

**89-109 Niagara Street – Zoning Amendment Application
– Supplementary Report #2 - Rental Housing**

Date:	June 30, 2014
To:	City Council
From:	Chief Planner and Executive Director, City Planning Division
Wards:	Ward 19 – Trinity-Spadina
Reference Number:	P:\2014\Cluster B\PLN\City Council\CC14114 (12 130868 STE 19 OZ)

SUMMARY

The purpose of this report is to provide additional information regarding the implementation of the rental housing provisions that are being secured through an agreement under Section 37 of the Planning Act, as part of the rezoning for 89-109 Niagara Street. The development proposal comprises the restoration of the existing heritage buildings and the construction of two new residential towers, 12 and 14 storeys in height, connected by a five-storey base building. A total of 21 rental housing units will be included in the development.

Financial Impact

There are no financial implications.

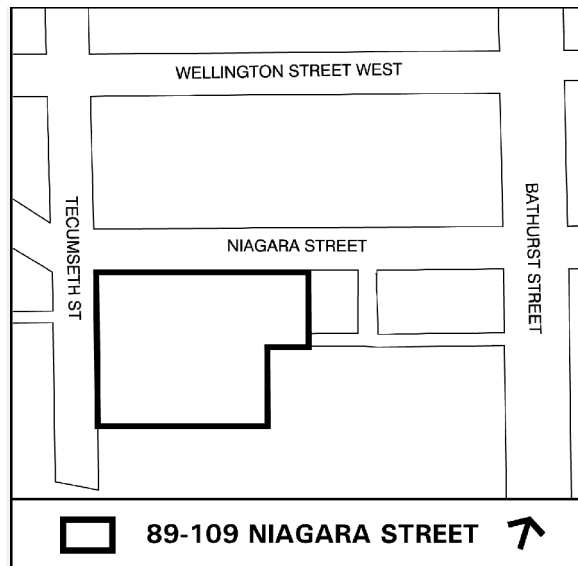
BACKGROUND

At the Statutory Public Meeting held on June 17, 2014, Toronto and East York Community Council (TEYCC) recommended approval of the proposed rezoning in accordance with the staff recommendations described in the Final Report dated May 26, 2014, from the Director of Community Planning, Toronto and East York District

(<http://www.toronto.ca/legdocs/mmis/2014/te/bgrd/backgroundfile-69885.pdf>), and

the Supplementary Report – Rental

Housing, dated June 11, 2014, from the Director of Community Planning, Toronto and



East York District (<http://www.toronto.ca/legdocs/mmis/2014/te/bgrd/backgroundfile-70509.pdf>).

Toronto and East York Community Council (TEYCC) also requested the Chief Planner and Executive Director, City Planning, to provide details of the implementation for the rental housing provisions for the consideration of City Council at its meeting on July 8, 2014. This report addresses that request. The TEYCC recommendations and decision advice are available at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.TE33.6>)

RENTAL HOUSING

The City's standard practices and policies when securing new or replacement rental housing are the framework for securing and implementing the provision of these 21 rental housing units in the new development. These terms provide for a mix of affordable and mid-range rents, and ensure that priority is given to tenants of the existing buildings who wish to return to the site and rent one of the new rental units. A new element that will need to be integrated with the City's standard terms for this property is the focus on live-work uses for the rental units, with priority for artists as well as former tenants.

Rental housing units

The owner has agreed to secure 13 affordable units and 8 mid-range units as rental housing with a mix of 1, 2 and 3 bedroom units, for a period of at least 20 years, with affordability provisions for the first 15 years, followed by a gradual phase-out to market rents, as outlined in the May 26, 2014, Final Report, and the June 11, 2014, Supplementary Report. All 21 rental housing units shall permit *live-work units* as defined in the draft zoning by-law amendment. Staff has reviewed the floor plans for the rental housing units and believe that at least 16 of the 21 will be especially appropriate for such live-work use.

Securing the rental housing provisions

The draft zoning by-law in the Supplementary Report from the Director of Community Planning, Toronto and East York District, dated June 11, 2014, includes provisions that specify the minimum requirements for the 21 rental housing units and their related facilities, including the unit mix, minimum unit sizes, the designation of affordable and mid-range rent units by unit type, balconies, storage lockers, bicycle and automobile parking spaces and access to the development's amenity spaces. The terms for securing the rental tenure of this rental component of the buildings, and the rent affordability levels and annual increases, are also set out in the draft by-law, as is the requirement that priority for renting any of the 21 units will be given to former tenants of the existing buildings.

Prior to City Council approval of the final bills, the Section 37 Agreement will be executed and it will include the details on all these rental housing provisions. Further details in the Agreement will cover implementation measures, including ongoing reporting and monitoring.

Selection of Tenants

Staff is working with the owner to develop criteria to select tenants that meet the goal of focusing the use of these 21 rental units primarily for artist live/work tenants, and to give priority to returning tenants. Staff has consulted with Artscape on their approach and the owner has agreed to consider these examples with staff while the more detailed implementation measures are being developed for the Section 37 Agreement.

Based on the discussions to date, and given the informal and changing nature of the commercial and residential uses in the existing buildings, staff anticipates that the Section 37 Agreement will provide that any tenant of the buildings can request to be placed on the interest list, regardless of the status of their current use of the space. There are some longstanding tenancies of more than 15, and 20 years, and overall priority will be based on the length of each tenancy, within the context of the other selection criteria.

Other considerations include:

- Since staff has determined that 16 of the units are most suitable for live/work purposes, the remaining 5 rental units can be first offered to returning tenants who indicate that their intended use is solely residential.
- Tenants who can demonstrate their interest in live/work uses could be prioritized for the 16 units most suitable for that purpose.
- Additional priority for the units can be given to those who meet the criteria for artists, and this is expected to be based on the criteria used by Artscape in similar situations.

Communicating with the tenants

Once City Council has made a decision on the recommendations for approval of the development, staff will provide text for tenant notification to be sent by the owner, advising all tenants in the existing buildings of the decision. If approved with the inclusion of the 21 rental housing units, the letter will inform tenants of their right to apply for one of the units, and the process to exercise that right.

Tenants of the building will be given extended notice before having to vacate, of at least 6 months. At the time that the owner is requiring tenants to vacate the existing units, (which will likely not be earlier than 2016) tenants will receive more information about the 21 new units, the selection criteria for the live-work units and the priority for tenants to select their choice of units, based primarily on their seniority calculated as the length of their tenancy in the existing buildings. At that time, tenants will decide if they wish to place their names on the interest list for a rental unit.

About 6 months prior to the expected occupancy of the new buildings, any former tenant who signed up for the interest list for the rental units, will receive information on the specific units and rents, and the process to select one of the new units in order of seniority. Tenants will retain their right to select a unit subject to seniority or to decline the offer, up until the deadline to sign a new lease for the specific unit offered to them.

After that deadline, typically set about 2 months before initial occupancy, the owner will be free to rent available rental units to new tenants.

Ensuring the ongoing focus on live/work units for artists

The Section 37 Agreement will require that prospective returning and new tenants applying for one of the rental units are informed in advance of the selection criteria and priority for live/work uses and for artists.

The landlord will also be required during the term of the Agreement to include certain clauses in every lease for the 21 units, which must be to the satisfaction of the Chief Planner. These will inform the tenants of their right to access facilities in the development, the maximum rents during the affordability period and the phase-out to unrestricted market rents, as well as the focus on live/work and artist uses. By including these in the terms of their lease, tenants are enabled to be partners in the enforcement of the rental housing terms of the Section 37 Agreement.

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