

CITY OF SASKATOON COUNCIL POLICY

NUMBER
C09-004

POLICY TITLE <i>Condominium Approvals</i>	ADOPTED BY: <i>City Council</i>	EFFECTIVE DATE <i>July 13, 1982</i>
		UPDATED TO <i>December 1, 2015</i>
ORIGIN/AUTHORITY <i>Planning and Development Committee Reports 34-1982 and 40-1982, with amendments up to an including Clause 4, Report No. 17-2011 of the Planning and Operations Committee; and Item 9.12.2 of City Council Business Plan and Budget Meeting – December 1, 2015</i>	CITY FILE NO. <i>CK. 4132-26, 4350-015-004 and 1720-1</i>	PAGE NUMBER <i>1 of 10</i>

1. PURPOSE

To ensure orderly conversion to condominiums without significantly reducing the availability of rental accommodation or causing undue hardship on Tenants, and to delegate Council's approval authority for all condominium applications to the Development Officer except in limited cases as contained herein.

2. DEFINITIONS

- 2.1 Condominium Conversion - Conversion of existing residential structures containing three or more rental units to condominiums.
- 2.2 Development Officer - The Development Officer shall be the Manager, Development Services Branch, Community Services Department, and any employee authorized in writing to act as a Development Officer.

3. POLICY

A. New Residential and Non-Residential Structures

The City shall receive applications to provide condominium status to new residential and non-residential structures, and shall render a decision as to issuance or non-issuance of a condominium certificate.

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The application will be reviewed to ensure compliance with Zoning Bylaw No. 8770, and the Condominium Property Act. The Development Officer will either:

- a) Approve the application; or
- b) In the case where the Development Officer is not prepared to approve the application, a report and recommendation will be submitted to City Council for its decision.

If approved, the Development Officer and the City Clerk will sign the mylar copy of the condominium plans, and issue a Letter of Approval which is required by the Provincial Land Titles Office to separately register each condominium unit.

B. Conversions of Existing Residential Structures

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 Sections 3.1 to 3.11 of this Policy, and with the Zoning Bylaw No. 8770. The Development Officer will either:

- a) Approve the application; or
- b) In the case where the Development Officer is not prepared to approve the application, a report and recommendation will be submitted to City Council for its decision.

If approved, the Development Officer and the City Clerk will sign the mylar copy of the condominium plans, and issue a Letter of Approval which is required by the Provincial Land Titles Office to separately register each condominium unit.

Note: In the case of a proposal to convert an existing residential structure which has in excess of 100 dwelling units, the Development Officer shall submit a report and recommendation to City Council for its decision.

The applicant must meet the following criteria before approval will be granted.

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3.1 Condominium Property Act

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

3.2 Vacancy Rates

- a) When the vacancy rate is between 1.5 percent and 3.0 percent, as shown in the most current Canada Mortgage and Housing Corporation (CMHC) Rental Market Survey, and the site to be converted contains more than 100 household units, Council will, in addition to other criteria set out in the Policy, review the application to determine whether the conversion would significantly reduce the availability of rental accommodation in the area.
- b) If the average vacancy rate in the Saskatoon Census Metropolitan Area, as shown in the most current CMHC Rental Market Survey, is below 1.5 percent, no application for condominium conversion shall be considered for approval by the City of Saskatoon 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 submission of the application for conversion; or
 - ii) The application for condominium conversion:
 - relates to a building that, at the time of the application, is subject to an order pursuant to The Property Maintenance & Nuisance Abatement Bylaw, 2003 to repair or demolish the building because of its condition; and is, in the opinion of the Fire Chief or his designate, 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;

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- is submitted by a person other than the person to whom the order to repair or demolish the building was directed, or a person related to or affiliated with that person; and
 - contains the corrective measures to be taken to remedy the deficiencies in the building as identified in the order issued pursuant to The Property Maintenance & Nuisance Abatement Bylaw, 2003; or
- iii) The Owner obtains the consent of 75 percent of the Voting Tenants in occupation of the premises at the time of application to the conversion, subject to the provisions of Section 3.12 of this Policy.

In the case of an application which meets the criteria in Subsection i), ii) or iii), the Development Officer will submit a report to City Council for its decision, which shall be made in accordance with the requirements of *The Condominium Property Act* and this Policy.

In the case of an application submitted pursuant to Subsection iii), and where the applicant fails to receive the required consent of 75 percent of the Voting Tenants, the Development Officer will submit an information report advising City Council that the application has failed.

3.3 Written Notice

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 is being made to the City of Saskatoon for the conversion of the building for condominium purposes. Depending on the situation, such notice shall be given:

- a) To those Tenants in occupancy in the building, at least six months before the application is approved; and

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- b) To those Tenants who occupy the building after the application for conversion has been made, prior to the Tenant agreeing to occupy the premises.

3.4 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 as a unit the premises that are the subject of the lease 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 3.8 of this policy.

3.5 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.

3.6 Information Related to Notices

The applicant shall submit the names and addresses of the persons to whom a notice has been served under Section 3.3 above, together with the following:

- a) A copy of the written notice and the option to purchase;

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- b) A copy of all replies to such written notice; and
- c) An analysis of the responses received as a result of the serving of such written notice. Only those Tenants who actually responded to the survey will be counted in the totals, but all Tenants who did not respond shall be so identified.

3.7 National Building Code

The minimum requirements of the current edition of the National Building Code, The Uniform Building and Accessibility Standards Act and Building Bylaw No. 7306 must be met, so that the building is not deficient in critical life safety aspects (i.e. exit lights, fire extinguishers, ventilation).

3.8 Professional Review of Building

- a) The applicant shall supply to the Development Officer 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.

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3.9 Building Permit

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 3.8 above.

3.10 Assignment of Agreement

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

3.11 Protection of Tenants

- a) During the written notice period referred to in Section 3.3, no increase in rent for the premises shall take effect;
- b) During the written notice period referred to in Section 3.3, 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 3.3 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 Development Officer for a period of twelve months from the date the application is submitted. This requirement may be waived at the discretion of the General Manager of the Community Services Department where a building is vacant as the result of significant

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damage, or where it has been vacated by reason of a Health or Fire Order.

3.12 Tenant Consent Process

Pursuant to Section 3.2 b) iii) of this Policy, 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 vote shall be based on one vote for each eligible dwelling unit;
- c) If the Tenants vote to reject 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 eighteen months from the date the City verifies the results of the previous vote;
- d) 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; and
- e) 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:

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- (i) The Tenant has the right to a Lease for two years 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*.
- f) Administrative procedures related to the Tenant Consent Process shall be established by the Development Officer. Such procedures shall be consistent with this Policy.

3.13 Fees

- a) The application fee for a new condominium is \$750;
- b) The application fee for a condominium conversion is \$750, with an approval fee of \$250 per unit; and
- c) The administrative fee to conduct a Tenant Consent Vote is \$1,000.

4. RESPONSIBILITIES

4.1 Development Officer - shall be responsible for:

- a) Approving condominium applications for new residential and non-residential structures;
- b) Approving condominium applications for the conversion of existing residential structures containing 100 or fewer dwelling units;
- c) Submitting a report and recommendation to City Council for its decision respecting condominium applications which the Development Officer will not approve; and

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d) Administering, reviewing and recommending updates to this policy.

4.2 City Clerk - shall be responsible for:

a) Signing approved condominium mylars.

4.3 City Council - shall be responsible for:

a) Considering and rendering a decision with respect to condominium application proposals which are not approved by the Development Officer; and

b) Approving any revisions to the policy as recommended by the General Manager of Community Services Department.