

2779-2781 Yonge Street and 15-17 and 19-21 Strathgowan Avenue – Rental Housing Demolition Application – Final Report

Date: June 7, 2019

To: North York Community Council

From: Director, Community Planning, North York District

Wards: Ward 15 – Don Valley West

Planning Application Number: 13 134038 NNY 25 RH (13 123068 NNY 25 OZ)

SUMMARY

This Rental Housing Demolition application proposes to demolish 28 existing rental dwelling units located within 3 residential rental buildings at 2779 Yonge Street and 15-17 and 19-21 Strathgowan Avenue and replace all demolished units within the proposed 9-storey mixed-use building on the subject site. The commercial building at 2781 Yonge Street would also be demolished.

The associated Zoning By-law Amendment application (13 123068 NNY 25 OZ) proposes a 9-storey mixed-use building on the subject site. This application is the subject of a settlement at the Local Planning Appeal Tribunal (LPAT). The LPAT is withholding its order pending written confirmation from the City Solicitor that the Section 37 Agreement has been executed and registered on title, the final form of the Zoning By-law Amendment has been prepared, and the City has issued notice of approval conditions for the site plan application.

This report reviews and recommends approval of the Rental Housing Demolition Permit 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

The City Planning Division recommends that:

1. City Council approve the application for a Rental Housing Demolition permit in accordance with Chapter 667 of the Toronto Municipal Code to allow for the demolition of 28 existing rental dwelling units located at 2779 Yonge Street and 15-17 and 19-21 Strathgowan Avenue, subject to the following conditions:

- a. the owner shall provide, secure and maintain not less than 28 replacement rental dwelling units, comprised of at least 14 one-bedroom and 14 two-bedroom units, within the proposed 9-storey mixed-use building on the subject site, for a period of at least 20 years, beginning from the date that each replacement rental dwelling unit is first occupied, and as generally illustrated in the plans provided to the City Planning Division dated May 3, 2019. Any revision to these plans shall be to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
- b. the owner shall provide, secure and maintain at least 3 one-bedroom and 3 two-bedroom replacement rental dwelling units at affordable rents and 11 one-bedroom and 11 two-bedroom replacement rental dwelling units at mid-range rents, for a period of at least 10 years, beginning from the date that each replacement rental dwelling unit is first occupied;
- c. the owner shall provide ensuite laundry in each replacement rental dwelling unit, all to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
- d. the owner shall provide tenants of the replacement rental dwelling units with access to all indoor and outdoor amenities in the proposed 9-storey mix-use building at no extra charge. Access and use of these amenities shall be on the same terms and conditions as any resident of the non-replacement rental dwelling units without the need to pre-book or pay a fee, unless specifically required as customary practices for private bookings, to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
- e. the owner shall provide 14 vehicle parking spaces to tenants of the replacement rental dwelling units, to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
- 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 provide tenant assistance to all past 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; and
- h. the owner shall enter into and register on title to the subject site one or more Agreement(s) to secure the conditions outlined in a, b, c, d, e, f and g above to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning Division including an agreement pursuant to Section 111 of the *City of Toronto Act, 2006*.

2. City Council authorize the Chief Planner and Executive Director, City Planning Division, to issue Preliminary Approval for the Rental Housing Demolition permit under Chapter 667 of the Toronto Municipal Code for the demolition of the 28 existing rental dwelling units at 2779 Yonge Street and 15-17 and 19-21 Strathgowan Avenue after all of the following have occurred:

- a. satisfaction or securing of the conditions in Recommendation 1 above;
- b. the site-specific Zoning By-law Amendments have come into full force and effect;
- c. the issuance of the Notice of Approval Conditions for site plan approval by the Chief Planner and Executive Director, City Planning Division, or their designate, pursuant to Section 114 of the *City of Toronto Act, 2006*;
- d. the issuance of excavation and shoring permits for the proposed 9-storey mix-use building on the subject 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, f and g and any other requirements of the Zoning-Bylaw Amendment.

3. City Council authorize the Chief Building Official to issue the Rental Housing Demolition permit under Chapter 667 of the Toronto Municipal Code after the Chief Planner and Executive Director, City Planning Division, has given preliminary approval referred to in Recommendation 2 above.

4. City Council authorize the Chief Building Official to issue the Residential Demolition permit under Chapter 363 of the Toronto Municipal Code and Section 33 of the *Planning Act* no earlier than the issuance of the first building permit for excavation and shoring of the proposed development, and after the Chief Planner and Executive Director, City Planning Division, has given preliminary approval referred to in Recommendation 2 above, which may be included in the Rental Housing Demolition permit under 363-11.1, of the Toronto Municipal Code, on condition that:

- a. the owner remove all debris and rubble from the site immediately after demolition;
- b. the owner erect solid construction hoarding to the satisfaction of the Chief Building Official;
- c. the owner erect the mixed-use building on the site no later than 4 years from the day demolition of the existing buildings is commenced; and
- d. should the owner fail to complete the proposed 9-storey mixed-use building within the time specified in condition (c) 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 Residential 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. City 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

On May 14, 2013, North York Community Council considered a Preliminary Report dated April 24, 2013, from the Director, Community Planning, North York District on a Zoning By-law Amendment and Rental Housing demolition applications. The applications proposed the demolition of the existing commercial building and three residential buildings at 2779 and 2781 Yonge Street and 15-17 and 19-21 Strathgowan Avenue and construction of an 11-storey (33.5 metres including mezzanine level) residential building with 130 residential units, containing 102 condominium units and 28 rental replacement units and resulting in a Floor Space Index of 4.69 times the area of the lot. Community Council adopted the staff recommendations and directed that the notice area for the community consultation meeting be expanded beyond the 120 metres radius of the site. Community Council's decision can be found at the following link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.NY24.18>

On November 28, 2014, the applicant appealed the Zoning By-law Amendment application to the Ontario Municipal Board due to Council's failure to make a decision on the application within the prescribed time frames set out in the *Planning Act*.

On May 12, 2015, North York Community Council adopted the recommendations in a Request For Directions Report on the applications dated April 24, 2015 from the Director, Community Planning, North York District. These recommendations were subsequently adopted by City Council on June 10, 11 and 12, 2015, without amendment, authorizing the City Solicitor together with appropriate city staff to attend the Ontario Municipal Board to oppose the Zoning By-law Amendment application in its current form. Council also directed the City Solicitor and appropriate staff to continue discussions with the applicant in an attempt to resolve issues outlined in the April 24, 2015, staff report. Council's decision and the staff report can be found at the following link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.NY6.18>

A 5-day Ontario Municipal Board hearing was scheduled, commencing January 11, 2016. On February 3 and 4, 2016, City Council adopted recommendations contained in a Confidential Report dated January 28, 2016 from the City Solicitor. Council authorized Final Report - 2779-2781 Yonge Street and 17-19 and 19-21 Strathgowan Avenue

the City Solicitor to attend the OMB hearing in support of a modified proposal from the applicant for a 9-storey mixed-use building. Council's decision and the staff report can be found at the following link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CC12.12>

On June 8, 2016, the OMB issued an interim decision (PL 141372) approving the Zoning By-law Amendment application in principle, however it withheld its final Order pending written confirmation from the City Solicitor that a Section 37 agreement has been executed and registered on title, provision of the final form of the Zoning By-law Amendment to the satisfaction of all parties and written confirmation from the City Solicitor that the City has issued notice of approval conditions for the site plan application.

ISSUE BACKGROUND

Proposal

The proposed development is for a 9-storey (29.75 metres plus a 4-metre mechanical penthouse) mixed-use building at 2779 and 2781 Yonge Street and 15-17 and 19-21 Strathgowan Avenue. The proposal would have a total gross floor area of approximately 13,041 square metres, comprised of 12,302 square metres of residential, 550 square metres of commercial and 189 square metres of indoor amenity space.

Commercial units are proposed on the ground floor fronting Yonge Street and residential units fronting Strathgowan Avenue. The building would step back 1.7 metres above the 6th storey on Strathgowan Avenue and 1.5 metre along the Yonge Street frontage. Additional setbacks would be introduced above the 7th storey and again above the 8th storey and fit within the angular plan requirements as per the approved OMB settlement. A total of 89 residential units are proposed, including 28 rental replacement units, with a unit mix of: 16 one-bedrooms, 71 two-bedrooms and 2 three-bedrooms. A total of 432 square metres of indoor and outdoor amenity spaces is proposed for the development including 189 square metres of indoor and 243 square metres of outdoor amenity space. The amenity spaces would be located on the ground and second floors.

Vehicular access for the proposed development would be from Strathgowan Avenue. Four levels of underground parking are proposed with a total of 160 vehicular parking spaces comprised of 25 spaces for Sheridan Nurseries across the street, one car share space, 5 retail spaces, 9 resident visitor spaces and 120 resident spaces. A total of 98 bicycle parking spaces are proposed including 81 resident, 9 visitor, 6 retail short term and 2 retail long term spaces. One Type B and Type G loading spaces are proposed on the ground at grade along the south elevation.

The Rental Housing Demolition application proposes to demolish the existing residential rental buildings at 2779 Yonge Street and 15-17 and 19-21 Strathgowan Avenue containing 28 existing rental dwelling units and provide 28 replacement rental dwelling

units within the proposed 9-storey mix-use building of at least the same unit type and average unit size as the existing rental dwelling units.

The existing commercial building at 2781 Yonge Street, which does not contain a residential dwelling unit, will also be demolished in order to facilitate the redevelopment of the entire site.

Site

The subject site is comprised of 3 residential rental properties at 2779 Yonge Street and 15-17 and 19-21 Strathgowan Avenue and a commercial property at 2781 Yonge Street. The 3 residential rental properties contain a total of 28 existing rental dwelling units, comprising of 14 one-bedroom and 14 two-bedroom units.

At the time of this report, only 4 of the 28 existing rental dwelling units are occupied by tenants.

Provincial Land-Use Policies: Provincial Policy Statement and Provincial Plans

Provincial Policy Statements and geographically specific Provincial Plans, along with municipal Official Plans, provide a policy framework for planning and development in the Province. This framework is implemented through a range of land use controls such as zoning by-laws, plans of subdivision and site plans.

The Provincial Policy Statement (2014)

The Provincial Policy Statement (2014) (the "PPS") 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:

- The efficient and wise use and management of land and infrastructure over the long term in order to minimize impacts on air, water and other resources;
- Protection of the natural and built environment;
- Building strong, sustainable and resilient communities that enhance health and social well-being by ensuring opportunities exist locally for employment;
- Residential development promoting a mix of housing; recreation, parks and open space; and transportation choices that increase the use of active transportation and transit; and
- Encouraging a sense of place in communities, by promoting well-designed built form and by conserving features that help define local character.

The provincial policy-led planning system recognizes and addresses the complex inter-relationships among environmental, economic and social factors in land use planning. The PPS supports a comprehensive, integrated and long-term approach to planning, and recognizes linkages among policy areas.

The PPS is issued under Section 3 of the [Planning Act](#) and all decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the PPS. Comments, submissions or advice affecting a planning matter that are provided by Council shall also be consistent with the PPS.

The PPS recognizes and acknowledges the Official Plan as an important document for implementing the policies within the PPS. Policy 4.7 of the PPS states that, "The official plan is the most important vehicle for implementation of this Provincial Policy Statement. Comprehensive, integrated and long-term planning is best achieved through official plans."

Provincial Plans

Provincial Plans are intended to be read in their entirety and relevant policies are to be applied to each situation. The policies of the Plans represent minimum standards. Council may go beyond these minimum standards to address matters of local importance, unless doing so would conflict with any policies of the Plans.

All decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the PPS and shall conform with Provincial Plans. All comments, submissions or advice affecting a planning matter that are provided by Council shall also be consistent with the PPS and conform with Provincial Plans.

A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019)

A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019) (the "Growth Plan (2019)") came into effect on May 16, 2019. This new plan replaces the previous Growth Plan for the Greater Golden Horseshoe, 2017. The Growth Plan (2019) continues to provide a strategic framework for managing growth and environmental protection in the Greater Golden Horseshoe (GGH) region, of which the City forms an integral part. The Growth Plan, 2019 establishes policies that require implementation through a Municipal Comprehensive Review (MCR), which is a requirement pursuant to Section 26 of the Planning Act that comprehensively applies the policies and schedules of the Growth Plan (2019), including the establishment of minimum density targets for and the delineation of strategic growth areas, the conversion of provincially significant employment zones, and others.

Policies not expressly linked to a MCR can be applied as part of the review process for development applications, in advance of the next MCR. These policies include:

- Directing municipalities to make more efficient use of land, resources and infrastructure to reduce sprawl, contribute to environmental sustainability and provide for a more compact built form and a vibrant public realm;
- Directing municipalities to engage in an integrated approach to infrastructure planning and investment optimization as part of the land use planning process;

- Achieving complete communities with access to a diverse range of housing options, protected employment zones, public service facilities, recreation and green space, and better connected transit to where people live and work;
- Retaining viable lands designated as employment areas and ensuring redevelopment of lands outside of employment areas retain space for jobs to be accommodated on site;
- Minimizing the negative impacts of climate change by undertaking stormwater management planning that assesses the impacts of extreme weather events and incorporates green infrastructure; and
- Recognizing the importance of watershed planning for the protection of the quality and quantity of water and hydrologic features and areas.

The Growth Plan (2019) builds upon the policy foundation provided by the PPS and provides more specific land use planning policies to address issues facing the GGH region. The policies of the Growth Plan (2019) take precedence over the policies of the PPS to the extent of any conflict, except where the relevant legislation provides otherwise.

In accordance with Section 3 of the Planning Act all decisions of Council in respect of the exercise of any authority that affects a planning matter shall conform with the Growth Plan. Comments, submissions or advice affecting a planning matter that are provided by Council shall also conform with the Growth Plan.

Staff have reviewed the proposed development for consistency with the PPS (2014) and for conformity with the Growth Plan (2019). The outcome of staff analysis and review are summarized in the Comments section of the Report.

Toronto Official Plan

This application was reviewed against all the policies of the Official Plan including the Housing Policies contained within *Chapter 3 - Building a Successful City* <https://www.toronto.ca/city-government/planning-development/official-plan-guidelines/official-plan/>

The housing policies of the Official Plan include those 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) provides that when new development requires the removal or the partial removal of rental housing containing six or more units, and any one of the units is affordable or mid-range, the units must be replaced by size, number, type and at rents similar to those at the time of application, that the rents of those units will be secured for at least 10 years and that an acceptable tenant relocation and assistance plan be provided to lessen hardship.

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. By-law No. 885-2007 (also known as the Rental Housing Demolition and Conversion By-law) established Chapter 667 of the Toronto Municipal Code and implements Section 111. The By-law prohibits the demolition and conversion of rental housing units in buildings containing six or more residential 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 the Chief Planner.

Council may refuse an application, or approve the demolition with conditions that must be satisfied before a demolition permit is issued. These conditions implement the City's Official Plan policies protecting rental 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 a Zoning By-law Amendment application triggers an application under Chapter 667 for rental demolition or conversion, City Council typically considers both applications at the same time. Unlike *Planning Act* applications, decisions made by City Council under By-law 885-2007 are not appealable to the Local Planning Appeal Tribunal.

Reasons for Application

The applicant has submitted an application for a Rental Housing Demolition permit because the proposed development would require the demolition of at least six residential dwelling units and at least one rental dwelling unit.

Tenant Consultation

Pursuant to the City's Rental Housing Demolition By-law, a tenant consultation meeting is required to review the impact of the proposal on tenants of the residential rental property to be demolished.

On March 25, 2015, staff held the first tenant consultation meeting with impacted tenants to provide an overview the City's rental replacement policy and Rental Housing Demolition By-law. This meeting was attended by 10 tenants.

On November 15, 2017, staff held a second tenant consultation meeting to discuss various property standards concerns and the Tenant Relocation and Assistance Plan. This meeting was attended by 7 tenants.

Throughout the application review process, staff have engaged tenants on a regular basis to provide additional information as necessary on the application review process and the proposed tenant relocation and assistance plan and regularly responded to tenant questions.

COMMENTS

Staff are satisfied with applicant's replacement rental proposal and tenant relocation and assistance plan as they conform with the intent of the City's replacement rental policy (OP Policy 3.2.1.6) and standard replacement rental practices. The Section 37 and Section 111 Agreements will secure all required conditions of approval, all of which will be to the satisfaction of the Chief Planner and Executive Director, City Planning Division.

Rental Demolition and Replacement

The applicant proposes to demolish 28 existing rental dwelling units at 2779 Yonge Street and 15-17 and 19-21 Strathgowan Avenue and provide, secure and maintain 28 replacement rental dwelling units within the proposed 9-storey mixed-use building. The unit mix for the replacement rental dwelling units will be comprised of 14 one-bedroom and 14 two-bedroom units. This proposed unit mix reflects that of the existing rental dwelling units and is appropriate.

Upon completion, the total gross floor area for the 28 replacement rental dwelling units will be of 1,895 square metres, approximately 25 square metres smaller than the total gross floor area for the 28 existing rental dwelling units proposed to be demolished. The average unit size for the replacement one-bedroom rental units would be slightly smaller at 57.8 square metres than the average unit size of the existing one-bedroom rental units which is 61.0 square metres. The average unit size for the replacement two-bedroom rental units would be slightly larger than the existing two-bedroom rental units, increasing from 73.7 square metres to 77.6 square metres. This proposed total gross floor area and average units sizes generally reflects that of the existing conditions and is appropriate.

The 28 replacement rental dwelling units will be provided with ensuite laundry and central air conditioning. Tenants of the replacement rental dwelling units will have access to all 189 square metres of indoor and 243 square metres of outdoor amenity spaces within the proposed mix-use building, all required bicycle parking and resident visitor vehicle parking and be provided with 14 designated tenant vehicle parking spaces.

Rental Tenure and Rents

The applicant has agreed to provide, secure and maintain the rental tenure of the 28 replacement rental dwelling units within the proposed 9-storey mixed-use building for at

least 20 years. The secured rental tenure period would begin from the date that each replacement rental dwelling unit is first occupied and until the owner obtains any necessary approvals removing the requirement for the replacement rental dwelling units to be maintained as rental units, but no earlier than 20 years from first occupancy.

The applicant has agreed to provide, secure and maintain 3 one-bedroom units and 3 two-bedroom replacement rental units at affordable rents and 11 one-bedroom and 11 two-bedroom replacement rental units at mid-range rents for at least 10 years, beginning from the date that each replacement rental dwelling unit is first occupied.

Tenant Relocation and Assistance

The owner has agreed to provide, at its own expense, assistance to all eligible tenants residing at 2779 Yonge Street and 15-17 and 19-21 Strathgowan Avenue and all past eligible tenants, all to the satisfaction of the Chief Planner and Executive Director, City Planning Division, all of which will be secured through one or more agreements with the City.

As part of this Tenant Relocation and Assistance Plan, all existing eligible tenants will receive all of the following:

- Financial compensation equal to 3 months' rent pursuant to the *Residential Tenancies Act*;
- At least 180 days' notice to vacate their existing rental dwelling unit for the purpose of demolition;
- A monthly rent gap for a minimum of 30 months. The monthly rent gap is calculated as the difference between a tenant's monthly rent on the date the notice to vacate is issued by the owner and the average monthly rent, by unit type for zones 1-4, as determined by the Canadian Mortgage and Housing Corporation's annual Rental Market Report. Should construction take longer than the expected 30 months, additional rent gap payments will be provided in 3 month installments until the replacement rental units are ready for occupancy;
- A move-out moving allowance;
- A move-back moving allowance should they exercise their right to return to a replacement rental dwelling unit;
- Hardship compensation equal to 6 months' rent to address a number of actions and inactions taken by the previous landlord;
- The right to return to a replacement rental dwelling unit within the proposed mixed-use building at similar rents to their existing rental dwelling unit, with rent protected for at least 20 years; and
- Special needs compensation equal to 2 months' rent as determined by the Chief Planner and Executive Director, City Planning Division.

As part of the Tenant Relocation and Assistance Plan, past eligible tenants, as determined by the Chief Planner and Executive Director, City Planning Division will receive either:

- The right to return to a replacement rental dwelling unit within the proposed mixed-use building at similar rents to the existing rental dwelling unit that they last occupied, with rent protected for at least 20 years and a moving allowance; or
- Hardship compensation equal to 6 months' rent to address a number of actions and inactions taken by the previous landlord.

For clarity, past eligible tenants are tenants who rented one of the existing rental dwelling units at 2779 Yonge prior to the application being filed and who were named tenants on a Landlord and Tenant Board hearing decision. Tenants residing at 15-17 and 19-21 Strathgowan Avenue were not part of this hearing before the Landlord Tenant Board.

Staff are satisfied with the owner's proposed Tenant Relocation and Assistance Plan as it will help address hardship experienced by eligible tenants required to move from their current homes and is in line with the City's standard practices and Official Plan policies.

Conclusion

Staff have reviewed the Rental Housing Demolition application against the City's rental housing demolition policies and have determined that the applicant's demolition and replacement proposal for 2779 Yonge Street and 15-17 and 19-21 Strathgowan Avenue would satisfy all of the City's required approval conditions, all of which will be secured through the Section 37 and Section 111 Agreements. This report recommends that City Council approve, with conditions, the application for a Rental Housing Demolition permit

