

## **50 Power Street and 125 Parliament Street – Rental Housing Demolition Application Under Municipal Code 667– Final Report**

**Date:** March 29, 2017

**To:** Toronto East York Community Council

**From:** Director, Community Planning, Toronto East York District

**Wards:** Ward 28 – Toronto Centre - Rosedale

### **SUMMARY**

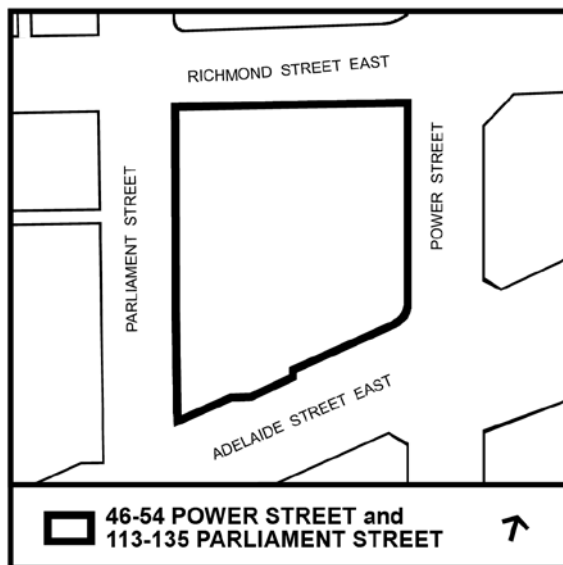
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An application for Rental Housing Demolition and Conversion under Section 111 of the *City of Toronto Act* (Chapter 667 of the Municipal Code) has been filed for residential properties at 50 Power Street and 125 Parliament Street (13 181698 STE 28 RH). This application seeks approval to demolish the rental dwelling units in the existing rental buildings at 50 Power Street (3 units) and 125 Parliament Street (12 units). The application also proposes to replace all 15 of these existing rental dwelling units within a new residential building as part of the proposed redevelopment of this site and provide tenant relocation and assistance to all eligible tenants.

The properties at 50 Power Street and 125 Parliament Street form portion of the lands at 113-135 Parliament Street and 46-54 Power Street that are subject to a Zoning By-law Amendment application and Site Plan Control application (File Nos. 13 181685 STE 28 OZ and 17 118464 STE 28 SA) for the development of a mixed-use building with two towers of 19-storeys and 22-storeys containing 520 dwelling units (including the 15 replacement rental dwelling units). The Zoning By-law Amendment application was the subject of a settlement hearing at the Ontario Municipal Board, with a final Order pending until all outstanding matters, including the final form of the amending zoning by-law, functional servicing matters, transportation matters and the necessary agreements with the City are secured.

This report recommends approval of the Section 111 permit application under Chapter 667 of the Toronto Municipal Code and demolition permit under Chapter 363 of the Toronto Municipal Code, subject to conditions.

Table 1: Site Map; 113-135 Parliament Street and 46-54 Power Street



## RECOMMENDATIONS

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The City Planning Division recommends that:

1. City Council approve the application for a Section 111 permit in accordance with Municipal Code Chapter 667 to allow the demolition of 3 existing rental dwelling units at 50 Power Street and 12 existing rental dwelling units at 125 Parliament Street subject to the following conditions:
  - a. The owner shall provide and maintain 15 replacement rental dwelling units, comprised of 12 bachelor units and 3 two-bedroom units, on the subject site for a period of at least 20 years, as generally shown on the plans submitted to the City Planning Division dated December 2, 2016 (general floor plans) and November 17, 2016 and January 17, 2017 (unit layout plans). Any revision to these plans must be to the satisfaction of the Chief Planner and Executive Director City Planning;
  - b. The owner shall provide at least 12 bachelor replacement rental dwelling units at affordable rents and at least 3 two-bedroom replacement rental dwelling units at mid-range rents for a period of at least 10 years;
  - c. The owner shall provide ensuite laundry in all replacement rental dwelling units;

- d. The owner shall provide an indoor amenity space on the second floor in the rental component of the building for the exclusive use of tenants of the rental component of the building, the size of which will be generated on the same basis as the condominium units;
  - e. The owner shall provide tenants of the replacement rental dwelling units with access to at least 15 bicycle parking spaces on the same terms and conditions as condominium residents, and vehicle parking spaces generated on the same basis as the condominium units;
  - f. The owner shall provide tenant relocation and assistance to all eligible tenants, including an extended notice period, financial compensation beyond the minimum requirements set out in the *Residential Tenancies Act*, and the right to return to a replacement rental dwelling unit, to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
  - g. The owner shall enter into and register on title one or more Agreement(s) to secure the conditions outlined in a, b, c, d, e, and f above to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning Division; and
  - h. 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 15 replacement rental dwelling units, without the written consent of the Chief Planner and Executive Director, City Planning Division or her designate, to assist with the securing of the Section 111 Agreement against future owners and encumbrances 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 Preliminary Approval for the application under Municipal Code Chapter 667 for the demolition of the 15 existing rental dwelling units at 50 Power Street and 125 Parliament Street after all of the following have occurred:
- a. Satisfaction or securing of the conditions in Recommendation 1 above;
  - b. The Zoning By-law amendments which were subject of a settlement hearing at the Ontario Municipal Board have come into full force and effect;

- c. The issuance of the Notice Of Approval Conditions for site plan approval by the Chief Planner or her designate, pursuant to Section 114 of the *City of Toronto Act, 2006*;
  - d. The issuance of excavation and shoring permits for the approved structure on the site; and
  - e. The execution and registration of a Section 37 Agreement pursuant to the *Planning Act* securing Recommendation 1 a, b, c, d, e, and f and any other requirements of the Zoning-Bylaw Amendment.
3. City Council authorize the Chief Building Official to issue a Section 111 permit under Municipal Code Chapter 667 after the Chief Planner and Executive Director, City Planning Division has given preliminary approval referred to in Recommendation 2.
4. City Council authorize the Chief Building Official to issue a permit under Section 33 of the *Planning Act* no earlier than the issuance of the first building permit for excavation and shoring of the development, and after the Chief Planner and Executive Director, City Planning Division has given preliminary approval referred to in Recommendation 2, which permit may be included in the demolition permit for Chapter 667 under 363-11.1, of the Municipal Code, on condition that:
- a. The owner erect a residential building on site no later than 4 years from the day demolition of the buildings is commenced; and
  - b. Should the owner fail to complete the new building within the time specified in condition "a" above, the City Clerk shall be entitled to enter on the collector's roll, to be collected in a like manner as municipal taxes, the sum of twenty thousand dollars (\$20,000.00) for each dwelling unit for which a demolition permit is issued, and that each sum shall, until payment, be a lien or charge upon the land for which the demolition permit is issued.
5. Council authorize the appropriate City officials to take such actions as are necessary to implement the foregoing, including execution of the Section 111 Agreement.

## **FINANCIAL IMPACT**

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The recommendations in this report have no financial impact.

## **DECISION HISTORY**

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On May 13, 2014, Toronto and East York Community Council (TEYCC) adopted the Preliminary Report dated April 23, 2014 on the Rental Housing Demolition and Zoning By-law Amendment applications. The report can be accessed at: <http://www.toronto.ca/legdocs/mmis/2014/te/bgrd/backgroundfile-68577.pdf>

On June 2, 2016 the owner appealed the Zoning By-law Amendment application to the Ontario Municipal Board (OMB) citing City Council's failure to make a decision within the prescribed time frame set out in the Planning Act.

On December 13, 14 and 15, 2016 City Council considered the Request for Directions Report dated October 25, 2016 and the Supplementary Report – Settlement Offer dated December 13, 2016. City Council adopted the recommendations of the Settlement Offer report to instruct the City Solicitor to settle the appeal of the Zoning By-law Amendment application. The decision and reports can be accessed at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.TE20.15>

On January 23, 2017, the OMB pre-hearing was converted to a settlement hearing, where the OMB approved the mixed-use building with two towers of 19 and 22-storeys containing 520 dwelling units (including 15 replacement rental dwelling units).

## **ISSUE BACKGROUND**

### **Proposal**

The OMB approved proposal is comprised of: a mixed-use building with two towers of 19-storeys and 22-storeys containing 520 residential dwelling units, of which 15 will be replacement rental dwelling units; 4,023 square metres of retail space; 249 vehicular parking spaces; and 548 bicycle parking spaces. The development will have an overall gross floor area of 42,824 square metres, with a floor space index of 9.15.

Residential amenity space will consist of 922 square metres of indoor amenity space and 918 square metres of outdoor amenity space.

The residential rental demolition application proposes to replace all 15 existing rental dwelling units with 15 replacement rental dwelling units of at least the same unit type and size. The replacement rental dwelling units will be secured at affordable and mid-range rents for 10 years and all eligible tenants will receive tenant assistance.

## Site and Surrounding Area

The site is comprised of the block bordered by Parliament Street to the west, Adelaide Street East to the south, Power Street to the east and Richmond Street East to the north. The site consists of:

- 113-123 Parliament Street: a commercial surface parking lot;
- 125 Parliament Street: a 4-storey mixed-use building containing 12 affordable bachelor rental apartment units, 5 of which were vacant at the time of application submission;
- 129-135 Parliament Street: a 1-storey commercial building;
- 46-48 Power Street: a vacant parcel that formerly contained a 3-storey printing plant/office building;
- 50 Power Street: a 2-storey semi-detached building containing 3 mid-range two-bedroom units that were occupied at the time of application resubmission;
- 52 Power Street: a 2-storey semi-detached office building; and,
- 54 Power Street: a 2-storey commercial building.

According to the 2014 rent rolls submitted to the City by the applicant, all 12 of the existing bachelor rental dwelling units at 125 Parliament Street have affordable rents (approximately \$800 per month). According to the 2015 rent rolls submitted for 50 Power Street, all 3 of the existing two-bedroom rental dwelling units have mid-range rents (approximately \$1,500 per month).

## Provincial Policy Statement and Provincial Plans

Section 2 of the *Planning Act* sets out matters of provincial interest which City Council shall have regard to carrying out its responsibilities, including: the orderly development of safe and healthy communities; the conservation of features of significant architectural, cultural and historical interest; the adequate provision of employment opportunities; and the appropriate location of growth and development.

The Provincial Policy Statement (PPS), 2014 provides policy direction on matters of provincial interest related to land use planning and development. These policies support the goal of enhancing the quality of life for all Ontarians. Key policy objectives include: building strong healthy communities; providing an appropriate range of housing types and affordability to meet projected requirements of current and future residents; wise use and management of resources and protecting public health and healthy communities. The PPS recognizes that local context and character is important. Policies are outcome-oriented and some policies provide flexibility in their implementation provided that provincial interests are upheld. City Council's planning decisions are required to be consistent with the PPS.

The Growth Plan for the Greater Golden Horseshoe provides a framework for managing growth in the Greater Golden Horseshoe including: directions for where and how to grow; the provision of infrastructure to support growth; providing housing options to meet the needs of people at any age; and protecting natural systems and cultivating a culture of conservation. City Council's planning decisions are required to conform, or not conflict, with the Growth Plan for the Greater Golden Horseshoe.

### **Official Plan**

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. Policy 3.2.1.6 states that new development that would result in the loss of six or more rental housing units will not be approved unless all of the rental housing units have rents that exceed mid-range rents at the time of application, or in cases where planning approvals other than site plan are sought, that the following be secured:

- At least the same number, size and type of rental housing units are replaced and maintained with similar rents to those in effect at the time the redevelopment application was made;
- For a period of at least 10 years, rents for replacement units will be the rent at first occupancy, increased annually by not more than the Provincial Rent Increase Guideline or a similar guideline as Council may approve from time to time; and,
- An acceptable tenant relocation and assistance plan addressing the right to return to occupy one of the replacement rental units at similar rent, the provision of alternative accommodation at similar rents and other assistance to lessen the hardship of relocation.

### **Rental Housing Demolition and Conversion By-law**

Section 111 of the *City of Toronto Act, 2006* authorizes Council to regulate the demolition and conversion of residential rental properties in the City. Chapter 667 of the City's Municipal Code, the Rental Housing Demolition and Conversion By-law, implements Section 111. Chapter 667 prohibits the demolition or conversion of rental housing units in buildings containing six or more residential dwelling units, of which at least one unit is rental, without obtaining a permit from the City and requires a decision by either City Council or, where delegated, the Chief Planner.

Pursuant to Chapter 667, Council may refuse an application, or approve the demolition and may impose conditions, including conditions that must be satisfied before a demolition permit is issued. These conditions further the intent of the City's Official plan policies protecting rental and affordable housing.

Pursuant to the City's demolition control by-law Chapter 363 of the Municipal Code, Council approval of the demolition of residential dwelling units under Section 33 of the Planning Act is also required where six or more residential dwelling units are proposed for demolition, before the Chief Building Official can issue a permit for demolition under the *Building Code Act*.

Where an application for rezoning triggers an application under Chapter 667 for rental demolition or conversion and an application under Chapter 363 for residential demolition control, City Council typically considers both applications at the same time. Unlike *Planning Act* applications, decisions made by City Council under Chapter 667 are not appealable to the Ontario Municipal Board.

On June 1, 2013, the applicant made an application for a Section 111 permit pursuant to Chapter 667 of the City of Toronto Municipal Code.

### **Reasons for Application**

An application to permit the demolition of the 15 existing rental dwelling units is required under Chapter 667 of the Toronto Municipal Code as the site contains at least 6 residential dwelling units of which at least one was used for residential rental purposes.

### **Tenant Consultation**

On January 11, 2017, City Planning hosted a Tenant Consultation meeting to provide tenants with an update on the development application, review the City's housing policies, and outline the various components of a typical Tenant Relocation and Assistance Plan. This meeting was attended by 4 of 5 remaining tenants, City Planning staff and the applicant. During this meeting tenants asked questions about the configurations of the proposed replacement units and requested partitions for the bachelor units to create interior bedrooms; the amount of assistance that would be provided; and access to building amenities and parking.

## **COMMENTS**

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### **Rental Housing**

The existing 4-storey mixed-use building at 125 Parliament Street contains 12 bachelor rental dwelling units with interior bedrooms. The average size of these units is approximately 458 square feet (42.5 square metres). The existing 2-storey semi-detached building at 50 Power Street, which was added to the



application in 2015, contains 3 two-bedroom units with an average size of approximately 797 square feet (74 square metres).

The applicant has proposed to locate all 15 replacement rental dwelling units on the second floor of the proposed condominium building. The rental replacement component is to have a separate entrance and facilities from the rest of the residential component. All 15 units are proposed to be replaced with units of the same type and similar rent. The average unit size and total gross floor area of the proposed replacement rental dwelling units will be approximately 1% larger than the existing rental dwelling units.

All replacement rental dwelling units will be provided with ensuite laundry facilities and air conditioning. Tenants of the replacement rental units will have access to bicycle and vehicle parking on the same terms and conditions as condominium residents. Amenity space will be generated on the same basis as the units in the remainder of the building and will total approximately 49 square metres. This space will have sliding windows and railings (juliette balcony), as well as a kitchenette and an accessible washroom.

The Section 37 and Section 111 agreements will secure all details regarding minimum unit sizes and future tenants' access to the proposed facilities and amenities.

### **Tenure and Rents for the New and Replacement Rental Dwelling Units**

The applicant has agreed to provide and maintain the 15 replacement rental dwelling units within the proposed building for at least 20 years, beginning from the date that each replacement rental dwelling unit is first occupied and until the owner obtains approvals for a Zoning By-law Amendment removing the requirement for the replacement rental dwelling units to be maintained as rental units.

At the time of application, the existing building at 50 Power Street contained 3 mid-range rental dwelling units and the existing building at 125 Parliament Street contained 12 affordable rental dwelling units. The applicant has agreed to secure the rents for the 12 affordable and 3 mid-range replacement rental units for at least 10 years.

### **Tenant Relocation and Assistance Plan**

The owner has agreed to provide tenant relocation and assistance which will be to the satisfaction of the Chief Planner and secured through the Section 37 and Section 111 Agreements with the City.

As part of this Plan, tenants will:

- Receive at least 5 months' notice of the date that they must vacate their rental unit;
- Have the right to return to one of the replacement rental units in the new building, with rent protected for up to 20 years;
- Receive compensation equal to 3 month's rent or an acceptable alternative rental dwelling units, pursuant to *the Residential Tenancies Act*;
- Receive a move-out moving allowance of \$1,500 for a bachelor unit and \$2,100 for a two-bedroom unit and, if they decide to exercise their right to return to a replacement rental dwelling unit in the new building, a move-back moving allowance of \$1,500 for a bachelor unit and \$2,100 for a two-bedroom unit; and,
- Receive additional financial compensation to account for the approximate difference between their current rent and the average market area rent during the expected length of construction.

## **CONCLUSION**

Staff is recommending that Council approve the demolition of the 3 existing rental dwelling units at 50 Power Street and the 12 existing rental dwelling units at 125 Parliament Street subject to the conditions set out in the recommendations in this report.

## **CONTACT**

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## **SIGNATURE**

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Gregg Lintern, MCIP, RPP, Director, Community Planning, Toronto East York District

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