

**2. CITY OF OTTAWA OFFICIAL PLAN AMENDMENT NO. 33 -
POLICY CONCERNING CONVERSION OF RENTAL ACCOMMODATION TO FREEHOLD**

COMMITTEE RECOMMENDATION

That Council approve Official Plan Amendment No. 33 to the City of Ottawa Official Plan as modified by the Approval Page attached as Annex I.

DOCUMENTATION

1. Planning and Development Approvals Commissioner's report dated 27 Sept 99 is immediately attached.
2. An Extract of Draft Minute, 9 Nov 99, follows the report and includes a record of the vote.

REGION OF OTTAWA-CARLETON
RÉGION D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf. **25 14-99-0013**

DATE 27 September 1999

TO/DEST. Co-ordinator, Planning and Environment Committee

FROM/EXP. Commissioner, Planning and Development Approvals Department

SUBJECT/OBJET **CITY OF OTTAWA OFFICIAL PLAN AMENDMENT NO. 33**
POLICY CONCERNING CONVERSION OF RENTAL
ACCOMMODATION TO FREEHOLD

DEPARTMENTAL RECOMMENDATION

That the Planning and Environment Committee recommend that Council approve Official Plan Amendment No. 33 to the City of Ottawa Official Plan as modified by the Approval Page attached as Annex I.

INTRODUCTION

The two main reasons why the Amendment is needed are:

- With the repeal of the Rental Housing Protection Act, it is necessary to remove reference to this Act from the Official Plan, as rental conversion applications are now processed pursuant to other legislation and policies (e.g. the Planning Act, policies in Official Plans);
- The Province no longer requires a municipality to have a Municipal Housing Statement so reference to it in the Official Plan needs to be deleted and policies in it pertinent to conversions need to be transferred to the Official Plan.

THE OFFICIAL PLAN AMENDMENT

The main elements are:

- excluding properties with fewer than three rental units from control over conversion to freehold;
- establishing a 3% vacancy rate in the City of Ottawa as the rate below which rental conversions will not be permitted;
- establishing a requirement that the rents of the units proposed for conversion be above the average rents in the City of Ottawa for similar types of accommodation;

- requiring that the proposed conversion not result in a loss of more than 20% of the existing rental stock of the same dwelling type both in the neighbourhood and in the adjacent neighbourhoods (the Official Plan has a map defining boundaries of what are termed "neighbourhood monitoring areas");
- buildings designated under the Ontario Heritage Act are exempted from the controls.

DISCUSSION

The Region has concerns with two aspects of the Amendment

1. Excluding Properties with Fewer than Three Units from the Conversion Policy

The Regional Official Plan and the existing policy in the City's Official Plan do not exclude any properties, based on number of units, from the conversion policy. In the City's report on this issue the following reasons were given for the proposed exclusion:

"During the period the Rental Housing Protection Act was in place, from 1986 to 1998, properties with four or fewer residential units were exempt from the provisions of the Act except in the case of conversions to condominium ownership. Over the 12 year period, the Committee of Adjustment remained responsible for granting consent to sever property with four or fewer units under the Planning Act. In some instances, the conditions outlined in By-law 58-86 relating to the first right of refusal to purchase a unit and to security of tenure were imposed. With the repeal of the Rental Housing Protection Act, it would be appropriate to consider exempting properties of two or fewer residential units, i.e. semi-detached houses, from the proposed conversion policy. It may happen that both halves of a semi-detached house are occupied by the owner and members of the owner's immediate family and consent to sever is sought merely to create separate family ownerships. In cases where one unit or both units of a semi-detached house happen to be rented and consent to sever is granted by the Committee of Adjustment, the tenant(s) will be afforded lifetime security of tenure through the provisions of the new Tenant Protection Act".

The City has also advised that between 1986 and 1998, there were 1,210 ground-oriented units approved for conversion, of which 174 were semi-detached properties - less than 15% of the total. The City advises that with limited staff resources it wants to concentrate on the more significant conversion applications as they arise. It notes that although some rental stock will be lost through severances of semi-detached dwellings, the existing tenants will be afforded lifetime security of tenure through the provision of the Tenant Protection Act.

It appears that the City's decision to exempt semi-detached properties rests on administrative convenience rather than on a planning rationale. Although sitting tenants will not be affected by conversion, once the tenant vacates, this unit will disappear from the rental market. According to the 1996 Census of the 13,180 duplex and semi-detached dwelling units in the City, 6,810 are rented (52%). Given that the Regional Official Plan makes no provision for exempting properties from the conversion policy based on number of units, it is necessary to modify the first paragraph of Policy 3.3.2 b) which reads:

"City Council shall not support the conversion of rental housing to condominium ownership and to freehold ownership as a result of applications such as, but not limited to, applications for severance or part-lot control exemption, for properties with three or more rental units unless all of the following criteria are satisfied:"

by deleting:

"for properties with three or more rental units". This will be Modification No. 1.

2. Using Figures Just For Ottawa Rather Than The Ottawa Census Metropolitan Area In Establishing Vacancy Rates And Average Market Rent Levels

The Regional Official Plan states that vacancy rates and average rental levels will be established annually for the Ottawa Census Metropolitan Area (Ottawa-Carleton plus: Clarence, Cambridge, Russell and South Gower Townships), by reference to CMHC's "Rental Market Survey". CMHC's survey is based on the Ottawa CMA.

The City's staff report recommended that the vacancy rates and average rents to be used be those for the Ottawa CMA and noted that over the last ten years these figures were reasonably similar to those for Ottawa itself. At Planning and Economic Development Committee the recommendation was amended to refer to the City of Ottawa and not the Ottawa CMA.

The Regional Council has always taken the position that an area municipality can be more restrictive than the Region's Official Plan. This means that if the vacancy rate or average rents in the City of Ottawa are lower than those for the Ottawa CMA, these can be used instead of the CMA figure.

To achieve this flexibility, and also Regional Official Plan conformity, it is necessary to modify subparagraphs i) and ii) of Policy 3.3.2 b) which read:

- "i) the rental vacancy rate by dwelling/structure type for the City of Ottawa exceeds 3% as defined and reported yearly through the Canada Mortgage and Housing Corporation (CMHC) Rental Housing Market Survey;
- ii) the existing market rents of the units proposed for conversion are above the average market rent levels for the City of Ottawa as reported yearly by the CMHC Survey for rental units of a similar dwelling/structure and bedroom type;"

by adding in both places immediately after "the City of Ottawa":

"or for the Ottawa CMA, whichever is lower".

This will be Modification No. 2.

FINANCIAL IMPLICATIONS

None.

CONSULTATION

The requirements of the Planning Act were satisfied by the City of Ottawa during the Amendment's preparation and adoption. There is no requirement for general public consultation in an approval authority modifying an official plan amendment although there has been correspondence with City of Ottawa staff on the points under contention where modifications are proposed.

*Approved by
N. Tunnacliffe, MCIP, RPP*

Attach.

APPROVAL CERTIFICATE

CITY OF OTTAWA
OFFICIAL PLAN AMENDMENT NO. 33

I hereby certify that Official Plan Amendment No. 33 to the City of Ottawa Official Plan which was adopted by the council of the City of Ottawa on 19 May 1999 was approved by the council of the Regional Municipality of Ottawa-Carleton on day of 1999 under Section 17 (34) of the Planning Act except the following which have been modified:

In Part B - THE AMENDMENT

2.0 Details of the Amendment

Modification No. 1

In the paragraph commencing "Policy 3.3.2 b).", the introductory sub-paragraph of "b)" is modified to delete after "... part-lot control exemption," and before "unless all of the following...":

"for properties with three or more rental units"

Modification No. 2

In the paragraph commencing "Policy 3.3.2 b).", sub-paragraphs "1)" and "ii)" are modified to add immediately after "..... the City of Ottawa" the following: "or for the Ottawa CMA, whichever is lower,"

Dated at Ottawa this day of 1999

Clerk, Regional Municipality of Ottawa-Carleton

Extract of Draft Minute
Planning and Environment Committee
9 November 1999

CITY OF OTTAWA OFFICIAL PLAN AMENDMENT No. 33
POLICY CONCERNING CONVERSION OF RENTAL
ACCOMMODATION TO FREEHOLD

- Planning and Development Approvals Commissioner's report dated 27 Sept 99

Nigel Brereton, Senior Project Manager, District 1, Development Approvals Division, Planning and Development Approvals Department provided Committee with a brief overview of the staff report.

Committee Chair Hunter sought clarification on the second modification. Mr. Brereton confirmed the City of Ottawa Planning Committee and Council decided it should be the City of Ottawa vacancy rate, but it was the recommendation of staff that in order to conform to the Regional Official Plan, it should be the Ottawa CMA. He noted the City of Ottawa vacancy rate would be more restrictive.

Stan Wilder, Senior Housing Policy Planner, City of Ottawa, stated the City did not have concerns with Modification 2. He noted for the past decade, the difference between the vacancy rate for the Region and the City of Ottawa had been barely a fraction of a percent.

With respect to Modification 1, Mr. Wilder stated the policy before the Committee reflects the intent of City Council, to exempt properties with fewer than three units. He said the City has many applications before the Committee of Adjustment to sever small properties, such as semi-detached dwellings. While, the City does not keep track of whether each half of a semi is tenant occupied, in many cases, both sides of the semi are owner occupied (i.e. by family members) and for whatever reason (e.g. a child getting married), they decide to sever.

Mr. Wilder went on to say the City's concern is with the larger concentrations of rental stock. He noted previously under the Rental Housing Protection Act, properties with five or more units were protected, while properties with up to four units did not have that protection. He noted in the rationale put forward by Regional staff, they acknowledge that tenants of semi-detached units would have lifetime security of tenure under the new Tenant Protection Act. Mr. Wilder stated the City does not feel that the units will necessarily disappear from the market. He said they know, from having conducted interviews, that in many cases, individual semi-detached dwellings are severed for mortgage purposes. The landlord intends to keep the rental unit intact and with the lifetime security of tenure, the City feels this is adequate protection and it was not unreasonable to exempt semi-detached dwellings. As well, Mr. Wilder pointed out it is an administrative matter, as the City does not feel they have the resources to deal with all of the severances of semi-detached properties. Rather, they want to concentrate their efforts on larger properties, which are a greater concern to the City.

Extract of Draft Minute
Planning and Environment Committee
9 November 1999

Chair Hunter asked if the lifetime security of tenure was a major determinant in the City's decision. Mr. Wilder stated it was. He said under the Rental Housing Protection Act, the City used to have to put lifetime security of tenure in as a condition, whereas it is inherent in the new legislation. The opportunity is there for the tenant to stay on indefinitely and if they do decide to move, in many cases, landlords will choose to rent out the unit again. There will be occasions perhaps, when a tenant moves out that the half that has been severed, will be given over to a family member, but the City does not feel the loss will be significant enough to warrant staff time to review every single semi-detached application that comes before the Committee of Adjustment.

There being no motions from the Committee, they then considered the staff recommendation.

That the Planning and Environment Committee recommend that Council approve Official Plan Amendment No. 33 to the City of Ottawa Official Plan as modified by the Approval Page attached as Annex I.

CARRIED
(G. Hunter dissented on
Modification 1.)