

**263-267 Adelaide Street West – Rental Housing Demolition Application Final Report**

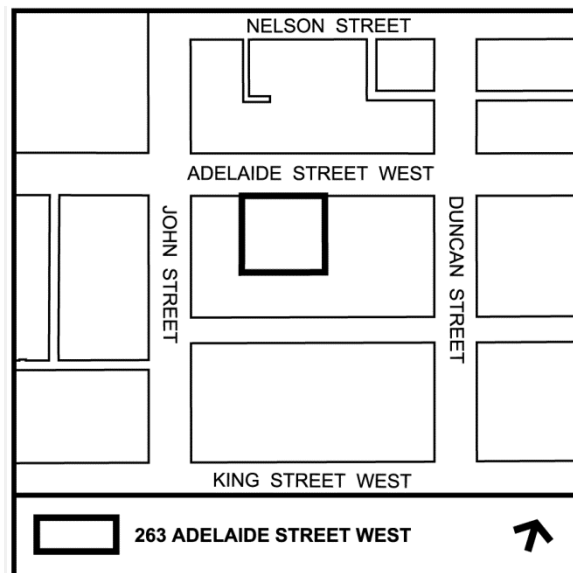
<b>Date:</b>	September 26, 2017
<b>To:</b>	Toronto and East York Community Council
<b>From:</b>	Director, Community Planning, Toronto and East York District
<b>Wards:</b>	Ward 20 – Trinity-Spadina
<b>Reference Number:</b>	12 152672 STE 20 RH

**SUMMARY**

An application for Rental Housing Demolition and Conversion under Section 111 of the *City of Toronto Act* (Chapter 667 of the Toronto Municipal Code) has been filed for a Residential Rental Property at 263 Adelaide Street West (12 152672 STE 20 RH). This application seeks approval to demolish 12 residential rental dwelling units and replace the existing rental dwelling units within a new residential building on the subject site.

The property is also subject to a Zoning By-law Amendment application (12 152660 STE 20 OZ) for the development of a 47-storey mixed-use building. The Zoning By-law Amendment application is the subject of a settlement at the Ontario Municipal Board. The final OMB Order is pending until all outstanding matters, including resolution of the rental housing matters and necessary agreements with the City, are secured.

This report recommends approval of the Rental Housing Demolition permit application under Chapter 667 of the Toronto Municipal Code and the residential demolition permit under Chapter 363 of the Toronto Municipal Code, subject to conditions.



## RECOMMENDATIONS

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### **The City Planning Division recommends that:**

1. City Council approve the application for a Rental Housing Demolition permit in accordance with Municipal Code Chapter 667 to allow the demolition of 12 existing rental dwelling units located at 263-267 Adelaide Street West subject to the following conditions:

a. The owner shall provide and maintain 12 replacement rental dwelling units, comprised of 4 bachelor, 2 one-bedroom, 2 two-bedroom and 4 three-bedroom units, on the subject site for a period of at least 20 years, without application for condominium registration, conversion or demolition, as generally shown on the plans submitted to the City Planning Division dated July 26, 2017. Any revision to these plans must be to the satisfaction of the Chief Planner and Executive Director City Planning. The replacement rental dwelling units shall be ready and available for occupancy no later than the date that 70% of the new dwelling units erected on the site, exclusive of the replacement rental dwelling units, are available and ready for occupancy;

b. The owner shall provide and maintain at least 2 bachelor and 1 two-bedroom replacement rental dwelling units at affordable rents and 2 bachelor, 2 one-bedroom and 2 three-bedroom replacement rental dwelling units at mid-range rents, all for a period of at least 10 years.

The owner shall provide and maintain at least 1 two-bedroom and 2 three-bedroom replacement rental dwelling units which may be offered at unrestricted rents;

c. The owner shall provide ensuite laundry in all replacement rental dwelling units;

d. The owner shall provide tenants of the replacement rental dwelling units with access to all indoor and outdoor amenities on the site at no extra charge. Access and use of these amenities shall be on the same terms and conditions as the remainder of the building without the need to pre-book or pay a fee, unless specifically required as customary practices for private bookings;

e. The owner shall provide vehicle and bicycle spaces on the same proportionate basis as the remainder of the building, for which the maximum monthly parking fee for a returning tenant may not exceed \$100, and the maximum monthly parking fee for tenants who are not returning tenants may not exceed \$125, with annual increases tied to the Provincial rent increase guidelines, and at least 12 storage lockers to tenants of the replacement rental dwelling units, for which the maximum monthly cost for renting one of the

storage lockers may not exceed \$15, with annual increases tied to the Provincial rent increase guidelines;

f. The owner shall provide tenant relocation and assistance to all eligible tenants of the existing rental dwelling units, including the right to return to a replacement rental dwelling unit, all to the satisfaction of the Chief Planner and Executive Director, City Planning Division;

g. The owner shall enter into and register on title to the site 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 to the site, a Section 118 Restriction under the *Land Titles Act*, to the satisfaction of the City Solicitor agreeing not to transfer or charge the lands, without the written consent of the Chief Planner and Executive Director, City Planning Division or their 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, all to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning Division.

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 12 existing rental dwelling units, at 263-267 Adelaide Street West after all of the following have occurred:

a. Satisfaction or securing of the conditions in Recommendation 1 above;

b. The Zoning By-law Amendment, which was the subject of a settlement at the Ontario Municipal Board, has come into full force and effect;

c. The issuance of the Notice of Approval Conditions for site plan approval by the Chief Planner or their 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 subject site; and

e. The execution and registration of one or more Agreement(s) 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 Rental Housing Demolition permit under Municipal Code Chapter 667 after the Chief Planner and Executive Director, City Planning Division has given preliminary approval, as referred to in Recommendation 2.

4. City Council authorize the Chief Building Official to issue a permit under Section 33 of the *Planning Act* for the demolition of the 12 residential dwelling units at 263-267 Adelaide Street West 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 the site no later than three (3) 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**

The recommendations in this report have no financial impact.

### **DECISION HISTORY**

At its meeting on September 11, 2012, Toronto and East York Community Council adopted the staff recommendations contained in the Preliminary Report for 263 Adelaide Street West, and expanded notice requirements for the Community Consultation meeting. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.TE18.43>

On May 31, 2016, the applicant appealed the Zoning By-law Amendment application to the Ontario Municipal Board (OMB) due to Council's failure to make a decision with respect to the applications within the time prescribed by the *Planning Act*.

At its meeting of November 8, 2016, City Council authorized the City Solicitor together with appropriate staff to attend the Ontario Municipal Board hearing to, among other matters, oppose the appeals.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.TE19.11>

City staff received a confidential settlement offer from the applicant, offering to revise the application, including amongst other matters, providing for a 47-storey mixed-use building (156.9 metres including mechanical penthouse) comprised of a five storey base and a 42-storey tower, while retaining the heritage façade and providing replacement rental housing units. At its meeting of May 24, 2017, City Council instructed the City Solicitor and appropriate staff to attend the Ontario Municipal Board hearing in support of the appeals as revised in accordance with the settlement offer.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.CC29.7>

An Ontario Municipal Board hearing on the appeals of the Zoning By-law Amendment as revised in accordance with the settlement offer, took place on June 27, 2017. On July 19, 2017 the OMB issued a decision allowing the appeals in part and withholding the Order until the final form of the implementing by-laws is provided to the Board and the following have occurred: the Section 37 Agreement between the applicant and the City is satisfactorily entered into and registered on title; site servicing reports have been submitted; heritage matters have been addressed; and the Board is advised that City Council has dealt with the application under Chapter 667 of the City of *Toronto Act, 2006*.

## **ISSUE BACKGROUND**

### **Site and Surrounding Area**

The site currently contains a five-storey building known as the Purman Building constructed in 1915, which contains a total of 46 units. At the time of application, there were 12 rental dwelling units and 34 commercial units. The rental dwelling units are a mix of live/work and residential use only. The building is listed on the City's Heritage Register and prior to the final OMB Order will be designated under Part IV of the *Ontario Heritage Act*.

### **Provincial Policy Statement and Provincial Plans**

The Provincial Policy Statement (2014) provides policy direction Province-wide on land use planning and development to promote strong communities, a strong economy, and a clean and healthy environment. It includes policies on key issues that affect communities, such as residential development promoting a mix of housing; recreation, parks and open space; and transportation choices that increase the use of active transportation and transit.

The City of Toronto uses the PPS to guide its official plan and to inform decisions on other planning and development matters. The PPS is issued under Section 3 of the Planning Act and all decisions of Council affecting land use planning matters "shall be consistent with" the Provincial Policy Statement.

The Growth Plan for the Greater Golden Horseshoe (2017) provides a strategic framework for managing growth in the Greater Golden Horseshoe region including building complete communities with a diverse range of housing options, public service facilities, recreation and green space that better connect transit to where people live and work.

Like other provincial plans, the Growth Plan for the Greater Golden Horseshoe (2017) builds upon the policy foundation provided by the Provincial Policy Statement (2014) and provides more specific land use planning policies to address issues facing the GGH region. The policies of the Growth Plan take precedence over the policies of the PPS to the extent of any conflict, except where the relevant legislation provides otherwise. All decisions by Council affecting land use planning matters are required by the Planning Act, to conform, or not conflict, as the case may be, with the Growth Plan.

Staff are of the opinion that the proposed development application is consistent with the Provincial Policy Statement (2014) and conforms (and does not conflict) with the Growth Plan for the Greater Golden Horseshoe (2017).

### **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, the following are 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, or in the case of applications appealed to the OMB, after the OMB has issued its decision. Unlike *Planning Act* applications, decisions made by City Council under Chapter 667 are not appealable to the Ontario Municipal Board.

On April 12, 2012, the applicant submitted an application for a Rental Housing Demolition permit pursuant to Chapter 667 of the City of Toronto Municipal Code.

### **Reasons for Application**

An application to permit the demolition of the 12 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 August 30, 2017, City Planning hosted a Tenant Consultation Meetings to review the City's housing policies and outline the various components of a typical Tenant Relocation and Assistance Plan. This meeting was attended by 3 tenants, the local Councillor's office, City Planning staff, and the applicant. During this meeting tenants asked questions and provided comments on the proposed development including: how compensation will be provided; challenges for finding alternative accommodation during construction; permitted rent increases for the replacement rental dwelling units; and the process for selecting a replacement rental dwelling unit.

## **COMMENTS**

### **Existing Rental Housing**

The existing building has a history of providing live/work accommodation for artists and others residents. At the time of the application, it was found that 12 of the units were being used residentially, whether as live/work or solely residential.

The existing 12 units are comprised of 4 bachelor, 2 one-bedroom, 2 two-bedroom, and 4 three-bedroom units. Of these, three units are considered to have affordable rents (rents at or below average market rent for the City of Toronto), six units have mid-range rents (below one and a half times average market rent), and 3 units have high-end rents (anything above mid-range).

## **Replacement Rental Dwelling Units**

The applicant has proposed to provide and maintain 12 replacement rental dwelling units on the second and third floors of the proposed mixed-use building. The unit mix and sizes for the proposed replacement rental dwelling units are the same as what exists today.

These 12 replacement rental dwelling units will have the following unit mix and rent classification:

- 4 bachelor units - 2 affordable and 2 mid-range
- 2 one-bedroom units - 2 mid-range
- 2 two-bedroom units - 1 affordable and 1 high-end
- 4 three-bedroom units - 2 mid-range and 2 high-end

All units will have ensuite laundry, access to a storage locker for a small fee, and a proportionate share of bicycle and vehicle parking spaces. Tenants of the replacement rental units will have access to all indoor and outdoor amenities on the same terms and conditions as the rest of the building. While the replacement units will be for residential use, the units will be designed to replicate some of the live/work attributes that originally existed, such as higher ceiling heights and open concept living areas. One or more Agreements pursuant to the *Planning Act* will secure all details regarding the replacement rental housing, including the number of replacement units, minimum unit sizes, maximum rents and future tenants' access to all facilities and amenities.

The units will be secured for at least 20 years and rents will be secured for returning and new tenants for at least 10 years. The three units with high-end rents will not have any rent restrictions.

## **Tenant Relocation and Assistance Plan**

At the time of the application, all of the residential rental units were occupied by tenants. Since 2012, many of tenants have left the building. As residential tenants left the units, the owner made the decision to re-rent the units for commercial purposes only, resulting in only four residential tenants remaining in the building. In order to acknowledge the live/work history and that many of the residential tenants no longer live in the building, the owner has agreed to prioritize the remaining replacement rental units for previous occupants of the building who are artists.

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. The Tenant Relocation and Assistance Plan will assist tenants in finding and securing alternative accommodations while the replacement rental dwelling units are being constructed. As part of this plan, tenants will receive:

- At least 6 months' notice of the date that they must vacate their rental dwelling unit;



- The right to return to one of the replacement rental dwelling units in the new building;
- Compensation equal to 3 month's rent pursuant to *the Residential Tenancies Act*,
- A move-out moving allowance and a move-back moving allowance if they exercise their right to return to a replacement rental dwelling unit;
- Additional compensation based on length of tenure; and
- Any special needs compensation as determined by the Chief Planner.

## **Conclusion**

Staff is recommending that Council approve the demolition of the 12 existing rental dwelling units at 263-267 Adelaide Street West subject to the conditions set out in the recommendations in this report.

## **CONTACT**

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## **SIGNATURE**

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Toronto and East York District

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