SUBJECT: Application for Approval of a Draft Plan of Condominium Conversion, for Lands Located at 129 Rebecca Street (Hamilton) (PED09086) (Ward 2)

RECOMMENDATION:

That approval be given to Condominium Conversion Application CDM-CONV-08-04, by TT Development Inc., Owner, to establish a Draft Plan of Condominium for the building known as “Stone Lofts”, for 19 apartment units located at 129 Rebecca Street (Hamilton), as shown on the attached map marked as Appendix “A” to Report PED09086, subject to the following conditions:

(a) That this approval apply to the plan prepared by MacKay, MacKay and Peters Ltd., and certified by Dasha Page, O.L.S., dated June 17, 2008, showing a 3 storey residential apartment building, attached as Appendix “B” to Report PED09086.

(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 complies with all applicable provisions of the applicable Zoning By-law.

   (ii) That the Owner satisfies all conditions, financial or otherwise, of the City of Hamilton.
EXECUTIVE SUMMARY:

The purpose of this application is to create a Plan of Condominium for 19 existing apartment units on four levels, with one level being below ground, within a building located at 129 Rebecca Street (Hamilton) (see Appendix “A”). The condo conversion will allow for tenure of the units to change from rental to condominium ownership. The existing tenants are protected under the Tenant Protection Act.

Staff supports the application since it is consistent with the Provincial Policy Statement and conforms to the policies of the City of Hamilton Official Plan with respect to the provision of the supply of rental housing.

BACKGROUND:

Proposal

The subject property contains an existing 3 storey building with an additional level below grade. Currently, there is no parking provided on site. The property is located east of Mary Street, on the north side of Rebecca Street. This proposal is for a change in tenure from 19 rental apartment units to 19 condominium apartment units. The proposal would allow individual ownership of each unit and common use of the remainder of the site. No additional construction is proposed.

The building is comprised of six bachelor units, eleven 1-bedroom units, and two 2-bedroom units; and are labelled Units 2-5 on the ground floor, 11-15 on the first floor, 21-25 on the second floor, and 31-35 on the third floor.

Location: 129 Rebecca Street (Hamilton)

Owner/Applicant: TT Developments Inc.

Property Description:
- Lot Area: 410.15 square metres
- Lot Frontage: 23.64 metres
- Lot Depth: 17.35 metres
### EXISTING LAND USE AND ZONING

<table>
<thead>
<tr>
<th>Subject Lands</th>
<th>Existing Land Use</th>
<th>Existing Zoning</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3 Storey Building</td>
<td>Medium to High Density</td>
</tr>
<tr>
<td></td>
<td>(19 Units)</td>
<td>Multiple Dwelling (D4) Zone</td>
</tr>
</tbody>
</table>

### Surrounding Land Uses

<table>
<thead>
<tr>
<th>Direction</th>
<th>Land Use</th>
<th>Zoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>Parking Lot</td>
<td>Multiple Dwelling Residential (D4) Zone</td>
</tr>
<tr>
<td>West</td>
<td>Multiple Dwellings</td>
<td>Multiple Dwelling Residential (D4) Zone</td>
</tr>
<tr>
<td>South</td>
<td>Multiple Dwellings</td>
<td>Multiple Dwelling Residential (D3) Zone</td>
</tr>
<tr>
<td>East</td>
<td>Multiple Dwellings</td>
<td>Multiple Dwelling Residential (D4) Zone</td>
</tr>
</tbody>
</table>

### ANALYSIS/RATIONALE:

1. The proposal can be supported for the following reasons:
   
   (i) It is consistent with the Provincial Policy Statement (PPS).
   
   (ii) It conforms to the Hamilton-Wentworth Official Plan and the City of Hamilton Official Plan.
   
   (iii) The proposal complies with the City of Hamilton Zoning By-law.
   
   (iv) It is compatible with the 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. A “healthy” or “balanced” rental market vacancy rate is generally considered to be between 2% and 3%. 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.

Canada Mortgage and Housing Corporation (CMHC) provides annual statistical information on the national, provincial, and local housing markets. For assessing condominium conversion applications, the City uses local housing market data that is specifically ordered from CMHC. This data is used for assessing rental market activity in the City of Hamilton and the respective CMHC local housing market zones. Table 1 shows the vacancy rate and average market rent for the local housing market zone in which the subject lands are located (i.e. Zone 1) for privately initiated bachelor, one-bedroom, and two-bedroom apartment units.

Table 1: Vacancy Rate and Average Market Rent for Bachelor, One-Bedroom, and Two-Bedroom Apartment Units in CMHC Zone 1 - Downtown Core.

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Bachelor</td>
<td>5.0%</td>
<td>$515</td>
<td>4.4%</td>
<td>$507</td>
</tr>
<tr>
<td>One-Bedroom</td>
<td>3.2%</td>
<td>$636</td>
<td>3.4%</td>
<td>$619</td>
</tr>
<tr>
<td>Two-Bedroom</td>
<td>3.1%</td>
<td>$788</td>
<td>3.4%</td>
<td>$785</td>
</tr>
</tbody>
</table>

Source: CMHC (2008)

Table 2 shows the vacancy rate and average market rent for the City of Hamilton for privately initiated bachelor, one-bedroom, and two-bedroom apartment units.

Table 2: Vacancy Rate and Average Market Rents for Bachelor, One-Bedroom, and Two-Bedroom Apartment Units in the City of Hamilton.

<table>
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<tbody>
<tr>
<td>Bachelor</td>
<td>5.0%</td>
<td>$508</td>
<td>6.5%</td>
<td>$501</td>
</tr>
<tr>
<td>One-Bedroom</td>
<td>3.5%</td>
<td>$637</td>
<td>3.7%</td>
<td>$624</td>
</tr>
<tr>
<td>Two-Bedroom</td>
<td>3.4%</td>
<td>$775</td>
<td>3.9%</td>
<td>$762</td>
</tr>
</tbody>
</table>

Source: CMHC (2008)
Based on the most available CMHC data, shown above, the average vacancy rates for bachelor, one-bedroom, and two-bedroom apartments in the local housing market zone, and in the City of Hamilton for the years 2007 and 2008, were above 2%. Therefore, the proposal is consistent with Condition (i), as the rates have been above 2% for the past 24 months.

Condition (ii) requires that the conversion will not reduce the rental vacancy rate below 2% for either the City or the respective local housing market zone. The conversion of the subject rental units to condominiums does not negatively impact vacancy rates such that rates would fall below 2% for bachelor, one-bedroom, and two-bedroom apartment units in CMHC Zone 1 or the City of Hamilton. Therefore, the proposed conversion meets the intent of Condition (ii).

Information provided by the applicant indicates that average rent for the bachelor units is $500, average rent for the 1-bedroom units is $704, and average rent for the 2-bedroom units is $812. In comparing the information provided in the above tables with the rates indicated by the applicant, the existing market rent levels for the units proposed to be converted are not significantly above or below the average market rent levels for the City and the respective local housing market zone. Therefore, the proposal meets the requirement of Condition (iii).

In summary, the proposed condominium conversion is consistent with the Conversion Policies C7.11(i), C7.11(ii), and C7.11(iii) of the City of Hamilton Official Plan, which are considered to be a reasonable standard for evaluating the merits of condominium conversion applications. Therefore, staff supports the proposed condominium conversion application.

3. In accordance with Section 9(4) of the Ontario Condominium Act, 1998, a Property Assessment report, prepared by a Registered Professional Engineer or Licensed Architect, has been submitted to 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. The Chief Building Official has advised that this condominium conversion can be supported.

4. The application is subject to entering into an Encroachment Agreement for existing landscaping features located within the municipal right-of-way (see Recommendation (b)(iii)). The applicant submitted an application to enter into an Encroachment Agreement on February 12, 2009. The property is already subject to an Encroachment Agreement for existing concrete steps.

**ALTERNATIVES FOR CONSIDERATION:**

Should the proposed condominium conversion not be approved, the building shall remain as a 19 unit rental apartment building.
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, specifically the following policy:

“1.4.3 Planning authorities shall provide for an appropriate range of housing types and densities to meet projected requirements of current and future residents of the regional market area by:

b) permitting and facilitating:

1. all forms of housing required to meet the social, health and well-being requirements of current and future residents, including special needs requirements.”

The proposal will not reduce the amount of rental housing units within the City of Hamilton below 2.0%, and as such, the proposal is consistent with the PPS.

Hamilton-Wentworth Official Plan

The subject property is designated “Urban Area” in the Hamilton-Wentworth Official Plan. Policy C-3.1 outlines that a wide range of urban uses, defined through Area Municipal Official Plans and based on full municipal services, will be concentrated in the Urban Areas. As the nature of the application is for the conversion of an existing residential building with 19 units to a Plan of Condominium, where full municipal services are available, the proposal conforms to the Hamilton-Wentworth Official Plan.

The City of Hamilton Official Plan and Putting People First Secondary Plan

The subject lands are located within the Downtown Hamilton Special Policy Area, which is further defined by the Putting People First: The New Land Use Plan for Downtown Hamilton Secondary Plan. The subject lands are designated as “Area A Northeast Residential Precincts” on Schedule “L-6”. The proposed conversion is consistent with the policies of the “Area A Northeast Residential Precincts”, the general residential policies, as well as the Secondary Plan Objective 6.2.6.1, to create a diversified housing
supply in the Downtown geared to the needs of various age groups with increased opportunities for home ownership. Therefore, the proposed conversion conforms with the secondary plan.

The Official Plan also provides guidance in assessing the merits of proposed condominium conversions under Section C.7.11. These Official Plan policies have been addressed in the Analysis/Rationale section of this report. The proposal satisfies the conversion policies of the Plan. Accordingly, the proposal conforms with the Official Plan.

RELEVANT CONSULTATION:

The following Departments and Agencies had no comment or objections:

- Hydro One Networks Inc.
- Municipal Property Assessment Corporation.
- Bell Canada.

Comments were received from Traffic Planning, which advised that an Encroachment Agreement would be required for significant landscaping features found within the road allowance. Approval and registration of the Encroachment Agreement is a condition of approval for this condominium conversion application (see Recommendation (b)(iii)).

PUBLIC CONSULTATION:

A Tenant Information Meeting was held on November 25, 2008. Notice of the Tenant Information Meeting was given to all of the tenants. At this meeting, details of the proposal and of the tenants’ rights under the Tenant Protection Act were provided. There were four tenants in attendance at the meeting, three of which signed letters of support. Presentation material, sign-in sheets, and letters of support are attached as Appendix “C”. Staff has received no form of opposition to the change in tenure.

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 proposal will not reduce the vacancy rate below 2.0% for this type of building/dwelling and provides the opportunity for an alternative/affordable form of housing.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
As this is an existing development, the proposal does not present any adverse impacts to the environment.
Economic Well-Being is enhanced.  ☑Yes  ☐ No
The proposed conversion will not adversely affect the market rent levels and provides the opportunity for an alternative form of affordable housing.

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

:KM
Attachs. (3)
Dear Tenant,

You are invited to attend a Tenant’s Information Meeting. This meeting will be from 7:30pm to 9:00pm on November 25th, 2008 at the following location:

THE STONE LOFTS
Suite #22 – 129 Rebecca St.
Hamilton, ON L8R 1B9

TT Developments Inc. has submitted an application to change the current rental ownership of 129 Rebecca Street Apartment Units into Condominium Units.

What Does This Mean to You As a Tenant?
- Approval of this application for a Draft Plan of Condominium will NOT change your rights as a tenant.
- If you wish, you may remain as a tenant as long as you want, continue to pay rent and enjoy the facilities.
- TT Developments Inc. will still own your rental unit.
- The persons controlling and maintaining the building will remain the same.
- The regulation of the Tenant Protection Act will continue to apply to you. In other words, if you are a tenant at the time of approval, you may remain a tenant for as long as you like.
- All costs associated with the conversion process will be paid by the Landlord, and there will be NO incremental rent increases related to the condominium conversion.

What is the Approval Process?
- A Draft Plan of Condominium application was submitted for the conversion of the units.
- The City of Hamilton will review the applications and prepare a Staff Report.
- This Report will be presented to the public at the Planning and Economic Development Committee Meeting following this Tenant’s Meeting. The City will be mailing out a notice to all residents to attend this meeting. Your support at this meeting is greatly appreciated.
- If approval of the application/report is granted, the report will be presented to Council the following week for final approval.

What is a Condominium?
- Condominium is a legal term for a form of home ownership.
- Condominium means that the homeowner owns the individual residential unit, Plus a proportionate share of the common areas.
The Residential Tenancies Act

Conversion to condominium, security of tenure

51. (1) If a part or all of a residential complex becomes subject to a registered declaration and description under the Condominium Act, 1998 or a predecessor of that Act on or after June 17, 1998, a landlord may not give a notice under section 48 or 49 to a person who was a tenant of a rental unit when it became subject to the registered declaration and description. 2006, c. 17, s. 51 (1).

Proposed units, security of tenure

(2) If a landlord has entered into an agreement of purchase and sale of a rental unit that is a proposed unit under the Condominium Act, 1998 or a predecessor of that Act, a landlord may not give a notice under section 48 or 49 to the tenant of the rental unit who was the tenant on the date the agreement of purchase and sale was entered into. 2006, c. 17, s. 51 (2).

Conversion to condominium, right of first refusal

(5) If a landlord receives an acceptable offer to purchase a condominium unit converted from rented residential premises and still occupied by a tenant who was a tenant on the date of the registration referred to in subsection (1) or an acceptable offer to purchase a rental unit intended to be converted to a condominium unit, the tenant has a right of first refusal to purchase the unit at the price and subject to the terms and conditions in the offer. 2006, c. 17, s. 51 (5).

Same

(6) The landlord shall give the tenant at least 72 hours notice of the offer to purchase the unit before accepting the offer. 2006, c. 17, s. 51 (6).
November 25, 2008 Tenant Meeting RE: Condo Conversion

SIGN IN

To Whom It May Concern,

I, Janis Gow, the current tenant of Unit #21, 129 Rebecca Street, Hamilton, Ontario, attended the tenant meeting RE: Condo Conversion.

Janis Gow
(tenant) - SUPERINTENDANT
November 25, 2008 Tenant Meeting RE: Condo Conversion

SIGN IN

To Whom It May Concern,

I, [Signature], the current tenant of Unit # 5, 129 Rebecca Street, Hamilton, Ontario, attended the tenant meeting RE: Condo Conversion.

[Signature]
(tenant)
November 25, 2008 Tenant Meeting RE: Condo Conversion

SIGN IN

To Whom It May Concern,

I, Andrew George, the current tenant of Unit # 13, 129 Rebecca Street, Hamilton, Ontario, attended the tenant meeting RE: Condo Conversion.

(tenant)
November 25, 2008 Tenant Meeting RE: Condo Conversion

SIGN IN

To Whom It May Concern,

Judi Vermeer, the current tenant of Unit #15, 129 Rebecca Street, Hamilton, Ontario, attended the tenant meeting RE: Condo Conversion.

Judi Vermeer
(tenant)


**TENANT SUPPORT LETTER**

To Whom It May Concern,

Andrew Green, the current tenant of Unit# 15, 129 Rebecca Street, Hamilton, Ontario support the application of TT Developments Inc. to change the current rental ownership of The Stone Loft apartments at 129 Rebecca Street, Hamilton, Ontario into Condominium Units.

EXECUTED at Hamilton this 25th day of November, 2008.

[Signature]

(tenant)
TENANT SUPPORT LETTER

To Whom It May Concern,

I, [Tenant Name], the current tenant of Unit # [Unit Number] 129 Rebecca Street, Hamilton, Ontario support the application of TT Developments Inc. to change the current rental ownership of The Stone Loft apartments at 129 Rebecca Street, Hamilton, Ontario into Condominium Units.

EXECUTED at Hamilton this 25th day of November, 2008.

[Signature]
(tenant)
TENANT SUPPORT LETTER

To Whom It May Concern,

I, Janis Gow, the current tenant of Unit # 21, 129 Rebecca Street, Hamilton, Ontario support the application of TT Developments Inc. to change the current rental ownership of The Stone Loft apartments at 129 Rebecca Street, Hamilton, Ontario into Condominium Units.

EXECUTED at Hamilton this 25th day of November, 2008.

[Signature]
(tenant) - SUPER INTENDANT