

STAFF REPORT ACTION REQUIRED

480 Oriole Parkway Recommending Approval of Official Plan Amendment & Draft Plan of Condominium Applications 05 116292 STE 22 OZ and 05 116296 STE 22 CD Final Report

Date:	January 29, 2007
То:	Toronto and East York Community Council
From:	Director, Community Planning, Toronto and East York District
Wards:	Ward No. 22 – St. Paul's
Reference Number:	File No.05 116292 STE 22 OZ and 05 116296 STE 22 CD

SUMMARY

An application has been submitted to permit conversion of an apartment building consisting of 33 co-ownership units at 480 Oriole Parkway to condominium.

This report reviews and recommends approval of the applications for an amendment to

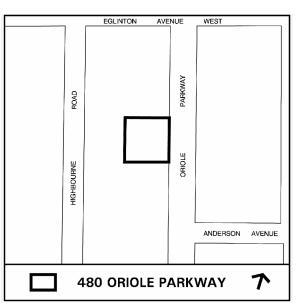
the Official Plan policies and for Draft Plan of Condominium, subject to a number of conditions being met.

The applications have been appealed to the Ontario Municipal Board. A pre-hearing to consider the appeal has been scheduled for February 1, 2007.

RECOMMENDATIONS

The City Planning Division recommends that:

1. City Council direct the City Solicitor to advise the Ontario Municipal Board (the "OMB") that



the City of Toronto requests the OMB to approve the application for Official Plan Amendment No. 05 116292 STE 22 OZ, substantially in accordance with Attachment No.4, and authorize Draft Approval of the Plans of Condominium Application No. 05 116296 STE 22 CD for 480 Oriole Parkway date stamped as received on May 2, 2005 subject to recommendation 2;

- 2. Require the owner to fulfill the conditions of Draft Approval of the Plan of Condominium as set out in Attachment 5, including the execution and satisfactory registration of any condominium agreements deemed necessary by the City Solicitor, prior to the City's consent for final registration and authorize the City Solicitor to prepare any necessary agreements, as the City Solicitor deems necessary;
- 3. Authorize the City Solicitor to make such stylistic and technical changes to the draft Official Plan Amendment and Draft Plan of Condominium Approval as may be required;
- 4. City Officials be authorized and directed to take necessary actions to give effect thereto;

Financial Impact

There are no financial implications resulting from the adoption of this report.

ISSUE BACKGROUND

The subject lands are developed with a 3-storey residential apartment building containing 33 units. Municipal records indicate that the structure was originally constructed in 1929 as a rental apartment building.

The applicant has indicated that in December of 1990 the building was converted to an equity co-ownership with the incorporation of "480 Oriole Parkway Co-ownership Inc." This conversion allowed people to acquire beneficial ownership of certain common shares in the corporation (which Corporation manages the property) and a registered co-ownership interest in the lands as a shareholder of the property. Each shareholder has an entitlement to exclusive use and occupancy of a designated unit. Also, each shareholder is entitled to rent their specific unit.

Tenants living in equity co-operative or co-ownership buildings are given similar protection under the Tenant Protection Act (to be replaced by the Residential Tenancies Act on January 31, 2007) to tenants in conventional or purpose-built rental housing. Unlike tenants in condominiums who first occupy units after the registration of a condominium, those in equity co-operatives or co-ownerships cannot be evicted for the shareholders use unless the shareholder or the shareholder's immediate family has previously occupied the unit.

Presently, 18 of the units are shareholder occupied and 15 are rented. Of the 15 rented units, 4 were previously occupied by current shareholders. Accordingly tenants in those 4 units do not have security of tenure as they can be evicted for the shareholder or his/her immediate family's use. Another 4 of the 15 rented units have high-end rents.

Proposal

The applicant is proposing to amend the Official Plan for the City of Toronto and is requesting the approval of Draft Plan of Condominium to permit the conversion of the existing building with a total of 33 equity co-ownership units into residential condominiums. If the application is approved and the shareholders register the property as a condominium, each shareholder would own their own unit and a condominium corporation governed by the Condominium Act would be established to manage the property.

The draft plan of condominium proposes the existing configuration of the building, which consists of 16 one-bedroom, 10 two-bedroom and 7 three-bedroom units would be unchanged following the conversion (refer to Attachment 3).

The applicant has also indicated that no new additions or major exterior alterations are proposed.

Site and Surrounding Area

The 1,921 square metre site is located on Oriole Parkway just south of Eglinton Avenue West, and contains a 3 storey residential apartment building. Uses in the vicinity can be described as follows:

North: 3 storey residential apartment building South: low-density residential neighbourhood East: low-density residential neighbourhood West: low-density residential neighbourhood

Official Plan

New Toronto Official Plan

At its meeting of November 26, 2002, City Council adopted the Official Plan for the City of Toronto. In December 2005, City Council further adopted a number of modifications to the housing policies of the Official Plan. The 2002 Plan policies and the 2005 housing policy modifications, with few exceptions, were approved by the Ontario Municipal Board on October 17, 2006.

The Plan designates the subject site "Neighbourhoods". A discussion of the Official Plan housing policies regarding condominium conversion follows in the 'Comments' section of this report.

Zoning

The site is zoned R2 Z0.6 with a maximum permitted building height of 9 metres. This zone permits most residential building types including apartment buildings to a maximum gross floor area of 0.6 times the area of the lot.

Rezoning is not required to permit the proposed conversion of the apartment building to a residential condominium. The Building Division has been circulated the Draft Plan of Condominium and has not raised any concern with respect to zoning compliance.

The subject property is comprised of an existing building that it is listed on the City's Inventory of Heritage Buildings. The property is being recommended to Council for designation under Part IV of the Ontario Heritage Act. As a result, the existing building, which will be retained as part of this proposal, will be subject to the parking and loading exemption provisions of Section (4) of the Zoning By-law.

The Draft Plan of Condominium indicates that a total of 8 off-site parking spaces are currently provided to serve the existing residents of the site. As far as can be ascertained, the parking supply provided for the subject site currently enjoys legal non-conforming status, and does not, from a Zoning By-law perspective, require the provision of any additional parking spaces.

Site Plan Control

The application does not propose new construction and does not require site plan approval.

Reasons for Application

Section 9(2) of the Condominium Act provides that Section 51 of the Planning Act applies to an application for conversion of rental property. The proposed conversion of 480 Oriole Parkway from a Co-ownership building containing rental units to residential condominiums must be considered under the criteria set forth in Section 51(24) of the Planning Act. One of the criteria of Section 51(24) is whether the application conforms to the official plan. It is clear that this particular criterion cannot be met without an amendment to the Toronto Official Plan.

The Applicant has provided a Statement of Planning Rationale setting out their planning justification for the proposal. Their stated reasons include, among others, that the application:

- satisfies the general intent of the in-force Official Plans;
- no addition or physical changes to the building are being proposed; and
- would not impact on the availability and preservation of affordable rental housing in the City.

Community Consultation

A community consultation meeting was held in the neighbourhood to discuss this proposal on September 13, 2005. No members of the public attended the meeting.

Agency Circulation

The application was circulated to all appropriate agencies and City Departments. Responses received have been used to assist in evaluating the application.

COMMENTS

Legislative and Policy Framework

The following provides a description of the planning legislation that must be reviewed in this application.

The Condominium Act

The *Condominium Act* states that the provisions of Sections 51, 51.1 and 51.2 of the *Planning Act* that apply to a plan of subdivision also apply to plans of condominium with necessary modifications to a description or an amendment to a description.

The Planning Act

Section 51(24) of the *Planning Act* sets forth the criteria that the City must consider in determining whether to allow the conversion of a rental residential building to a condominium. Specifically, and relevant to this application, this section requires that:

"in considering a draft plan of subdivision [condominium conversion], regard shall be had, among other matters, to the health, safety, convenience and welfare of the present and future inhabitants of the municipality and to:

- a) the effect of the proposed subdivision on matters of provincial interest as referred to in Section 2;
- b) whether the proposed subdivision is premature or in the public interest;
- c) whether the proposed plan conforms to the official plan and adjacent plans of subdivision, if any;
- d) the suitability of the land for the purposes for which it is to be subdivided; and
- e) the restrictions or proposed restrictions, if any, on the land proposed to be subdivided or the buildings and structures proposed to be erected on it and the restrictions, if any, on adjoining land"

Section 2 of the *Planning Act* includes that :

"the... council of a municipality... in carrying out their responsibilities under this Act, shall have regard to, among other matters, matters of provincial interest such as...

- j) the adequate provision of a full range of housing;....
- 1) the protection of the financial and economic well-being of the Province and its municipalities;...and
- p) the appropriate location of growth and development."

Provincial Policy Statement

Issued under the authority of Section 3 of the *Planning Act*, the Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. On March 1, 2005, a new Provincial Policy Statement came into effect and replaces the policies that had been issued on May 22, 1996 and amended in 1997. The application was not a complete application until May 2, 2005 and therefore is subject to the new PPS.

Provincial Policy Statement housing policies include the provision of an appropriate range of housing types and densities to meet the requirements of current and future residents, and the provision of housing in locations with appropriate levels of infrastructure and services. Council is required to make decisions on planning matters that are consistent with Provincial Policy Statement policies.

Toronto Official Plan

The Official Plan, adopted by City Council in November 2002 as modified, including in December 2005, is now in force and applies to this application. It contains a number of policies respecting housing and the need to preserve and increase the City's supply of rental housing. Relevant Plan policies include:

Policy 3.2.1.1:

"A full range of housing, in terms of form, tenure and affordability, across the City and within neighbourhoods, will be provided and maintained to meet the current and future needs of residents. A full range of housing includes: ownership and rental housing, affordable and mid-range rental and ownership housing..."

Policy 3.2.1.8:

"The conversion to condominium, or the severance or subdivision, of any building or related group of buildings, containing six or more rental housing units will not be approved unless:

a) all of the rental housing units have rents that exceed mid-range rents at the time of application, or

- b) in Council's opinion, the supply and availability of rental housing in the City has returned to a healthy state and is able to meet the housing requirements of current and future residents. This decision will be based on a number of factors, including whether:
 - rental housing in the City is showing positive, sustained improvement as demonstrated by significant net gains in the supply of rental housing including significant levels of production of rental housing, and continued projected net gains in the supply of rental housing;
 - the overall rental apartment vacancy rate for the City of Toronto, as reported by the Canada Mortgage and Housing Corporation, has been at or above 3.0% for the preceding four consecutive annual surveys;
 - iii) the proposal may negatively affect the supply or availability of rental housing or rental housing sub-sectors including affordable units, units suitable for families, or housing for vulnerable populations such as seniors, persons with special needs, or students, either in the City, or in a geographic sub-area or a neighbourhood of the City; and
 - iv) all provisions of other applicable legislation and policies have been satisfied."

The above policies recognize the need for a broad, comprehensive approach to determine whether the City's supply and availability of rental housing has returned to a healthy state, and can meet the requirements of current and future residents before losses in the rental stock are permitted to occur. At this point, City Council and staff consider that the rental market is not healthy and should not generally be subjected to conversion or demolition activity, unless the specific exceptions are satisfied.

Further discussion of the applicability of the Official Plan Policies and broader legislative framework is contained in the 'Planning Assessment' section of this report.

Potential Impacts on Tenants

The conversion, if permitted, would not impact on the security of tenure of most <u>existing</u> tenants of the building. Under the *Tenant Protection Act*, where a building containing rental units is converted to condominium, sitting tenants cannot be evicted on the basis that the new condominium owner requires personal use of the unit for themselves or a member of their immediate family. However, after the first tenant vacates the unit, any future tenant would not be entitled to the security of tenure provisions and could be evicted on the basis of personal use. The result is that over time as tenant turnover occurs, there would be an erosion of security of tenure rights following a conversion to condominium.

It is not known at this time whether conversion of the building would have a significant impact on property taxes, and by extension, rent levels. The tax rate would not change as a result of conversion, as the property is currently assessed under the residential tax class, which is the same class applied to residential condominiums. However, the conversion to condominium would likely cause the assessed value of the units to increase, resulting in higher property taxes. If the property taxes do increase, the owner of each unit is permitted to apply to the Ontario Rental Housing Tribunal for a rent increase above the guideline, in order to pass the tax increase on to the tenant through a rent increase.

Similarly, a higher assessed value (aside from the potential increase in property taxes) could potentially, over time place some upward pressure on the existing rents to pay higher mortgage costs and associated fees.

There is a related concern with some conversion proposals, that substantial capital expenditure work will be undertaken in order to make the buildings more attractive to prospective buyers. Although existing tenants may be expected to pay for this work in the form of above guideline rent increases, they may not directly benefit from the changes to the building. In this particular case, the applicant has indicated that no building alterations are planned in conjunction with the proposed conversion. In order to provide some safeguards for existing tenants in these situations, a condition of condominium approval has been typically added. It shall provide that any costs associated with the renovations or alterations of the building related to the conversion or any increase in the property taxes due to a change in the assessed value is not passed on to existing tenants in theres.

Parking

The Draft Plan of Condominium indicates that a total of 8 off-site parking spaces are currently provided to serve the existing residents. This is less than the estimated parking demand generated by this proposal, based in part on the surveyed demand for residential condominiums, for a minimum of 34 parking spaces, including 30 spaces for the use of residents, and 4 spaces for the use of residential visitors. As far as can be ascertained, the City's current Zoning By-law would require that a minimum of 41 parking spaces, including 33 spaces for the use of residents, and 8 spaces for the use of residential visitors be provided to serve this development.

Transportation Services staff have advised that based upon their experience, the parking demand generated by a residential condominium tends to be higher than the parking demand generated by other forms of residential tenure, and that as a result, the parking supply provided should be increased to satisfy the estimated condominium parking standard noted above.

Planning staff in Heritage Preservation Services have indicated their intention to recommend to Council that the property be designated as a Heritage Building under Part IV of the *Ontario Heritage Act* (see accompanying report). Recognizing that designated

Heritage Buildings are subject to the parking and loading exemption provisions of Section 4 (9) of the Zoning By-law, and given that the parking requirements of the current Zoning By-law are greater than residential condominium parking requirements noted above, Transportation Services staff have indicated that, subject to the heritage designation being implemented, the proposed maintenance of the existing parking supply is acceptable.

Heritage

The property at 480 Oriole Parkway was added to the Inventory of Heritage Properties by the former City of Toronto on June 26, 1995. Its heritage value is derived from its architectural and contextual features. The property meets the criteria prescribed by the Province of Ontario for designation under Part IV of the *Ontario Heritage Act*. A report recommending designation of the property accompanies this report. The owner has indicated that it does not oppose the designation.

Planning Assessment

As previously mentioned, the building at 480 Oriole Parkway contains 33 residential units, 15 of which are rented. Only 11 of the 15 rented units appear to have security of tenure under the provincial tenancy laws. As 4 units were previously occupied by current co-owners, the tenants in those units are not protected from personal use evictions and therefore there is less concern about their conversion.

An additional 4 of the remaining 11 rental units have high-end rents (defined as rents that are equal to or greater than 1.5x the average City of Toronto rent, by unit type, as reported by CMHC).

Policy 3.2.1.8 of the Toronto Official Plan provides an exemption for properties which contain fewer than 6 rented units or where all unit rents have high-end rents. Although the building does not meet the exemption for high-end units as not all of the units rent above the prescribed threshold, there is justification in recognizing that, in this particular circumstance, only 7 of the 15 rental units in the building are the focus of the City's affordable rental and mid-range rental housing objectives.

These Official Plan policies have been developed in the broader context of Section 51(24) of the Planning Act and the Provincial Policy Statement. It is considered that the proposal will not negatively affect the health, safety, convenience and welfare of the present and future inhabitants of the City as referred to in Section 51(24). Specifically it is believed that due to the relatively small number of affordable and mid-range rental units with security of tenure, the conversion is not inconsistent with the matters of provincial interest or considered to be premature or against the public interest. It is unlikely that the conversion of a building of this size and type would affect the supply and availability of rental housing in the City or this area of the City. As such, Council could reasonably come to the conclusion that the conversion in this particular instance

would be acceptable and could be brought into conformity with the Official Plan through an amendment.

Conclusions

For the reasons stated above, it is recommended that the proposed conversion of the 33 unit co-ownership building be approved and that the Toronto Official Plan be amended as described in this report. It is also recommended that Draft Plan of Condominium be granted subject to the satisfaction of certain conditions.

CONTACT

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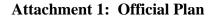
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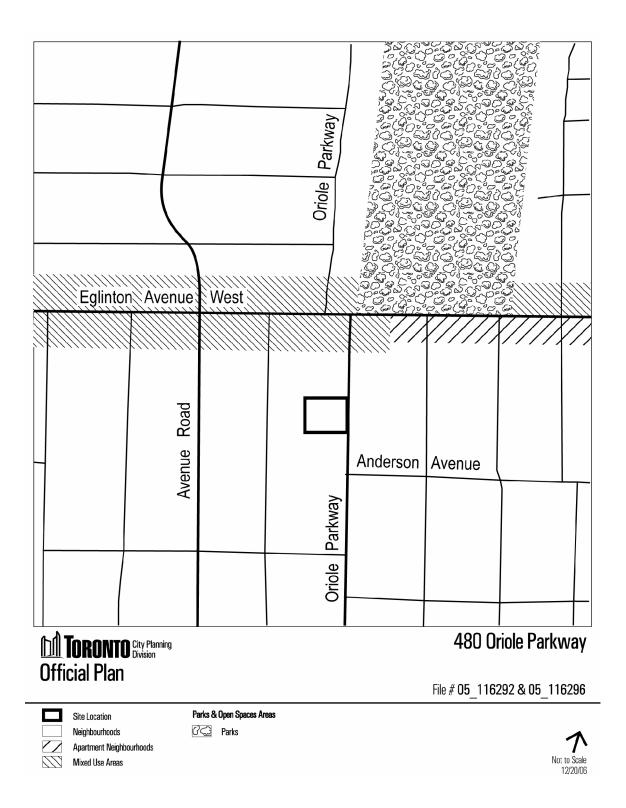
Gary Wright, Director Community Planning, Toronto and East York District

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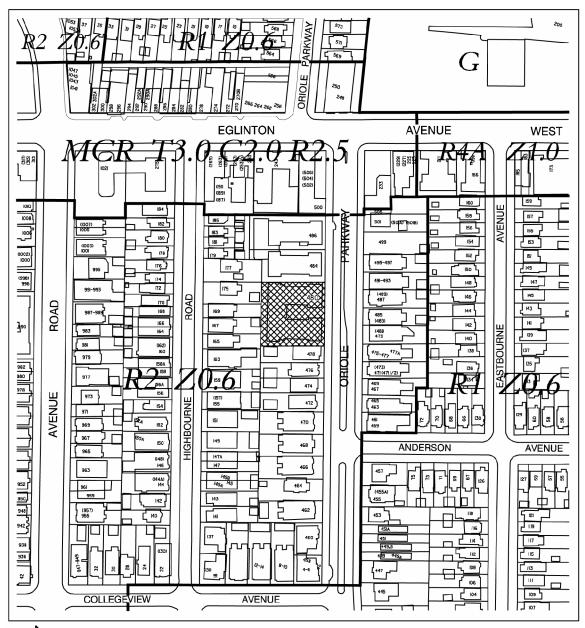
ATTACHMENTS

Attachment 1: Official Plan Attachment 2: Zoning Attachment 3: Application Data Sheet Attachment 4: Official Plan Amendment Attachment 5: Conditions of Draft Plan of Condominium Approval





Attachment 2: Zoning



Toronto City Zoning

- G Parks District
- R1 Residential District
- R2 Residential District
- R4A Residential District MCR Mixed-Use District

480 Oriole Parkway File # 05_116292 & 05_116296

> Not to Scale Zoning By-law 438-86 as amended Extracted 05/24/05 - TA

Attachment 3: Application Data Sheet

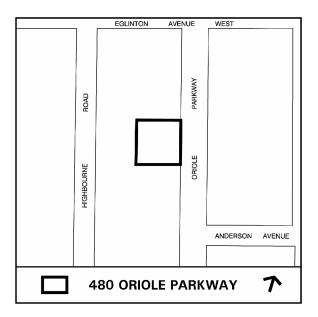
APPLICATION DATA SHEET

Application Type		Official Plan Amendment &			Application Number:			05 195762 STE 22 OZ		
Details		Rezoning OPA & Rezoning, Standard			Application Date:			October 21, 2005		
Municipal Address:	359 RC	359 ROEHAMPTON AVE, TORONTO ON								
Location Description	on: PL 639	PL 639 PT LT27 **GRID S2201								
Project Description		To construct a an apartment building comprising of 27 condominium apartment with a common underground parking garage.								
Applicant: Age		Agent: A		Architect:			Owner:			
MICHAEL VAUG	HAN					INAUGURAL-SOURCE INC				
PLANNING CONTROLS										
Official Plan Design	nation:				Site Specific Provision:			202-80		
Zoning:).6	Historical Status:								
Height Limit (m): 9				Site Plan Control Area:		rea:	Y			
PROJECT INFORMATION										
Site Area (sq. m):		2178.	3	Height:	Storeys:	:	3			
Frontage (m):		36.6		-	Metres:		11.18			
Depth (m):		59.5								
Total Ground Floor Area (sq. m): 755.			Total					al		
Total Residential G	2707.	07.1 Parking Spac			Space	s: 48				
Total Non-Resident	tial GFA (sq. m):	0			Loading	g Dock	s 0			
Total GFA (sq. m):		2707.	1							
Lot Coverage Ratio (%):		34.7								
Floor Space Index:		1.24								
DWELLING UNITS FLOOR AREA BREAKDOWN (upon project completion)										
Tenure Type:	Condo					Abov	ve Grade	Below Grade		
Rooms:	0		Residential C	GFA (sq. m)	:	2707.	.1	0		
Bachelor: 0			Retail GFA (sq. m):			0		0		
1 Bedroom: 8			Office GFA (sq. m):		0		0			
2 Bedroom:	edroom: 17		Industrial GFA (sq. m):			0		0		
3 + Bedroom: 2			Institutional/Other GFA (sq. m): 0			0		0		
Total Units:	27									
CONTACT: PLANNER NAME: TELEPHONE:		Michael Mes (416) 397-448	•	er						

Attachment 4: Official Plan Amendment

The Official Plan of the City of Toronto, Chapter 7, Site and Specific Policies is amended by adding the following:

- ### 480 Oriole Parkway
- a) Conversion to condominium of an existing co-ownership apartment building containing 33 residential units as of December 18, 2006, is permitted, provided the condominium is registered within 3 years of draft approval.



Attachment 5: Conditions of Draft Plan of Condominium Approval

- A. The plans of condominium (declaration and description) shall be registered within 3 years from the date Council authorizes this Draft Plan of Condominium, otherwise the approval shall lapse and be of no further force and effect.
- B. Comprehensive Reserve Study:
 - (1) The declarant shall, at its own expense, carry out and complete a comprehensive reserve fund study, as defined in s. 27 of O. Reg 48/01 made under the Condominium Act, 1998 as a "comprehensive study", prior to registration of the plans of condominium (declaration and description);
 - (2) The comprehensive study required in condition B(1) above shall be carried out in accordance with the requirements of the Condominium Act, 1998 and the regulations made thereunder, provided that the persons conducting the study shall in connection with the physical analysis, be a professional engineer registered as such and holding a certificate of authorization within the meaning of the Professional Engineers Act;
 - (3) In addition to the requirements under the regulations made under the Condominium Act, 1998:
 - (a) the financial analysis component of the comprehensive study shall include a simple, easily read table setting out, by unit type, the recommended average dollar amount of contributions to the reserve fund that will be required to be paid annually per unit to the reserve fund for each year covered by the study (not less than 30 years) based on the reserve fund required to be established by the declarant in accordance with condition D below. The table shall be in the form of the Cash Flow Table forming part of Form 15 of O. Reg. 48/01, as amended from time to time, made under the Condominium Act, 1998;
 - (b) the physical analysis component of the comprehensive study shall include, in addition to the component inventory and assessment of each item within the component inventory, a detailed list of:

- the repairs and components to be replaced as a result of outstanding work orders issued by the City of Toronto;
- (ii) the repairs and components to be replaced in order to bring the building into compliance with c. 629, Property Standards, of the City of Toronto Municipal Code; and
- (iii) any other repairs and components to be replaced which, in the opinion of the consultant(s) carrying out such study, should be completed by the declarant prior to registration of the plans of condominium (declaration and description) against the lands; and
- (c) in addition to their signatures, the persons conducting the comprehensive study in respect of the property shall include the following statement in the study:

"Notwithstanding that our fee for this study will be paid by the declarant, we have prepared this study for the declarant and the Condominium Corporations which will be created upon registration of the plans of condominium (the "Condominium Corporations") and we acknowledge that this study will be turned over to the Board of Directors of the Condominium Corporations and they can rely upon this study and the opinions and findings expressed herein, and consent and agree to such reliance."

- C. The declarant shall, prior to registration of the plans of condominium (declaration and description), at its own expense:
 - (1) complete each of the repairs and replace each of the components set out on the lists compiled pursuant to conditions B(3)(b)(i), (ii) and (iii) above as detailed in the comprehensive study; and
 - (2) provide to the City of Toronto's Chief Planner & Executive Director ("Chief Planner") or designate a certificate from the persons carrying out the study confirming all of the repairs and replacements set out on the lists compiled pursuant to conditions B(3)(B)(i), (ii) and (iii) have been satisfactorily completed.
- D. The declarant shall, prior to registration of the plans of condominium (declaration and description), at its own expense, establish a reserve fund for the benefit of the condominium corporations to be created in an amount not less than the greater of:

- (1) the amount, if any, recommend required in condition B above; and
- (2) the amount required pursuant to the Condominium Act, 1998, if any.
- E. The declarant shall provide a copy of the comprehensive study required in condition B(1) above, including the matters required in condition B(3) above, to the Chief Planner prior to the registration of the plans of condominium (declaration and description).
- F. The declarant shall, prior to the registration of the plans of condominium (declaration and description) provide its solicitors confirmation that the disclosure statement required to be delivered to every person who purchases a unit or a proposed unit pursuant to Section 72 of the Condominium Act, 1998, did in addition to the matters specified in such Act:
 - include a copy of the table required to be prepared in condition B(3)(a) above as updated and signed by the person who carried out the financial analysis component of the comprehensive study required in condition B(1) to:
 - (a) reflect the actual reserve fund established by the declarant pursuant to condition D above;
 - (b) describe the repairs/renovation work that must be completed by the declarant as a condition of registration; and
 - (c) take into account all repairs and renovations completed by the declarant which are set out on the lists compiled pursuant to conditions B(3)(b)(i), (ii) and (iii) above as detailed in the comprehensive study; and
 - (2) that such updated table be included in the statement required in condition B(3)(c) above.
- G. Upon presentation to the Chief Planner of a certificate from a professional engineer registered as such and holding a certificate of authorization within the meaning of the Professional Engineers Act stating that Conditions A, D, E and F have been satisfied and provided Conditions A, E and I have been satisfied, the plans may be registered.
- H. The declarant shall provide a tax certificate, which confirms that all municipal taxes have been paid in full.

- I. The declarant agrees not to pass on, in the form of rent increases to tenants of the building residing in units on or before the date of registration of the condominium, any costs associated with the renovations or alterations of the building to comply with the conditions herein and which are related to converting the buildings or readying the buildings for condominium, or any increase in property taxes due to a change in the assessed value of the property identified in this application which may occur due to the condominium registration.
- J. The declarant be required, prior to the release of the final plan for registration, to provide proof of compliance under PART 9 of the Fire Code 1992 for retrofit, to the South Command of Fire Services.