



# City of Yorkton

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| <b>POLICY TITLE</b><br><b>CONDOMINIUM CONVERSION POLICY</b>               |  | <b>ADOPTED BY</b><br>City Council   | <b>POLICY NO.</b><br>10.240 |
| <b>ORIGIN/AUTHORITY</b><br>Planning, Building &<br>Development Department | <b>JURISDICTION</b><br>City of Yorkton | <b>EFFECTIVE DATE</b><br>November 17, 2008<br>Amended Nov. 23, 2009<br>Amended June 8, 2015 | <b>PAGE #</b><br>1 of 8     |

## 1. **PURPOSE**

To ensure the orderly conversion of residential rental units to condominium ownership without causing undue hardship to existing tenants or significantly reducing the availability of rental accommodation.

## 2. **DEFINITIONS**

2.1 **Condominium Conversion** – Conversion of existing residential rental units to condominium ownership.

2.2 **Hardship** – difficulty caused by condominium conversion which relates to:

- (a) affordability;
- (b) ability to acquire other accommodation;
- (c) access to services; and/or
- (d) neighbourhood displacement

2.3 **Unit** – a suite operated as a housekeeping unit, used or intended to be used as a domicile by one or more persons and usually containing cooking, eating, living, sleeping and sanitary facilities; the area designated as a unit in a condominium plan.

## 3. **AUTHORITY**

Pursuant to Section 10, *The Condominium Property Act, 1993*, City Council may approve applications for condominium conversions.

## 4. **POLICY**

The City shall receive applications for condominium conversions and shall render a decision as to issuance or non-issuance of a condominium certificate. The application will be reviewed to ensure compliance with the requirements of The Condominium Property Regulations 2001, Chapter C-26.1 Reg. 2 (effective June 25, 2001) as amended, this Policy, and the current edition of the Zoning Bylaw.

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The Planning, Building & Development Department shall submit a report and recommendation to the Planning & Infrastructure Commission. The Planning, Building & Development Department and/or the Planning & Infrastructure Commission shall submit a report and recommendation to City Council for its decision. City Council will either:

- (a) Approve the application;
- (b) Approve the application with any conditions deemed necessary; or
- (c) Refuse the application and submit the reason(s) for refusal.

The applicant and all tenants will be notified, in writing, of City Council's decision.

## 5. **CRITERIA FOR APPROVAL**

### 5.1. Condominium Property Act

The requirements outlined in the Condominium Property Act must be satisfied.

### 5.2. Rental Market Vacancy

- (a) If the vacancy rate for the City of Yorkton, as determined by the average of the two most current CMHC Rental Market Surveys, is below 3.0%, no application for condominium conversion shall be considered for approval by the City of Yorkton unless:
  - (i) The building that is proposed to be converted into condominiums has been continuously vacant for 12 months immediately preceding the date of the application; or
  - (ii) The application for condominium conversion:
    - Relates to a building that, at the time of application, is subject to an order to repair or demolish the building because of its condition; and is, in the opinion of the Health, Building or Fire Official, in a ruinous or dilapidated state such that the building is dangerous to the public health or safety or substantially depreciates the value of other land or improvements in the neighbourhood; and
    - Contains the corrective measures as to be taken to remedy the deficiencies in the building as identified in the order issued to repair or demolish the building; or
  - (iii) It can be demonstrated by the Planning, Building & Development Department's Tenant Survey that no more than 25% of the eligible tenants **object** to the proposed conversion, subject to the provisions of Section 5.12 of this Policy.

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- (b) If the number of eligible tenants objecting to the proposed condominium conversion application, subject to the provisions of Section 5.12 of this Policy, is equal to or exceeds the total number of vacant rental units in the City of Yorkton, as determined by the most current Canada Mortgage and Housing Corporation (CMHC) Rental Market Survey, the application for condominium conversion shall not be considered for recommended approval unless the application meets the criteria in Section 5.2(a)(i) or (ii), above.

In the case of an application submitted where more than 25% of the eligible tenants object to the conversion, or the number of tenants objecting to the proposed condominium conversion exceeds the total number of vacant rental units in the City, the Planning, Building & Development Department will submit a report to the Planning & Infrastructure Commission and/or City Council with a recommendation that the application be denied.

### 5.3 Written Notice

- (a) The applicant for conversion of a building containing rented residential units that are occupied by tenants shall provide written notice to each tenant that an application has been/is being made to the City for the conversion of the building for condominium purposes. Such notice shall be given:
- (i) To those tenants in occupancy in the building, at least six months before Council makes its decision; and
  - (ii) To those tenants who occupy the building after the application for conversion has been made, prior to the tenant agreeing to occupy the premises.
- (b) The applicant for conversion shall be required to provide written notice to each tenant in occupancy in the building of the date and time of the Planning & Infrastructure Commission meeting at which the application will be reviewed.

### 5.4 Option to Purchase

Each tenant in occupancy as of the date of application for a conversion shall be given the option, exercisable at any time within thirty days after receipt of the option, to purchase a unit at a price not exceeding the price at which the unit will be offered to the public and on terms that are not less favourable. Included with the option, shall be the following information:

- (a) Proposed unit prices;
- (b) Proposed monthly charges for principal, interest and taxes and information as to the types of financing available for the purchase of a condominium unit;
- (c) Estimates of any additional charges for such items as management, maintenance and condominium service charges; and
- (d) The report required under Section 5.8 of this policy.

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### 5.5 Notice from Tenant

The landlord, upon receiving a minimum of one month's notice from the tenant, must accept termination of tenancy of the unit.

### 5.6 Information Related to Notices

The applicant shall submit the names and addresses of the persons to whom a notice has been served under Section 5.3 above, together with the following:

- (a) A copy of the written notice and the option to purchase; and
- (b) A copy of all replies to such written notice.

### 5.7 National Building Code

The minimum requirements of the current edition of the National Building Code and The Uniform Building and Accessibility Standards Act must be met, so that the building is not deficient in critical life safety aspects (i.e. exit lights, fire extinguishers, ventilation, fire separation barriers, etc.).

### 5.8 Professional Review of Building

- (a) The applicant shall supply to the Planning, Building & Development Department a comprehensive report which addresses critical life safety aspects (complete with two sets of drawings), prepared by an independent professional engineer and/or architect licensed to practice in Saskatchewan.

The report shall define the area, height and classification of the building under the current National Building Code. The professional engineer or architect preparing the report shall prepare the report from on-site observations and shall review the building for architectural, structural, mechanical and electrical National Building Code requirements.

- (b) In existing buildings, various systems require maintenance to ensure they remain operational (examples of this include exit lights, emergency power, fire alarms, ventilation, sprinklers, fire extinguishers, door closures and fire separation systems). The report shall therefore identify variances from the current National Building Code, in operation of systems and recommended corrective measures to ensure life safety for the occupants.
- (c) Subject to Sections (a) and (b) above, the Professional Review of Building shall not be required until such time that Council has approved the Condominium Conversion Application. If a Professional Review of Building has not been provided prior to Council's decision, the requirement for said review shall be a condition of approval.

### 5.9 Building Permit

- (a) A Building Permit is required where work must be carried out as a result of the findings of the report and drawings submitted under Section 5.8 above.

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- (b) To assist the professional responsible for completing the report noted in 5.8 above, an application for a Building Permit shall be in accordance with Appendix A of this Policy.

#### 5.10 Assignment of Agreement

Any agreement is binding on the heirs, successors and assigns of the landlord, but is not assignable by the tenant.

#### 5.11 Protection of Tenants

- (a) During the written notice period referred to in Section 5.3, no increase in rent for the premises shall take effect;
- (b) During the written notice period referred to in Section 5.3, no construction activity which is disruptive to the existing tenants shall be undertaken. For the purposes of this clause, disruptive construction activity means construction or renovation in common areas, or occupied premises which unreasonably affect the quiet enjoyment of any tenant of the building;
- (c) Should rent be increased contrary to subsection (a), or should disruptive construction activity be undertaken contrary to subsection (b), the written notice provided in accordance with Section 5.3 shall be deemed invalid. The applicant shall be required to begin the six month written notice period again from the date the rent increase takes effect or the disruptive construction activity is completed; and
- (d) Where a residential building has been vacated or substantially vacated prior to the submission of a condominium conversion application, the application shall not be considered by the Planning, Building & Development Department for a period of twelve months from the date the application is submitted. This requirement may be waived at the discretion of the Planning, Building & Development Department where a building is vacant as the result of significant damage, or where it has been vacated by reason of a Property Standards, Health or Fire Order.

#### 5.12 Tenant Consent Process

Pursuant to Section 5.2 above, the process to seek the consent of tenants for condominium conversion approval is intended to be transparent and fair for both the Owner and the Tenants, while giving appropriate consideration to the privacy of individuals involved. This process shall comply with the following provisions:

- (a) Only those Tenants who have resided in the building for a minimum of three months immediately preceding the submission of the condominium conversion application are eligible to vote;
- (b) The Tenant Consent Survey shall be based on one vote for each eligible dwelling unit;
- (c) Any compensation offered to the Tenants shall be equal among all Tenants, without exception, whether any such Tenant consented to the conversion or not. This compensation offer may include an arrangement for different compensation options from which the Tenant may select;

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- (d) In addition to any other compensation or arrangement made with such Tenants, the Applicant shall provide confirmation to the City that enforceable Lease Agreements have been offered to all such Tenants who are in occupancy of the premises at the time the Condominium Conversion Application is submitted to the City, and have not given notice to move. This lease shall provide the following terms:
  - (i) The Tenant has the right to a Lease for a minimum of one year from the effective date of the application;
  - (ii) The rent charged under the Lease shall not exceed the rent charged for comparable residential premises in the same general area in which the premises are located; and
  - (iii) Any dispute between the Landlord and the Tenant as to the rent charged under the Lease shall be resolved through arbitration under *The Arbitration Act*;
- (e) The Owner shall be given the right to facilitate an information meeting with the Tenants and City Administration to respond to concerns raised in the Tenant Consent Survey; a second Tenant Survey shall be conducted by the City at the completion of the information meeting, but shall not necessarily be conducted at the meeting; and
- (f) Administrative procedures related to the Tenant Consent Process shall be established by the Planning, Building & Development Department. Such procedures shall be consistent with this Policy.

#### 6. **RESUBMISSION OF APPLICATION**

- (a) If Council makes its decision to refuse the proposed condominium conversion, the Owner may not submit a new application for condominium conversion, which requires the consent of the tenants, for a period of twelve months from the date the City verifies the results of the previous vote; and
- (b) An application that is resubmitted in accordance with subsection (a) above, may incorporate correspondence (i.e. survey, professional review of building) from the previous application providing that all other requirements of this Policy have been previously satisfied and are deemed to be in conformance with all applicable statutes, regulations and policies, and amendments thereto.

#### 7. **FEES**

- (a) The application fee for a condominium conversion shall be \$500, with an approval fee of \$130 per unit;
- (b) The administrative fee to conduct a Tenant Consent Survey shall be \$1,000; and
- (c) Subject to the requirements of Section 6 above, the application fee of \$500 shall be waived for a conversion application that was previously denied. The approval fee of \$130 per unit shall still be applied.

#### 8. **RESPONSIBILITY:**

The Director of Planning, Building & Development is responsible for the review and update of this policy.

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**Appendix 'A'**

|   | <b>Reports and Drawings Required</b>   | <b>Recommended Corrective Measures if Applicable</b>   |
|---|--|--|
| 1 | Report confirming the structural sufficiency of the building.  | Provide details.                                       |
| 2 | Report noting National Building Code deficiencies in the building ventilation system.  | Provide details.                                       |
| 3 | Report noting National Building Code deficiencies in critical life safety aspects.   |  |
| 4 | Drawings showing floor plans and elevations of the entire building and indicating any corrective measures that were identified from items 1, 2 and/or 3 above. (2 sets required) |  |
| 5 | Verification that test certificates for fire alarm, sprinkler, standpipe and hose systems, etc. will be provided.  | Certificates/reports must be submitted when available. |

**BUILDING CLASSIFICATION INFORMATION:**

|  |  |
|--|--|
| 2010 NBC Classification  |  |
| Required Floor Fire Resistance Ratings                           |  |
| Required Roof Fire Resistance Ratings                            |  |
| Required Fire Resistance Ratings of Load Bearing Walls           |  |
| Required Fire Resistance Ratings of Load Bearing Beams & Columns |  |
| Sprinkler System Required (Yes/No)                               |  |

**LIST OF MINIMUM REQUIREMENTS TO BE INSPECTED AND REPORTED ON:**

| <b>Description of Required Items to Inspect<br/>(Items listed may not be relevant in some cases)</b> | <b>Identify Variances from the Current National Building Code</b> | <b>Recommended Corrective Measures to Ensure Life Safety</b> |
|--|---|--|
| Smoke Alarms - location and electrical connection  |   |  |
| Smoke Detectors - location and electrical connection   |   |  |
| Heat Detectors - location and electrical connection  |   |  |
| Fire Alarm system  |   |  |
| Exit Signs - location and required illumination  |   |  |
| Emergency Lighting - location, illumination  |   |  |
| Emergency Power Supply   |   |  |
| Public Corridor Fire Separations - Integrity of  |   |  |
| Exit Stair Fire Separations - Integrity of   |   |  |
| Doors in Fire Separations c/w Closers  |   |  |
| Suite Separations - Integrity of   |   |  |
| Fire Separation and Sprinklering of Storage Rooms  |   |  |
| Fire Dampers in Separations - Integrity of   |   |  |
| Floor Fire Separations - Integrity of  |   |  |
| Door Release Hardware  |   |  |
| Washroom Ventilation   |   |  |
| Sprinkler System – condition of existing system  |   |  |
| Firewalls - Integrity of   |   |  |

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| Guards on stairs, landings and balconies - height, condition, non climbable and spacing of members |  |  |
| Handrails - provision and condition  |  |  |
| Safety Glass in Doors and Sidelites  |  |  |
| Flame Spread Ratings in Corridors and Exits  |  |  |
| Corridor pressurization  |  |  |
| Air circulation between suites   |  |  |
| LIST OTHER RELEVANT NBC CRITICAL LIFE SAFETY ISSUES OBSERVED DURING INSPECTION:                    |  |  |
|  |  |  |
|  |  |  |
|  |  |  |