housing markets. For this exercise, the City uses local housing market data that is specifically-ordered from CMHC. The data was analyzed by the Community Services Department (Housing Policy and Programs Section). The subject property is located in the Downtown Core (Zone 1). For this Zone, the CMHC vacancy rate for bachelor apartments was 6.9% in 2006 and 7.2% in 2005. For one-bedroom apartment units, the vacancy rate was 4.0% in 2006 and 5.7% in 2005; and for two-bedroom apartment units, the vacancy rate was 5.8% in 2006 and 6.1% in 2005. For the entire City of Hamilton, the CMHC vacancy rate for bachelor apartments was 6.5% in 2006 and 6.3% in 2005. For one-bedroom apartment units, the vacancy rate was 4.3% in 2006 and 5.0% in 2005; and for two-bedroom apartment units, the vacancy rate was 5.2% in 2006 and 4.8% in 2005. Therefore, Condition 1 of the Official Plan policy is satisfied.

At the time of submission of the application in January 2007, the applicant advised that all the units were occupied except for one two-bedroom unit and one one-bedroom unit. Removing the 46 apartment units from the housing stock does not result in a significant decrease to the vacancy rate for one and two-bedroom units as only one of each type of unit are vacant. It has, therefore, been determined that the proposed conversion meets the intent of Condition 2 of the Official Plan Policy, as it does not result in a decrease in the vacancy rate below 2%. 
Using the same CMHC statistical information, Condition 3 of Section C7.11 of the Official Plan mentioned above is not negatively affected. According to the information provided, for Zone 1 in 2006, bachelor apartments had an average rent of $498, one-bedroom units had an average rent of $602, and two-bedroom units had an average rent of $770, per month. For the entire City of Hamilton in 2006, bachelor apartments had an average rent of $491, one-bedroom units had an average rent of $606 and two-bedroom units had an average rent of $741, per month. The proposed units to be converted are currently rented at an average of $581.28 for one-bedroom units per month, and $706.75 for two-bedroom units per month. The single bachelor apartment rents for $460 a month. In this case, the differences between the average rents for one-bedroom units are 3.49% below average for CMHC Zone 1 and 4.1% below average for the entire City of Hamilton. For two-bedroom units, the below average difference is 8.3% for CMHC Zone 1 and 4.7% for the entire City of Hamilton. For the single bachelor unit, the below average difference is 7.6% for CHMC Zone 1 and 6.3% for the entire City of Hamilton. The average rents in the existing building are not considered to be significantly lower than the average market rent for bachelor, one-bedroom and two-bedroom units in the City of Hamilton and in the local housing market zone.

In summary, the proposed condominium conversion conforms to the policies of the City of Hamilton Official Plan.

3. The applicant has been diligent in advising the existing tenants of their intent to convert the existing apartments into condominiums. An information letter and invitation to a tenant information meeting was circulated to the tenants of the 46 units (see Appendix "C"). This letter notified the existing tenants of the proposal, provided details of the tenants' rights under the Tenant Protection Act, and what the proposed conversion would result in pertaining to upgrades to the existing units. Further to this letter, the applicant also conducted a tenant information meeting on July 20, 2007, which was attended by six tenants. This meeting provided further opportunity for the tenants to ask questions. None of the tenants whom attended the meeting were opposed to the change in tenure.

4. In order to ensure the quality and safety of future residents, it is essential that the City receives an engineering report that is signed by a professional engineer or architect which will address all requirements that are set out within the present Building Code. In addition, other conditions must be applied to the Draft Plan of Condominium approval to confirm zoning conformity, to ensure all property taxes are paid, and to ensure the availability of communications/telecommunication infrastructure for emergency services.
ALTERNATIVES FOR CONSIDERATION:

Should the proposed condominium conversion not be approved, the existing multiple dwelling will continue as rental tenure.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial: N/A.

Staffing: N/A.

Legal: The Planning Act does not require a notice of Public Meeting for an application for Condominium Conversion. However, notice of the Public Meeting was given to all existing tenants by the City of Hamilton.

POLICIES AFFECTING PROPOSAL:

Provincial Policy Statement

The application is consistent with respect to the Provincial Policy Statement, in that the application focuses growth in settlement areas.

Hamilton-Wentworth Official Plan

The subject property is designated “Urban Area” in the Hamilton-Wentworth Official Plan and the proposal conforms.

Hamilton Official Plan

The subject lands are designated “Residential” on Schedule “A”, Land Use Concept of the City of Hamilton Official Plan. The proposal conforms to the “Residential” designation of the Official Plan. The proposal also conforms to the policies for condominium conversions as set out under Section C.7.11 (see Page 4).

RELEVANT CONSULTATION:

The following Departments and Agencies had no comment or objections:

- Public Works Department (Traffic Engineering and Operations Section).
- Corporate Services Department (Budgets Section).
- Horizon Utilities.

Bell Canada has requested a standard condition pertaining to availability of communication/telecommunication infrastructure. This is addressed by Recommendation (b) (v).
Community Services Department (Housing Policy and Programs Section) provided an analysis of data from CMHC pertaining to vacancy rates and average rents and indicated that the proposal is an example of affordable home ownership (see Comment 2 – Pages 4 and 5).

Public Consultation

An information letter and invitation to a tenant information meeting was circulated to the tenants of the 46 units (see Appendix "C"). This letter notified the existing tenants of the proposal, provided details of the tenants’ rights under the Tenant Protection Act, and what the proposed conversion would result in pertaining to upgrades to the existing units. Further to this letter, the applicant also conducted a tenant information meeting on July 19, 2007, which was attended by six tenants. This meeting provided further opportunity for the tenants to ask questions. None of the tenants whom attended the meeting were opposed to the change in tenure. In addition, a Notice of the Public Meeting was circulated to all current tenants.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
The public are involved in the definition and development of local solutions.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Human health and safety are protected.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Infrastructure and compact, mixed use development minimize land consumption and servicing costs.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☐ Yes ☑ No

:GM
Attachs. (3)
Location Map

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number: CDM-CONV-07-01
Date: August 29, 2007

Appendix "A"

Scale: N.T.S.
Planner/Technician: GM/KA

Subject Property

70 Emerald Street South, Hamilton.

Ward 2 Key Map N.T.S.
July 9, 2007

Dear Sir/Madam:

RE: Tenant Information Meeting -
Rental Housing Protection Act Application
70 Emerald Street, Hamilton

The owner of 70 Emerald Street, Mr. Herminio Silva, has applied for approval under the Rental Housing Protection Act to convert the property from rental apartment units to condominium. Enclosed is a brochure which outlines the conversion process.

City Council requires that a Tenant Information Meeting be held prior to consideration of this application by the Planning and Development Committee and Council. The meeting is intended to ensure that all tenants and other parties are aware of the details of the proposal and to answer any questions that tenants may have. The Ward Aldermen, and staff of the Planning and Development Departments will be invited.

You are invited to attend this meeting which will be held as follows:

Date: Thursday, July 19, 2007
Time: 7:00 p.m. - 9:00 p.m.
Place: Norman Pinky Lewis Recreation Centre, 192 Wentworth Street North Meeting Room

We look forward to seeing you at the meeting. If you have any questions about this matter, please call Mr. Silva 905 648-2551

Yours truly,

Gaspar & Silva, Limited
President

cc. Bernie Morelli, Alderman
    Robert Walters MCIP, RPP, Senior Project Manager Development Planning - West Team
    Greg Macdonald, Bes, Planner
NOTICE TO READER

If it was not for some financial barriers, more people would own their own home rather than renting. The purpose of this booklet is to provide the information that may enable you to own your home due to a reduction of the financial barriers.

WHAT IS THE REASON FOR THIS MEETING?

An application has been made with the Municipal Government to register the building at 70 Emerald Street as condominium units. After final approvals and registration are completed, your current Landlord will be making upgrades to the building. You will be offered a package of services and upgrades for both the residents who purchase their units as condominiums and for those who for whatever reason will not and will stay as tenants.
70 EMERALD ST. SOUTH - HAMILTON

THE FOLLOWING IS A PACKAGE OF SERVICES BEING OFFERED TO ALL THE TENANTS.

The following improvements will be made to the buildings after condominium status obtained.

1. Exterior Improvements:
   a. All the windows will be replaced with new aluminum thermal pane windows.
   b. All Balcony doors will be replaced.
   c. All landscaping will be upgraded.
   d. All walkways will be replaced or repaired.
   e. The parking lot will be repaired. New lines and numbers would be painted.
2. Interior Upgrades

a. All fridges will be replaced with new full sized frost free fridges.

b. All stoves will be replaced with new full sized stoves.

c. All water taps in kitchens and bath rooms that need to be replaced will be replaced.

d. All bathroom tiles and floors that need to be replaced will be replaced.

e. All kitchen floors that need to be replaced will be replaced.

f. All interior doors including clothing closet doors that need to be replaced will be replaced.

g. Replace, repair or refurbish all railings, walls, ceilings and lighting in all the common corridors including all the rest of the common areas.

h. All hallways will be painted.

i. All hallway carpets will be replaced.
WHAT HAPPENS IF I DECIDE TO BUY MY UNIT?

a. You would provide a letter of intent to purchase

b. your unit will be appraised by a qualified appraiser at the current owner’s expense.

c. You can purchase your own unit at a reduced purchase price of a minimum of $4,000.00 or 5% less than the appraised value (whichever is greater).

d. You will receive a 20% refund of your total rental payment made during the last 12 months prior to closing of your unit transaction.

e. You could have the current owners arrange a first mortgage insured by CMHC for up to 95% of purchase price for 1st time home buyers and 90% of the purchase price if you were previously a home owner (Placement of financing services provided free of charge).

f. You could have the current owner assist you with Secondary financing for a period of 3 years. Interest rates for the secondary financing would be fixed at 4% lower than second mortgage rates offered by Canada Trust to their customers.

g. You will receive a free home inspection by an outside qualified company and all problems reported will be repaired at the current owners expense before the closing date.

h. You will receive 1 year worth of a home warrantee program.

i. You will receive a home repair manual
AND IF I DON'T WANT TO BUY MY UNIT NOW...BUT MAYBE LATER?

a. you would provide a letter of intent or an option to purchase the unit within a period of 3 years from the dated that condominium approval status has been issued.

b. You would then be entitled to all the items shown on the preceding page form 'a' to 'i' from as those residents who purchase their units when their building will have condominium status approval.
BUT WHAT IF I DO NOT WANT TO PURCHASE MY UNIT AT ALL?

a. Your have the option of signing a 1 to 5 year lease which would guarantee the present tenancy status of your unit.

b. At your option you could have the current owners find new accommodations for you and have the current owners arrange for the new occupancy on your behalf.

c. You can stay on a month to month basis just as you are at the present time.

d. You do not have to do anything different than now if you do not wish to.
Gaspar & Silva Limited
21 Larkspur Crescent, Ancaster Ontario L9K 1C5

January 31, 2007

To All Tenants Living at 70 Emerald Street South,
as of January 31, 2007
Hamilton, Ontario
L8N 2V3

Dear Tenant

This letter is to confirm that THE CURRENT OWNERS OF THIS BUILDING WILL NOT ASK FOR ANY INCREASE FOR YOUR UNIT ABOVE THE MAXIMUM GUIDELINE ALLOWED BY THE MINISTRY OF HOUSING and will not apply for any rent increase based on the capital expenditures made to your building as outlined in your condominium brochure.

The improvements that will be made to the units and the building will not increase your rent above the maximum rent increase allowed by the Ministry of Housing (Rent Control).

In my opinion, this is a great opportunity for all tenants to buy their units with NO DOWN PAYMENT OF THEIR OWN and the possibility of OWNING YOUR UNIT WITH MONTHLY PAYMENTS APPROXIMATELY THE SAME AS YOUR PRESENT RENT PAYMENT.

Should you have any further questions, please feel free to contact me at your convenience.

Yours truly,

Herminio Silva, President/Owner
## RECORD OF ATTENDANCE

**Thursday, July 19, 2007**

Meeting at Norman Pinky Lewis Recreation Centre - 192 Wentworth Street North Hamilton

<table>
<thead>
<tr>
<th>UNIT</th>
<th>NAME</th>
<th>PHONE #</th>
</tr>
</thead>
<tbody>
<tr>
<td>602</td>
<td>Beth Race</td>
<td>905 575-6039</td>
</tr>
<tr>
<td>504</td>
<td>Dave Barlow</td>
<td>905 308-8712</td>
</tr>
<tr>
<td>707</td>
<td>Mike Peace</td>
<td>905-520-5221</td>
</tr>
<tr>
<td>184</td>
<td>Burke Hendry</td>
<td>905-529-1619</td>
</tr>
<tr>
<td>102</td>
<td>Frank van Breda</td>
<td>905-393-4655</td>
</tr>
<tr>
<td>203</td>
<td>Fred Rossi, Teresa Mackey</td>
<td>905 448-4318</td>
</tr>
</tbody>
</table>