

6. Office-to-Residential Conversions

Conversion d'immeubles de bureaux en immeubles résidentiels

Committee recommendation(s), as amended

That Council:

- 1. Approve that, where a development application for Office-to-Residential Conversion requires both an Official Plan Amendment (OPA) and a Zoning By-law Amendment (ZBLA), and where the application is supported by Staff, the Official Plan Amendment portion of the Planning Application Fee be waived.**
- 2. Approve the inclusion of an amendment to Zoning By-law 2008-250, as shown in Document 1, in the Q1 2024 Omnibus Zoning By-law Amendment Report to provide flexibility for Office-to-Residential Conversions by:**
 - a. carrying forward the performance standards of the existing portion of the building; and**
 - b. providing flexibility on how the amenity space requirement can be provided on site.**
- 3. Receive an update on the Site Plan Control process for Office-to-Residential Conversions with no additions or new storeys, which would benefit from a scoped material and information list and be charged a "Standard Site Plan Control" fee.**
- 4. Direct the General Manager of Planning, Real Estate and Economic Development to send a letter to the Ministry of the Environment, Conservation and Parks, copying the Minister of Municipal Affairs and Housing and the Minister of Red Tape Reduction, expressing support for the Province to re-examine the exemption requirement for a Record of Site Condition to support Office-to-Residential**

Conversions, to assist municipalities with meeting their Housing Pledge targets.

5. Receive an update, detailed in this report, on Site Servicing for Office-to-Residential Conversions.
6. Receive an update, detailed in this report, on the financial mechanism reviewed in the context of Office-to-Residential Conversions.
7. Direct staff to implement a Financial Incentive Pilot Program for Office-to-Residential conversions with the following parameters:
 - a) That Staff be delegated authority, for office to residential conversion projects, to reduce the applicable CIL cap to 8%, allocated from the Ward-specific CIL portion and not City-wide, on the condition that the Building Permit for the project is issued within 6 months from Site Plan Approval (date of issuance of the delegated authority report), with possibility of a singular extension of 3 months;
 - b) That the eligible geographic area of the pilot be limited to Ward 14;
 - c) That the eligibility of the program require the downtown vacancy rate to be above 10% as reported in the latest Ottawa Office market report by Colliers; and
 - d) That the pilot be limited to a period of 2 years; after which it must be re-considered by Council.
8. Direct staff to convene a meeting of developers and landowners to further explore the potential impact of additional financial incentives, and report back to Planning and Housing Committee in Q1 2024.

Recommandation(s) du Comité, telle que modifiée

Que le Conseil :

- 1. Approuve l'annulation des frais de modification du Plan officiel dans les cas où une demande d'aménagement pour la conversion de bureaux en logements exige à la fois une modification du Plan officiel (MPO) et une modification du Règlement de zonage (MRZ), si la demande est appuyée par le personnel.**
- 2 En vue de faciliter les conversions de bureaux en logements, approuver l'inclusion des modifications suivantes du Règlement de zonage (no 2008-250), décrites au document 1, dans le rapport sur les modifications d'ensemble du Règlement de zonage du premier trimestre de 2024 :**
 - a. reporter les normes de rendement de la partie existante du bâtiment;**
 - b. faire preuve de souplesse dans la manière dont est pourvu l'espace d'agrément sur place.**
- 3 Recevoir un compte rendu du processus d'approbation du plan d'implantation pour les conversions de bureaux en logements n'impliquant ni annexes ni étages supplémentaires, qui bénéficierait d'une liste délimitée de documents et de renseignements et auquel seraient associés des frais standard pour l'approbation du plan d'implantation.**
- 4 Demander au directeur général de la Planification, de l'Immobilier et du Développement économique d'envoyer une lettre au ministre de l'Environnement, de la Protection de la nature et des Parcs, adressée en copie conforme au ministre des Affaires municipales et du Logement et au ministre de la Réduction des formalités administratives, exprimant son appui au réexamen provincial des exigences pour une exemption inscrites au règlement sur les dossiers de l'état d'un site afin de faciliter les conversions de bureaux**

en logements et d'aider les municipalités à atteindre les cibles fixées dans le cadre de leur garantie du logement.

- 5 Recevoir un compte rendu, selon les détails présentés dans ce rapport, sur le raccordement aux services publics des conversions de bureaux en logements.
- 6 Recevoir un compte rendu, selon les détails présentés dans ce rapport, sur les mécanismes de financement examinés dans le contexte des conversions de bureaux en logements.
- 7 **Demander au personnel de lancer un programme pilote d'incitatifs financiers pour la conversion de bureaux en logements aux conditions suivantes :**
 - a. **Que le personnel se voie déléguer le pouvoir, pour les projets de conversion de bureaux en logements, de limiter à 8 % le plafond des frais relatifs aux terrains à vocation de parc pour le quartier 14 et non toute la ville, à condition que les permis de construire soient délivrés dans les six mois de l'approbation des plans d'implantation (date de publication du rapport de décision par délégation), avec une possibilité de prolongation unique de trois mois;**
 - b. **Que le territoire du programme se limite au quartier 14;**
 - c. **Que pour que les bureaux au centre-ville soient admissibles au programme, leur taux d'inoccupation soit supérieur à 10 %, selon le dernier rapport *Ottawa Office Market* de Colliers;**
 - d. **Que le programme ne dépasse pas deux ans, après quoi il sera revu par le Conseil.**
- 8 **Demander au personnel de convoquer une réunion avec les promoteurs et les propriétaires pour mieux évaluer les répercussions potentielles de l'ajout d'incitatifs financiers, et qu'il présente un rapport au Comité de la planification et du logement au premier trimestre de 2024.**

Documentation/Documentation

- 1 Report from the Manager, Business and Technical Support Services, Planning, Real Estate and Economic Development Department, dated October 13, 2023 (ACS2023-PRE-GEN-0010)

Rapport de la Gestionnaire, Services de soutien techniques et aux activités, Services de la planification, des biens immobiliers et du développement économique, daté le 13 octobre 2023 (ACS2023-PRE-GEN-0010)

- 2 Extract of draft Minutes, Planning and Housing Committee, November 1, 2023

Extrait de l'ébauche du procès-verbal du Comité de la planification et du logement, le 1^{er} novembre 2023

Zoning By-law Amendment – Part of 3700 Twin Falls Place

File No. ACS2023-PRE-GEN-0010 - City Wide

Alexandre LeBlanc, Strategic Programs and Project Officer, Planning, Real Estate and Economic Development Department (PRED), provided an overview of the report and answered questions from the Committee. A copy of the slide presentation is filed with the Office of the City Clerk.

Also present to respond to questions:

- PRED:
 - ❖ Charmaine Forgie, Manager, Business and Technical Support Services
 - ❖ Don Herweyer, General Manager
 - ❖ Andrew McCreight, Manager, Development Review – Central
- Recreation, Culture and Facility Services: Kevin Wherry, Manager, Parks and Facilities Planning

The Committee heard from the following delegations:

1. Josie Tavares spoke to a slide presentation (held on file with the Office of the City Clerk) that touched on positives and suggested working with other levels of government and city departments to find offsets, tax offsets and site servicing.
2. Marko Miljusevic spoke in support of the staff report, struggling business in the downtown core could benefit from this proposal. Touched on affordable housing, and market rents.

3. Kelly Rhodenizer, Regional Group asked Council to direct staff to revisit the proposal with the GST/HST aspect in mind.

The following written submissions were received by, and are filed with, the Office of the City Clerk, and distributed to Committee Members:

- Email dated October 31, 2023 from Jason Burggraaf
- Email dated October 31, 2023 from Kelly Rhodenizer

Following discussions and questions of staff, the Committee carried the report recommendations as amended.

Report recommendation(s)

That Planning and Housing Committee recommend Council:

1. **Approve that, where a development application for Office-to-Residential Conversion requires both an Official Plan Amendment (OPA) and a Zoning By-law Amendment (ZBLA), and where the application is supported by Staff, the Official Plan Amendment portion of the Planning Application Fee be waived.**
2. **Approve the inclusion of an amendment to Zoning By-law 2008-250, as shown in Document 1, in the Q1 2024 Omnibus Zoning By-law Amendment Report to provide flexibility for Office-to-Residential Conversions by:**
 - a. **carrying forward the performance standards of the existing portion of the building; and**
 - b. **providing flexibility on how the amenity space requirement can be provided on site.**
3. **Receive an update on the Site Plan Control process for Office-to-Residential Conversions with no additions or new storeys, which would benefit from a scoped material and information list and be charged a “Standard Site Plan Control” fee.**

- 4. Direct the General Manager of Planning, Real Estate and Economic Development to send a letter to the Ministry of the Environment, Conservation and Parks, copying the Minister of Municipal Affairs and Housing and the Minister of Red Tape Reduction, expressing support for the Province to re-examine the exemption requirement for a Record of Site Condition to support Office-to-Residential Conversions, to assist municipalities with meeting their Housing Pledge targets.**
- 5. Receive an update, detailed in this report, on Site Servicing for Office-to-Residential Conversions.**
- 6. Receive an update, detailed in this report, on the financial mechanism reviewed in the context of Office-to-Residential Conversions.**

Carried as amended

Amendment:

Motion No. PHC 2023 - 18/03

Moved by A. Troster

WHEREAS Cash-in-Lieu of Parkland (CIL) funds are collected as the payment of funds equivalent to the value of the amount of land that the City would otherwise have been entitled to require to be conveyed for park purposes as part of a development; and

WHEREAS the City is not meeting its approved parkland target inside the greenbelt, and the Parks and Recreation Masterplan notes that the Downtown Transect is the most underserved area from a parks and facilities perspective, and it is not recommended that CIL be waived or reduced as part report ACS2023-PRE-GEN-0010; and

WHEREAS it would be possible under Exemptions Section 11 (2)(l) of the Parkland Dedication Bylaw for the City to forgo collection of CIL

funds as part of a negotiation with the applicant for an alternative public benefit in partnership with the City; and

WHEREAS Ward 14 includes downtown, with the most amount of office vacancies in the city, and the Ward Councillor has indicated support for a pilot that would forgo in part CIL; and

WHEREAS there are transit and economic development benefits to facilitating rapid conversions of office to residential in downtown core to add more supply of housing to meet the City's Housing Pledge and Housing Accelerator Fund targets;

THEREFORE BE IT RESOLVED that staff be directed to implement a Financial Incentive Pilot Program for Office-to-Residential conversions with the following parameters:

- 1. That Staff be delegated authority, for office to residential conversion projects, to reduce the applicable CIL cap to 8%, allocated from the Ward-specific CIL portion and not City-wide, on the condition that the Building Permit for the project is issued within 6 months from Site Plan Approval (date of issuance of the delegated authority report), with possibility of a singular extension of 3 months;**
- 2. That the eligible geographic area of the pilot be limited to Ward 14;**
- 3. That the eligibility of the program require the downtown vacancy rate to be above 10% as reported in the latest Ottawa Office market report by Colliers; and**
- 4. That the pilot be limited to a period of 2 years; after which it must be re-considered by Council.**

BE IT FURTHER RESOLVED that staff convene a meeting of developers and landowners to further explore the potential impact of additional financial incentives, and report back to Planning and Housing Committee in Q1 2024.

Carried