

City of Melfort Policy Manual

<i>POLICY TITLE:</i> Condominium Conversion Policy	<i>POLICY NUMBER:</i> 7.4.01	<i>EFFECTIVE DATE:</i> June 17, 2008
<i>ORIGIN:</i> Community Services Committee	<i>ADOPTED BY COUNCIL ON:</i> June 16, 2008	<i>AMENDED DATE:</i>

CONDOMINIUM CONVERSION POLICY

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. **DEFINITION**

- 2.1 Condominium Conversion – conversion of existing residential rental units to condominium ownership.
- 2.2 Unit – a dwelling consisting of a room or suite of rooms; the area designated as a unit in a condominium plan.
- 2.3 Hardship – difficulty caused by condominium conversion which relates to:
- i) affordability;
 - ii) ability to acquire other accommodation;
 - iii) access to services; and/or
 - iv) neighborhood displacement.

3. **CRITERIA FOR APPROVAL**

Condominium conversion approval may be subject to the following criteria:

- a) The vacancy rate as determined by CMHC's annual survey (excluding new units) must be 3.0% or higher for the whole of the City and for the Census Metropolitan Area survey zone in which the project under consideration is located.
- b) Clause a) may be waived if it can be demonstrated by the applicant that a minimum of 75% of the responding tenants do not object to the conversion. Multiple responses from the same unit will be counted as a single response.

Notwithstanding clause a) or b), Council may deny applications for condominium conversion if it considers that the conversion would create significant hardship for more than 10% of the tenants.

4. **APPLICATION**

All applications for condominium conversion shall follow the procedure below:

- a) A written application for condominium conversion will be made to the Director of Community Services.
- b) As part of the application, the applicant will submit the following information:
 - i) Written proof that every tenant has been provided with written notice that an application is being made to the City of Melfort. The content of the notice will abide by the information described in section 5. This may be in the form of personal service. An Affidavit of Personal Service must be completed for each notice served in person. The date service is deemed to have been made is the date notice was personally served.
 - ii) A copy of a report consisting of an independent structural analysis of the building condition and disclosure of potential items of repair or replacement.
 - iii) The applicant shall provide the City with a proposed condominium plan which will include a site plan stipulating property lines, setbacks, side yards, parking, elevations and dimensions of projections (e.g. balconies).
- c) The plan will be reviewed by the Community Services Committee for compliance with all relevant regulatory codes and acts.
- d) A recommendation will be presented to Melfort City Council and the applicant will be notified in writing of City Council's decision. In the event the condominium conversion is accepted the City of Melfort and applicant will enter into a Condominium Conversion Agreement as noted in Appendix A.
- e) Upon approval, the applicant is required to obtain relevant building permits from the City of Melfort Building Official.

5. **WRITTEN NOTICE**

The applicant shall provide each tenant with written notice that an application is being made to the City of Melfort. The following information shall be provided in the notice:

- a) Notification that an application is being submitted to the City of Melfort.
- b) Notice that the tenant will have first option to purchase at fair market value, exercisable at any time within six months from the date of City Council's resolution allowing the building to be converted into a condominium.
- c) Confirmation that the tenant will have six months to vacate the building if the tenant does not wish to purchase the unit. In addition, during the six months following City Council approval, there will be no increase in rent.

- d) Confirmation that during the application period and the six months following City Council approval that there will be no disruptive construction activity as to cause the tenant undue hardship.
- e) Notice that the tenant has thirty (30) days from the receipt of the notice to reply to the applicant either supporting or not supporting the Condominium Conversion Application, a copy of which is to be submitted by the tenant to the City of Melfort Director of Community Services.

APPENDIX A

CONDOMINIUM CONVERSION AGREEMENT

THIS AGREEMENT made in duplicate this ____ day of ____ _____, A.D. ____.

BETWEEN:

THE CITY OF MELFORT, a municipal corporation in the Province of Saskatchewan (hereafter referred to as “the City”)

- and -

_____, of the City of Melfort, in the Province of Saskatchewan (hereafter referred to as “the Applicant”)

WHEREAS the Applicant has a legal interest in certain real property situated within the limits of the City of Melfort, in the Province of Saskatchewan, legally described as follows:

AND WHEREAS the Applicant is desirous of converting the property to a condominium, in accordance with the condominium plan, a copy of which is attached hereto and marked as Schedule “A”.

AND WHEREAS the Applicant has agreed to comply with all the conditions of this Agreement with respect to the conversion of the property to a condominium in pursuance of the requirements of the City imposed under the City of Melfort Condominium Conversion Policy, 7.27;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the City of Melfort agreeing to the condominium plan submitted to it by the Applicant, and in consideration of the City’s agreeing to permit the condominium conversion of property in compliance with the terms of this Agreement, the Applicant hereby covenants, agrees, undertakes and obligates itself, its successors and assigns, at its own expense and at no cost to the City, to the following:

1. That the Applicant will give the tenant first option to purchase at fair market value, exercisable at any time within six (6) months from the date of City Council’s resolution allowing the building to be converted into condominium: and

2. That the Applicant will give the tenant six (6) months from the date of City Council's resolution allowing the building to be converted into a condominium to vacate the building if the tenant does not wish to purchase the unit. During this time, the Applicant will ensure that the rent does not increase.
3. This Agreement shall ensure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators and assigns.
4. Notwithstanding the termination of this Agreement, all rights, actions and causes of action by the City as against the Applicant in respect to any of the terms, or conditions of this Agreement shall survive the termination of this Agreement.

IN WITNESS WHEREOF The City of Melfort has hereunto affixed its corporate seal, by the hands of its proper officers in that behalf, duly authorized this ____ day of _____, A.D., _____.

THE CITY OF MELFORT

MAYOR

CITY CLERK

IN WITNESS WHEREOF _____ has hereunto affixed its corporate seal, by the hands of its proper officers in that behalf, duly authorized this ____ day of, A.D., _____.

Witness _____

Per: _____

Witness _____

Per: _____