



STAFF REPORT ACTION REQUIRED

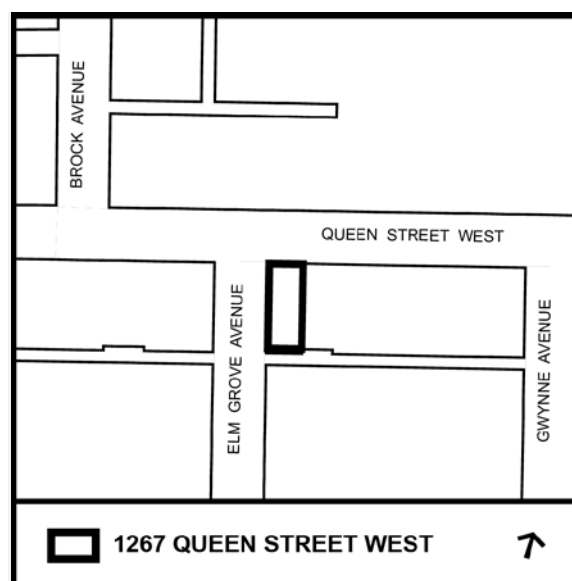
1267 Queen Street West – Residential Rental Demolition Application under Municipal Code Chapter 667– Final Report

Date:	May 11, 2015
To:	Toronto and East York Community Council
From:	Director, Community Planning, Toronto and East York District
Wards:	Ward 14 – Parkdale-High Park
Reference Number:	13 271100 STE 14 RH

SUMMARY

The applicant has submitted an application for a Section 111 to permit the demolition of 6 residential rental units and the majority of the interior of a three storey apartment building at 1267 Queen Street West under Chapter 667 of the Toronto Municipal Code, pursuant to Section 111 of the *City of Toronto Act*. The existing unit mix is 3 bachelor, 1 one-bedroom and 2 two-bedroom and it is proposed to replace them with 1 bachelor, 1 one-bedroom and 4 two-bedroom units of approximately the same respective unit sizes.

The owner obtained minor variance approval from the Committee of Adjustment (CofA) on February 25, 2015 and is finalizing a Site Plan application for the alteration and expansion of the existing building for a total of 13 residential rental units, of which 6 would be replacement rental units. The approval includes the addition of a fourth floor and an extension at the rear of the building, a minor reorganization of the ground floor access to the retail and commercial component of the building on Queen Street West and Elm Grove Avenue and to substantially internally demolish and rearrange the existing building and the residential units.



When there are six or more residential units and any one of them is rental, the demolition of residential rental housing is prohibited under Chapter 667 of the Toronto Municipal Code unless a Section 111 permit has been issued.

This report recommends the issuance of a Section 111 permit for the demolition of the 3 affordable and 3 mid-range residential rental units, subject to conditions.

RECOMMENDATIONS

The City Planning Division recommends that:

1. City Council approve the application for a Section 111 permit to demolish 3 bachelor, 1 one bedroom and 2 two-bedroom residential rental units at 1267 Queen Street West pursuant to Municipal Code Chapters 667 with the following conditions under Chapter 667 which provide for the replacement of rental housing as outlined in the report from the Director, Community Planning, Toronto and East York District, titled: "1267 Queen Street West- Residential Rental Demolition Application under Municipal Code Chapter 667 Final Report ", dated May 11, 2015:
 - a. the owner shall provide and maintain a total of 13 residential rental units, which shall consist of 1 bachelor, 1 one-bedroom and 4 two-bedroom rental replacement units on the subject site as rental housing for a period of at least 20 years, as shown on the plans submitted to the City Planning Division dated September 19, 2014, with any revisions to the satisfaction of the Chief Planner and Executive Director, City Planning Division and of which three (3) rental replacement units shall have rents no higher than affordable rents and (3) shall have rents no higher than mid-range rents for a period of at least ten years from the date of first occupancy of the new units;
 - b. the owner shall provide tenant relocation assistance to eligible tenants, including: financial assistance beyond the minimums of the Residential Tenancies Act; and the right to return to a replacement rental unit (the "Tenant Relocation and Assistance Plan") and that the Tenant Relocation and Assistance Plan shall be to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
 - c. the owner shall enter into and register on title one or more Section 45 and Section 111 Agreements to secure the conditions outlined in (a) and (b) above to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning Division;

- d. the owner shall enter into and register on title, a Section 118 Restriction under the *Land Titles Act* (to the satisfaction of the City Solicitor) agreeing not to transfer or charge those parts of the lands, comprising the residential rental units, without the written consent of the Chief Planner and Executive Director, City Planning or her designate, to assist with securing the Section 111 Agreement against future owners and encumbrancers of the lands until such time as the City Solicitor determines that its registration on title is no longer required to secure the provisions of the Section 111 Agreement.
2. City Council authorize the Chief Planner and Executive Director, City Planning Division to issue the Section 111 permit for the application for demolition of the rental units in 1267 Queen Street West under Municipal Code Chapter 667 and Chapter 363 after the following has occurred;
 - a. Satisfaction or securing of the conditions in Recommendation 1; and,
 - b. After the Notice of Approval Conditions for 1267 Queen Street West has been issued by the Chief Planner and Executive Director, City Planning Division.

Financial Impact

The recommendations in this report have no financial impact.

DECISION HISTORY

In addition to the Rental Housing Demolition Application, a Site Plan application was submitted on November 27, 2013 to demolish the rear portion of the existing building and to replace it with a new three-storey addition. That application is currently being finalized. A corresponding Minor Variance application to obtain zoning permissions for the new addition was heard by the Committee of Adjustment on February 25, 2015. The Committee approved the application subject to the following conditions:

- (1) Prior to the issuance of a demolition and/or building permit, the applicant shall satisfy all matters relating to City and privately-owned trees, to the satisfaction of the Supervisor, Urban Forestry, Tree Protection and Plan Review.
- (2) The applicant/owner shall comply, to the satisfaction of the City Solicitor, with the following:
 - (i) Enter into one or more Agreements with the City to secure the rental tenure of the new and replacement residential rental units; and
 - (ii) Enter into one or more Agreements to secure the approval conditions of the Rental Housing Demolition and Conversion Application as recommended by City Council.

- (3) The alterations to the mixed-use building, described above, shall be constructed substantially in accordance with the revised plans SK-3.3, SK-5, SK-6 date stamped received by Committee of Adjustment on February 19, 2015 and the revised first floor plan date stamped received by the Committee of Adjustment at the Public Hearing on February 25, 2015. Any changes to these plans shall be to the satisfaction of the Chief Planner, Executive Director City Planning.
- (4) The owner shall lease 3 parking spaces off-site, within 300 m of the subject site, and surplus to the requirements of the Zoning By-law for the donor site, to the satisfaction of the Manager, Traffic Planning, Transportation Services, Toronto and East York District.

ISSUE BACKGROUND

Proposal

This application for a Section 111 permit proposes to demolish 3 bachelor, 1 one-bedroom and 2 two-bedroom residential rental units. The six replacement units are proposed to be 1 bachelor, 1 one-bedroom and 4 two-bedroom replacement rental units, as well as an additional 7 residential rental units. Each new unit will have storage units, indoor bike parking, en-suite laundry and all will have access to a private shared rooftop amenity space that does not back onto the laneway and residential neighbourhood to the rear. At the time of the rental application 2 bachelor and the one-bedroom units were affordable, and 1 bachelor and 2 two-bedrooms were at mid-range rents. All of the existing units are tenanted and the applicant has proposed to mitigate hardship for tenants and to secure the building, including the new residential units as rental for 20 years.

The revised configuration eliminates on-site car parking as approved by the Committee of Adjustment variances.

Site and Surrounding Area

The existing building is a three storey brick building with retail and commercial uses on the first floor and one residential rental unit located in a newer existing rear addition that exits onto Milky Way Lane. There is a garage and three lay-by parking spots for the existing building. Some units had private outdoor amenity areas by incorporating fire escapes and illegally constructed decks.

The existing units consist of 6 residential rental units, of which 4 are currently being used by artists as live-work spaces. With high ceilings on the first two floors, some units have loft sleeping areas. One of the bachelor units had an associated studio space on the lease and the one bedroom unit had two interior dens. The units are of older stock with poor insulation, dated appliances and electric heating. Currently units range from 53.6 square metres (577 sq ft) to 165.8 square metres (1785 sq ft) in size.

The subject site is located on the southeast corner of Queen Street West and Elm Grove Avenue.

Surrounding the site are:

- North: Queen Street West, beyond which are a series of 2 to 3-storey buildings with retail at grade and residential above.
- East: Two to three-storey buildings with retail at grade and residential above.
- South: Milky Way lane, beyond which are 2 to 3-storey house form buildings.
- West: Elm Grove Avenue, beyond which are 2 to 3-storey buildings with retail at grade and residential above.

Provincial Policy Statement and Provincial Plans

Section 2 of the *Planning Act* lists the provision of affordable housing as a matter of provincial interest that municipalities shall have regard for when making planning decisions.

The Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. The PPS sets the policy foundation for regulating the development and use of land. The key objectives include: building strong communities; wise use and management of resources; and protecting public health and safety. Recently updated, the housing policies of the PPS require planning authorities to provide for an appropriate range of housing, including affordable housing, to meet the needs of current and future residents. City Council's planning decisions are required to be consistent with the PPS.

Official Plan

The Official Plan contains policies addressing the need to provide and maintain the City's supply of rental and affordable housing. Section 3.2.1 of the Official Plan includes policies that encourage the provision of a full range of housing, in terms of form, tenure and affordability and the protection of rental housing units as well as housing that makes more efficient use of the existing building stock.

Section 3.2.1.2 provides that the existing stock of housing will be maintained and replenished. Applicants proposing to demolish six or more residential rental units, except where all of the rents are above the mid-range rent category, are required by policy 3.2.1.6 to replace the rental units with at least the same number, size and type of rental housing units and maintain them with rents similar to the rents of existing units on the site.

Rental Housing Demolition and Conversion By-law

The Rental Housing Demolition and Conversion By-law (885-2007) established Chapter 667 of the Municipal Code and implements the City's Official Plan policies protecting rental housing. The By-law prohibits demolition or conversion of rental housing units without obtaining a permit from the City issued under Section 111 of the *City of Toronto Act*. Proposals involving six or more residential units, where at least one of the units proposed for demolition or conversion is a rental housing unit, require an application for a Section 111 permit.

Council may refuse an application, or approve the demolition with conditions that must be satisfied before a demolition permit is issued. Unlike *Planning Act* applications, decisions made by City Council under Chapter 667 of the Municipal Code are not appealable to the OMB.

Reasons for the Application

A Rental Housing Demolition and Conversion Application under Section 111 of the *City of Toronto Act* (Chapter 667 of the Municipal Code) is required for the permit for the complete internal demolition of existing rental units. The Official Plan requires the units to be replaced when any of the rents of the existing units are Affordable or Mid-range. Affordable rents are the average market rent of the City of Toronto in the year before the application and Mid-range rents are 1.5 times Affordable rent. While retaining much of the Queen Street façade, the majority of the building will be demolished and replaced. The applicant's proposal proposes to remove some underused first floor space, and to increase the residential GFA with additional new rental units.

Tenant Consultation

A Tenant Consultation meeting was held under Chapter 667 on March 18, 2015. Three tenant households attended. Several tenants are long-term tenants and some use their units for live-work uses. Tenant concerns were that the new units were not as flexible in terms of the spaces as the current units. The original proposal had incorrectly listed one of the studio spaces as being non-residential and was proposed to be replaced at a size that was too small and one tenant, who had been proposed to be relocated from the ground floor to the third floor had a strong preference, due to his work usage of the space, to remain on the first floor. After the meeting, the applicant revised the plans and the proposal to address these issues.

Tenants were also concerned with displacement, the length of time for displacement and the gap between the current rents in the area and the deeply affordable rents of the current tenancies.

Agency Circulation

The application was circulated to all appropriate agencies at the City of Toronto.

COMMENTS

Provincial Policy Statement

As this rental building is currently functioning as a multi-unit residential rental building that has a variety of types of units with a wide range of rents, the retention and renewal of this rental building, as well as the securing of new rental units is consistent with the PPS.

Rental Housing Demolition and Replacement

Rental housing stock is a valued part of the City of Toronto's provision of housing by type, tenure and affordability throughout the City. The live-work units in this area provide an affordable option for artists and small business owners. The protection and renewal of this stock to provide for a spectrum of housing options in the City is important as a policy consideration in the evaluation of this proposal.

The owner proposed to replace all of the existing units at approximately the same size, with some units being replaced as two storey units, some with private outdoor amenity, and all with storage lockers, en-suite laundry and air-conditioning with similar rents for tenants who return. The applicant has proposed to replace the existing units of a slightly different unit type as they qualify as being "at least" the same as the original unit type, as well as replicating the functionality of the original units. In particular, the replacement of the bachelor unit with the associated studio space and the one bedroom unit that had two dens, both of which were live-work units as two bedroom units is appropriate. Seven new units will have no rent restrictions, but will be secured as rental and returning tenants will continue to have rights should they return. With higher-than-standard ceiling heights and flexible internal areas, it is intended that these units will continue to attract as diverse a demographic as currently lives here.

All the current tenants will receive the right to return to a unit after the demolition and replacement of the units.

Tenants will receive the following compensation:

All tenants receive a \$1500 moving allowance to move out of their unit and 3 months' rent as per the Residential Tenancies Act, as well:

- a. 1-10 years tenure: 1 additional month rent
- b. 10 years tenure: 2 additional months' rent
- c. 15 years tenure: 3 additional months' rent

Special needs tenants will receive an extra 2 months' rent. Any tenant who signs a new lease to return will receive a further moving allowance of \$1500 to return.

Conclusion

The demolition and replacement of the 6 residential rental units and securing an additional 7 units is an appropriate proposal as a minor intensification that renews the existing rental stock. The proposal to replace some of the units by "at least" the same type provides additional functionality for the existing tenants who will be able to return to the community that they are vested members in. The new configuration will allow for the retention of the streetwall on Queen Street West with updates to the commercial space, brickwork and glazing and provide for privacy from the common amenity space on the roof-top for the neighbours to the south. The new configurations will allow for tenancies to continue and secures assistance to mitigate hardship.

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SIGNATURE

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