

TORONTO STAFF REPORT

June 14, 2005

To: Toronto and East York Community Council

From: Director, Community Planning, South District

Subject: Preliminary Report
Application to amend the Official Plan and for Draft Plan of Condominium
05 116292 STE 22 OZ and 05 116296 STE 22 CD
Applicant: Joe Plutino, Mainline Planning Services Inc.
480 Oriole Parkway
Ward 22 - St. Paul's

Purpose:

To provide preliminary information on the above-noted applications and to seek Community Council's directions on further processing of the applications and on the community consultation process.

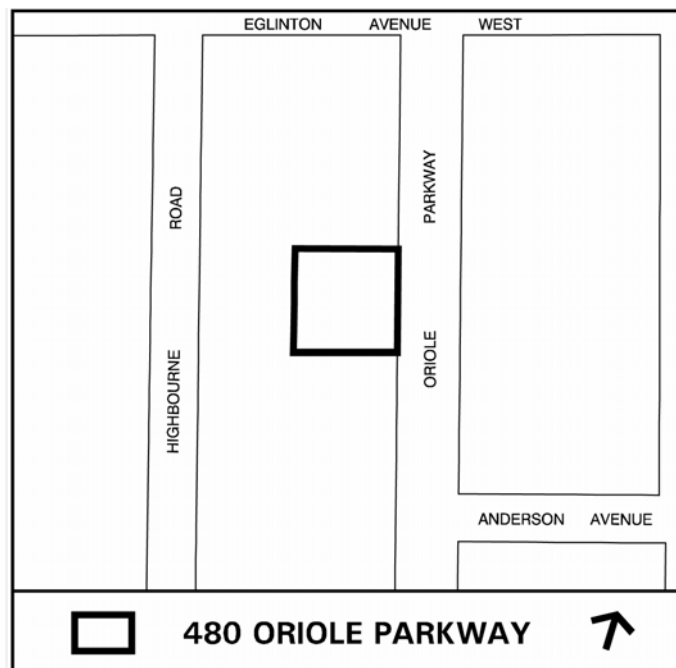
Financial Implications and Impact Statement:

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

Recommendations:

It is recommended that:

- (1) staff be directed to schedule a community consultation meeting together with the Ward Councillor;
- (2) notice for the community consultation meeting be given to tenants and owners of the subject building, and landowners and residents within 120 metres of the site; and
- (3) notice for the Public Meeting under the Planning Act be given



according to the regulations under the Planning Act, and serve as notice of the public meeting required by Council approved meeting requirements for condominium conversion.

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 a 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 in perpetuity. Each shareholder is also entitled to rent their specific unit. In some cases, shareholders have chosen to personally occupy their units, while in other instances, the units are been rented to tenants. In most instances the tenant cannot be evicted for the shareholder's own 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.

Comments:

Proposal

The applicant is seeking to convert the 33 apartments 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-bedrooms, 10 two-bedrooms and 7 three-bedrooms units would be unchanged following the conversion (refer to Attachment 1).

The applicant advises that there are no improvements, repairs or changes to the building proposed to be undertaken in conjunction with the application.

Site Description

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

Planning Legislation and Official Plan Policies:

The following provides an overview of the planning legislation that must be reviewed in this context. A further analysis of this legislation and policies relating to this application will be presented in the final report.

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. These criteria include:

- the health, safety, convenience and welfare of the present and future inhabitants of the City;
- the effect of the proposed condominium on matters of provincial interest as referred to in Section 2 of the Act, which includes the adequate provision of a full range of housing;
- whether the proposed condominium is premature or in the public interest;
- whether the proposed plan of condominium conforms to the Official Plan; and
- the suitability of the land for the purposes for which it is to be subdivided.

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. 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.

In-Force Official Plan

The former City of Toronto Part 1 Official Plan designates this site as “Low Density Residence Areas”(refer to Attachment 3). This designation permits residential buildings having a gross floor area of up to 1.0 times the area of the lot.

The former City of Toronto Official Plan contains a number of relevant policies, including:

Section 6.18 of the former City of Toronto Official Plan, which states that the conversion of any building originally constructed to provide one or more rental apartments, is premature and against the public interest, unless the vacancy rate for private apartments across the City regularly returns to at least 2.5 per cent; and

Section 6.17 which states that it is Council's goal to encourage retention and conservation of the existing stock of private rental housing and accordingly that Council shall discourage conversion which in Council's opinion is undesirable and strictly apply Council's condominium conversion policy and any other applicable legislation in considering applications to convert rental property.

With respect to the vacancy rate threshold under Section 6.18, vacancy rates in Toronto have with only a few exceptions remained at an extremely low level for over 30 years. The first time the rate for the amalgamated City exceeded the 2.5% threshold was in October 2003 when it reached 3.9%. In the October 2004 survey the rate was 4.3%. The vacancy rate for 2005 will not be known until at least late November, although it is expected that rates will remain higher than historic rates pre-2003.

The Metropolitan Toronto Official Plan also contain policies encouraging the preservation of existing rental housing.

Official Plan Amendment 2

In April 1999, Council adopted Official Plan Amendment No. 2 (OPA 2) to the former Metropolitan Toronto Official Plan which set out Council's proposed policies for the amalgamated City on the conversion of rental housing to condominium and the demolition of rental housing. Official Plan Amendment 2 was designed to harmonize and update conversion and demolition policies in the official plans of the former municipalities.

Official Plan Amendment 2 provided a time-limited exception to the policies, which allowed the conversion of equity co-operatives and co-ownership, under very specific circumstances. About seven such buildings were converted to condominium during the time that this exception was available.

Although the Ontario Court of Appeal determined that Official Plan Amendment 2 was legal and within the jurisdiction of the City to enact, the policies did not come into force as no hearing on the planning merits occurred at the Ontario Municipal Board. The housing policies of the new Toronto Official Plan have superseded Official Plan Amendment 2, and the exception relating to certain types of co-operatives or co-ownership was not carried over into the new Plan.

New Toronto Official Plan

At its meeting of November 26-28, 2002, City Council adopted the new Official Plan for the City of Toronto. The Minister of Municipal Affairs and Housing approved the new plan, in part, with

modifications. The Minister's decision has been appealed in its entirety. The Official Plan is now before the Ontario Municipal Board.

Once the Plan comes into force and effect, it will designate the subject site "Neighbourhoods".

The new Official Plan contains a number of policies respecting housing and the need to preserve and increase the City's supply of rental housing. Relevant new Plan policies include Policy 3.2.1.8:

" The conversion to condominium...of any building or related group of buildings containing six or more rental housing units is premature and not in the public interest unless:

- (a) the rental apartment vacancy rate for the City of Toronto as reported by the Canada Mortgage and Housing Corporation (CMHC), has been at or above 2.5% for the preceding two-year reporting period; or
- (b) all of the rental housing units have rents that exceed mid-range rents at the time of the application."

As set out in "b" above, the new Toronto Official Plan provides an exception for buildings where all unit rents are above the mid-range. To qualify for this exception, all rents in the building at the date of application must be equal to, or exceed, one and one-half times the average City of Toronto rent. A more detailed review of the current unit rents is required, but an initial assessment of the recent data supplied shows that almost all of the unit rents fall in the mid-range (i.e. below high-end), and therefore do not meet the requirements for this exception.

The above-noted policy of the new Toronto Plan is similar to Section 6.18 of the former City of Toronto Official Plan but requires that the rental vacancy rate remain at least 2.5% for a specified period of time, before conversion would be considered. To satisfy the full two-year reporting period under the new Plan, the City of Toronto vacancy rate must be at or above this threshold for three consecutive CMHC annual surveys.

Both the in-force and new official plan policies respecting the conversion of rental housing have been developed within the framework of Section 51(24) of the Planning Act.

Although the new Official Plan is not in force and effect, its policies are a relevant consideration. It represents Council's current position about the importance of preserving the existing supply of rental housing as well as the most recent staff recommendations with respect to conversion of rental housing to condominium.

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. However, the Draft Plan of Condominium has been circulated to the Building Division for review and to determine zoning compliance.

Site Plan Control

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

Potential Impacts on Tenants

The conversion, if permitted, would not impact on the security of tenure of most existing tenants. Under the Tenant Protection Act, where a rental unit is converted to condominium, tenants who occupy a unit in a co-ownership building at the time of the conversion cannot be evicted on the basis that the shareholder of the unit requires personal use of the unit for themselves or a member of their immediate family (except where the shareholder has previously occupied the unit). After the first tenant vacates the unit, however, any future tenant would not be entitled to the security of tenure provisions and could be evicted on the basis of personal use.

It is not known at this time whether conversion of the building would have an 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

Reasons for the Application

Section 9(2) of the Condominium Act provides that Section 51 of the Planning Act applies to an application for conversion. The proposed conversion of 480 Oriole Parkway from a Co-ownership building 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 in-force former City of Toronto Official Plan.

The density of the existing building exceed the maximum permission under the Official Plan. The density and height of the existing building exceed the maximum permission under the Zoning By-law.

Neither would the proposal meet the criteria of the new Official Plan as not all of the unit rents exceed the mid-range. Accordingly, a modification to the new Official Plan will be required if Council approves this conversion application.

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.

The final report will address the applicant's justification for the conversion.

Issues to be Resolved

1. Review of the Planning Rationale and Housing Issues Report. The information supplied by the applicant will be reviewed in the context of the application, the rationale and legislative framework. Any Official Plan Amendment that City Council may pass to permit the conversion of rental apartment units to condominium units must be in accordance with Section 51(24) of the Planning Act. Staff must resolve whether amendments to the in-force and new Official Plans for the proposed conversion are appropriate and represent good planning.
2. Affordable and Mid-Range Rental Housing: Staff will evaluate the materials submitted and provide more detailed comments in the final report.
3. Tenant Impact and Input: The proposed community consultation meeting will provide an opportunity to inform the current tenants and nearby community of the proposal and seek their input.
4. An application for draft plan of condominium has been submitted and will be dealt with simultaneously with the Official Plan Amendments. The draft plan of condominium will be addressed in the final report. In the event that this application is recommended for approval, conditions may be imposed including the following:
 - (a) the plan of condominium (declaration and description) may be required to be registered within 3 years, otherwise the approval shall lapse and be of no further force and effect;
 - (b) the applicant may be required to undertake a comprehensive reserve fund study that could include:
 - (i) a physical analysis of the property including the building components, to be undertaken by a qualified consultant, which addresses matters such as structural safety, the general condition of the buildings, servicing and any other matters required by the City. As well, the applicant could be required to correct any deficiencies identified in the building condition report as well as any deficiencies identified in the building condition report as well as any deficiencies identified by the City; and

- (ii) a financial analysis of the contributions to the reserve fund that will be required to be paid over a period of time (not less than 30 years).

Conclusions:

The application will be reviewed and assessed by City staff. The report recommends that a community consultation meeting be scheduled by staff, in consultation with the Ward Councillor. Once the review is completed, staff will prepare a Final Report for consideration by City Council. The statutory meeting at Community Council, to consider the recommendations of a Final Report, should be held in the fourth quarter of 2005.

Contact:

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Gary Wright, MCIP, RPP
Director, Community Planning, South District

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List of Attachments:

Attachment 1: Application Data Sheet
Attachment 2: Official Plan
Attachment 3: Zoning

Attachment 1: Application Data Sheet
APPLICATION DATA SHEET

Application Type Official Plan Amendment Application Number: 05 116292 STE 22 OZ
Details OPA, Standard Application Date: March 17, 2005
Municipal Address: 480 ORIOLE PKWY, Toronto ON
Location Description: PL 1568 LTS 9 & 10 PT LTS 8 11 37 & 38 **GRID S2203
Project Description: Proposed condominium conversion of existing 33 unit equity co-operative. Note
concurrent Draft Plan of Condominium application 05-116296 CD. Property is
listed historical.

Applicant:	Agent:	Architect:	Owner:
MAINLINE PLANNING SERVICES INC. JOE PUTINO			480 ORIOLE PARKWAY CO- OWNERSHIP

PLANNING CONTROLS

Official Plan Designation:		Site Specific Provision:	
Zoning:	R2 Z0.6	Historical Status:	Y
Height Limit (m):	9	Site Plan Control Area:	Y

PROJECT INFORMATION

Site Area (sq. m):	1921.1	Height:	Storeys:	3
Frontage (m):	44.258		Metres:	10.8
Depth (m):	43.458			
Total Ground Floor Area (sq. m):	1115.1			Total
Total Residential GFA (sq. m):	3345		Parking Spaces:	0
Total Non-Residential GFA (sq. m):	0		Loading Docks	0
Total GFA (sq. m):	3345			
Lot Coverage Ratio (%):	58			
Floor Space Index:	1.75			

DWELLING UNITS

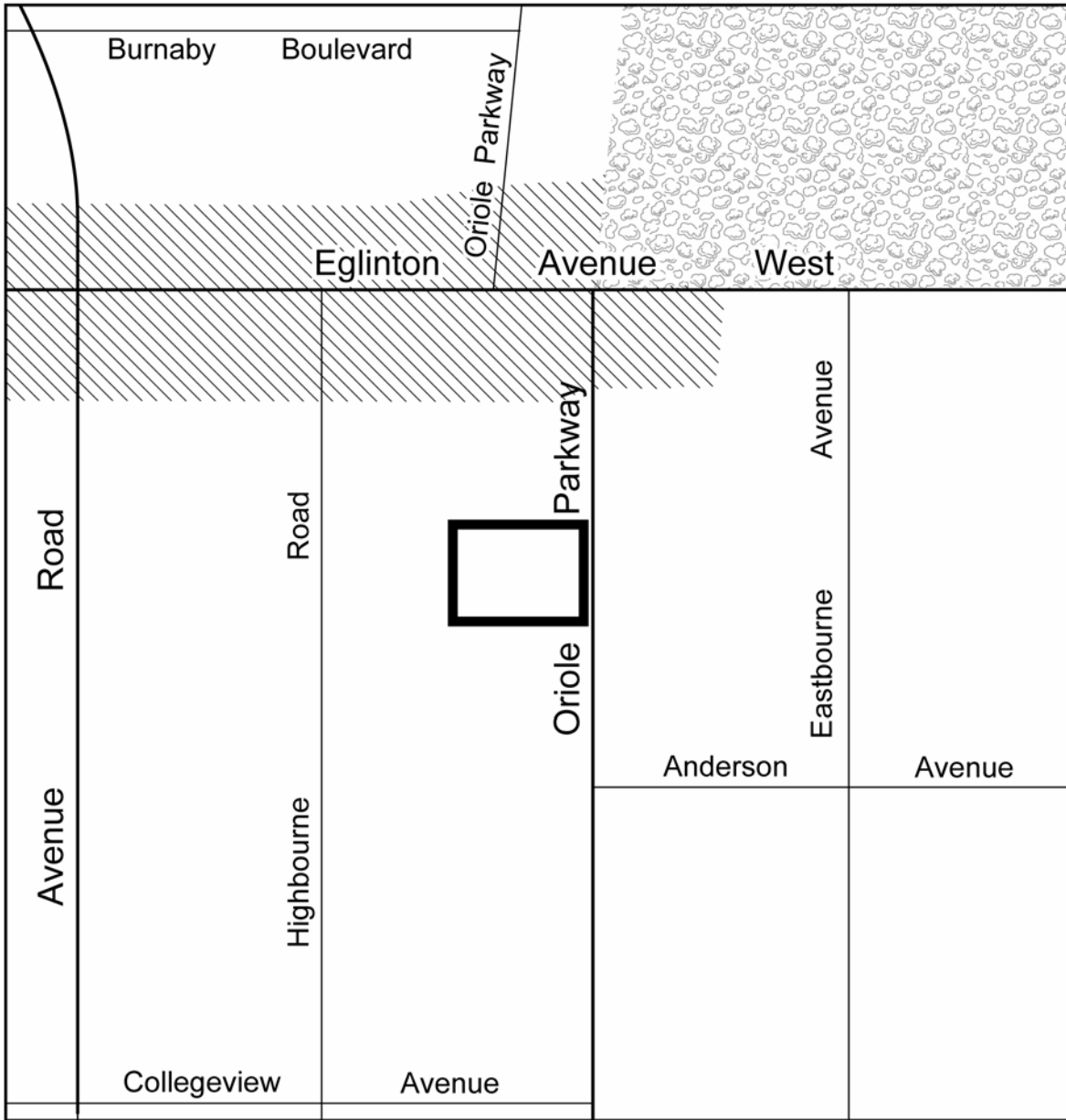
Tenure Type:	Condo
Rooms:	0
Bachelor:	0
1 Bedroom:	16
2 Bedroom:	10
3 + Bedroom:	7
Total Units:	33

FLOOR AREA BREAKDOWN (upon project completion)

	Above Grade	Below Grade
Residential GFA (sq. m):	3345	0
Retail GFA (sq. m):	0	0
Office GFA (sq. m):	0	0
Industrial GFA (sq. m):	0	0
Institutional/Other GFA (sq. m):	0	0

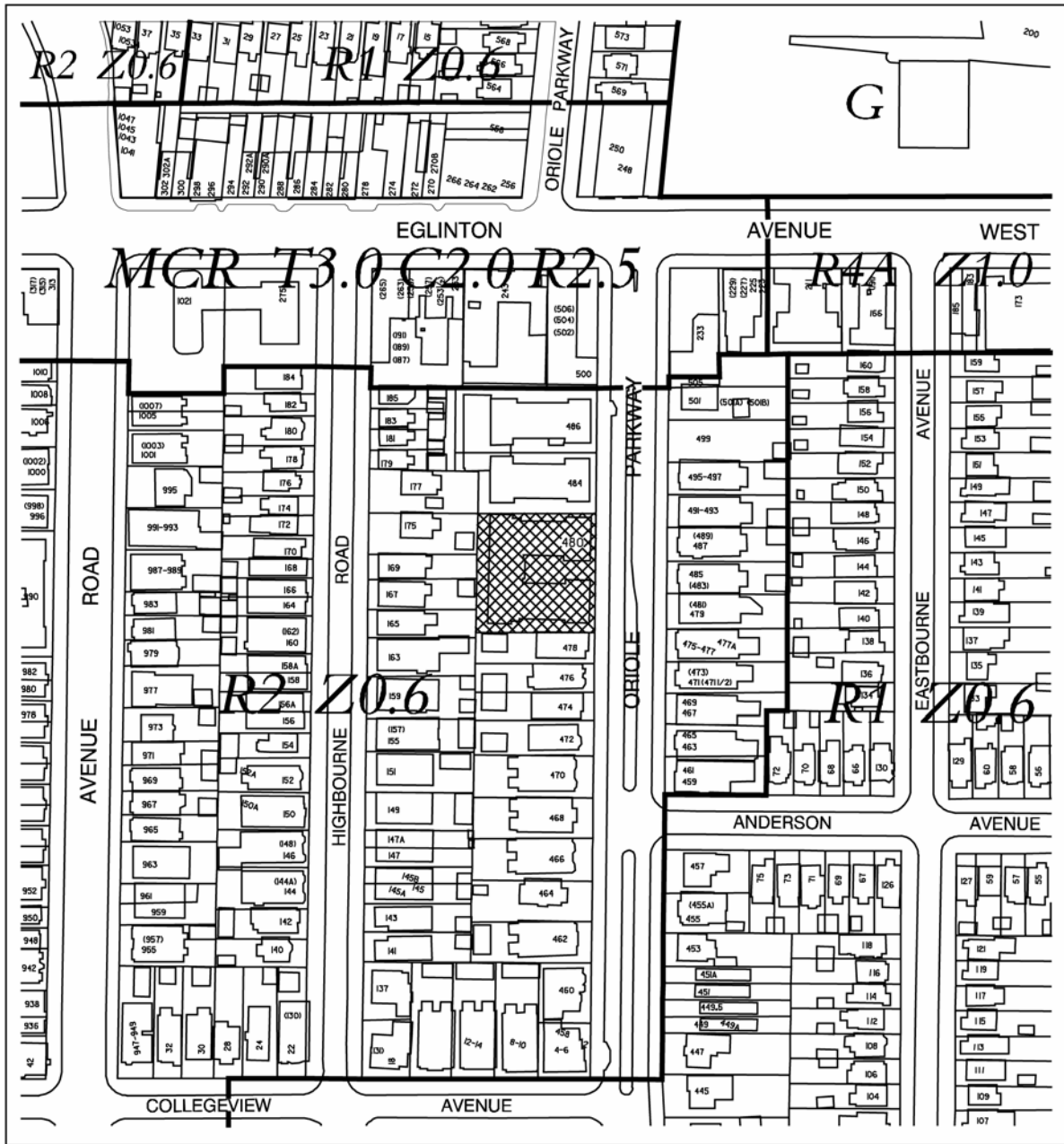
CONTACT: **PLANNER NAME:** **Michael Mestyan, Planner**
TELEPHONE: **(416) 397-4487**

Attachment 2: Official Plan (Map)



-  Site
-  Low Density Residence Areas
-  Low Density Mixed Commercial - Residential Areas
-  Open Space

Attachment 3: Zoning (Map)



480 Oriole Parkway
File # 05_116292 & 05_116296

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



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