

REPORT

Planning and Development Council

Meeting Date: February 5, 2024

FROM: Planning Services Department

DATE: January 23, 2024

SUBJECT: Rental Housing Protection Guidelines and Transition Options Report - By-law 2024-022

LOCATION: Town Wide

WARD: Town-wide .

Page 1

RECOMMENDATION:

1. That the Rental Housing Protection Guidelines and Transition Options Report dated January 23, 2024, from the Planning Services Department be endorsed; and,
2. That By-law 2024-022 – A By-law to amend the Town of Oakville Rental Housing Protection By-law 2023-102 regarding Part 12, Approval by Commissioner under Delegated Authority, attached as Appendix 'B' to this Report be passed.

KEY FACTS:

The following are key points for consideration with respect to this report:

- Protection of the existing rental and affordable housing supply is an important component of the Town's Housing Strategy and Action Plan.
- As part of implementation of the Housing Strategy and Action Plan, Council passed Rental Housing Protection By-law 2023-102 and Demolition Control By-law 2023-101 on July 10, 2023.
- The Commissioner of Community Development was delegated authority to develop Guidelines to assist applicants with the application process.
- On November 20th, 2023, Council requested that staff report back with options for transition provisions related to the applicability of the Rental Housing Protection By-law for applications that were well-advanced in the planning process at the time the by-law came into force.

- This report provides an overview of the draft guidelines, including transition provisions and recommends an amendment to the Rental Housing Protection By-Law 2023-102 to allow the Commissioner to issue the s.99 permit for any application that meets the transition criteria within the Guidelines.

BACKGROUND:

Town Council received the draft Housing Strategy and Action Plan at the Planning and Development Council Meeting on July 10, 2023. The Housing Strategy will become the town's guiding document to improve the housing landscape in Oakville. It is structured around six goals and objectives intended to achieve positive housing outcomes. The corresponding Action Plan includes nearly 70 actions that the town can take over the coming years to improve its policies, regulations, and programs, and strengthen its partnerships with upper levels of government, agency partners and the development industry in the effort to deliver the housing Oakville needs.

The Rental Housing Protection By-law was passed at the same meeting and can be used by the town pursuant to the *Municipal Act* (s.99.1) to regulate the demolition of residential rental properties. The By-law is a key tool to address goal number 2: "Improve Housing Affordability, Housing Options and Housing Choice". Protection is important because a significant proportion of the existing rental housing supply is older and more affordable than the comparatively newer private condominium rental stock. Additionally, the Town's current rental vacancy rate of 1.0% (2022) is lower than a balanced market level of approximately 3%.

The Rental Housing Protection By-law protects the existing and affordable rental housing supply. Landowners can still redevelop their properties through issuance of a 'Section 99.1 permit' with appropriate conditions.

To that end, since July 10, 2023 staff have been implementing a best practice approach tailored to the Oakville context to implement the By-laws. This includes changes to existing planning and building application processes to identify rental properties early in the development process, new declaration forms to specify the number of existing rental and affordable rental units, and a Section 99.1 permit application form with accompanying guidelines which detail how staff will administer the By-laws and bring forward recommendations to the Commissioner or Council for consideration.

On November 20, 2023 Council requested a report related to options for transition policies for applications that were well-advanced in the planning process prior to the by-law coming into force:

That staff report back by February of 2024 with options for transition provisions related to the applicability of the Rental Housing Protection By-law

for applications that were well-advanced in the planning process at the time the by-law came into force.

As part of implementation of the By-law, staff reviewed all current development applications as of July 10, 2023, and found that the following development applications would be subject to the Rental Housing Protection By-law:

Official Plan and Zoning By-law Amendment

1. Helberg Properties Limited c/o Collage Works - 50 Speers Road - Z.1616.57 and OPA 1616.57

Site Plan Application

1. Belyea Development Inc. - 2311, 2319 and 2323 Belyea Street – SP.1728.062/01
2. J.M. Lakeshore-Bronte Inc. - 2432 to 2455 Lakeshore Road West and 87 to 99 Bronte Road – SP.1729.073/01

While the above site plan applications are further along in the permitting process (official plan policies and zoning by-law regulations are in place), it is noted that the Owners of 50 Speers Road and 2311, 2319 and 2323 Belyea Street have either committed to, or are working towards, an agreement to preserve the rental supply that exists. Accordingly, the Section 99.1 permit would enable an agreement to be registered on title to implement those commitments.

In contrast, the project at 2432 to 2455 Lakeshore Road West and 87 to 99 Bronte Road (no. 2 above) proposes a mixed-use development with condominium tenure (no rental units). The site plan application predates the Rental Housing Protection By-law by approximately 2 years and was in an advanced state as of July 10, 2023. Only 2 of the 14 original rental units were occupied as of July 10, 2023, and now all 14 of the original rental units are not occupied.

Accordingly, this staff report will identify transition options for well-advanced site plan applications and provide an overview of how staff will administer the Rental Housing Protection By-law through the draft guidelines.

COMMENTS:

Rental Housing Protection Guidelines

The Rental Housing Protection By-law will ensure that the town's existing and future rental supply is maintained. Redevelopment of properties with six or more rental units can be accommodated where the replacement provisions are addressed. The

draft guidelines illustrate how staff will administer the Rental Housing Protection By-law and make recommendations to Council regarding Section 99.1 permits.

What are the Guidelines?

The Guidelines for Rental Housing Demolition or Conversion (Guidelines) provide an overview of how to proceed when an application is made for a demolition or conversion of a residential rental property either independent of, or in conjunction with, a development application.

The Guidelines provide a range of options for applicants to meet the objective of no net loss of affordable rental units as a result of a development proposal. The draft Guidelines are included as Appendix “A”. They support the administration of the Rental Housing Protection By-law 2023-102 (By-law) approved and in effect on July 10, 2023.

When does the By-law Apply?

Demolition or conversion of a residential rental property with six or more dwelling units, of which at least one is a rental, requires a Section 99.1 permit.

As part of the required pre-consultation application for new development, the Rental Demolition and Conversion Declaration form will be required to be completed to determine if a Section 99.1 permit is required.

What conditions are to be imposed to replace rental units?

Section 99.1 permits may be granted subject to conditions such as a requirement to replace existing rental units and existing rental units with affordable rent, and an enhanced tenant assistance package beyond that required by the *Residential Tenancies Act 2006*.

How can the premature demolition of a residential building be prevented?

The Rental Demolition and Conversion Declaration form is required for both planning applications as well as demolition and building permits. If a Section 99.1 permit is required, the demolition permit will not be issued, and the applicant will be directed to the Planning Services Department to begin the application process for a Section 99.1 permit.

Transition Provisions

In response to Council's resolution regarding transition provisions, staff researched best practices and given the local context, the most viable approach was addressing transitions through the implementing Guidelines. Accordingly, transition provisions were developed and are included as part of the draft Guidelines, attached to this report. The transition provisions apply to projects where related site plan applications were submitted as of July 10, 2023 and allow for Section 99.1 permit conditions to be scoped commensurate to the status of the site plan application, up to and including no conditions, provided the following criteria are met:

1. The site plan application did not already provide for replacement of rental units as of July 10, 2023; and,
2. less than 6 existing rental units were occupied as of July 10, 2023.

Furthermore, this report recommends that the Rental Housing Protection By-law be amended to delegate the Decision-making on Section 99.1 permit applications meeting the transition criteria to the Commissioner of Community Development. This Delegation authority is anticipated to be limited and only used when all the above transition criteria are met.

This approach provides for a formalized and consistent process in processing such applications which achieves an appropriate outcome in the particular circumstances of an application by way of issuance of a Section 99.1 permit.

NEXT STEPS:

The Guidelines will be presented to the Developer Liaison group and posted to the Town's website and social media channels for feedback before they are finalized. All feedback will be taken into consideration prior to finalization of the Guidelines.

As part of Section 99.1 permit application, public consultation is required for each site-specific application. The Guidelines provide a notice and Communication Strategy for the applicant to implement as part of the application process.

CONSIDERATIONS:

(A) PUBLIC

Staff will consult with the public and receive feedback before finalization of the guidelines.

(B) FINANCIAL

None

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Coordination may occur with other departments in finalizing the Guidelines.

(D) COUNCIL STRATEGIC PRIORITIES

The protection of rental housing supports complete and connected communities.

(E) CLIMATE CHANGE/ACTION

Alterations to existing rental buildings may result in more efficient buildings.

CONCLUSION:

The Guidelines appended to this report address a key component of the Town's Housing Strategy and provide a formalized and consistent process in processing Section 99.1 permit applications.

APPENDICES:

Appendix "A" – Rental Housing Demolition or Conversion Guidelines

Appendix "B" - By-law 2024-022 – A By-law to amend the Town of Oakville Rental Housing Protection By-law 2023-102 regarding Part 12, Approval by Commissioner under Delegated Authority

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