

**562, 564 & 566 Spadina Crescent – Residential Rental Demolition Application under Municipal Code Chapter 667 – Final Report**

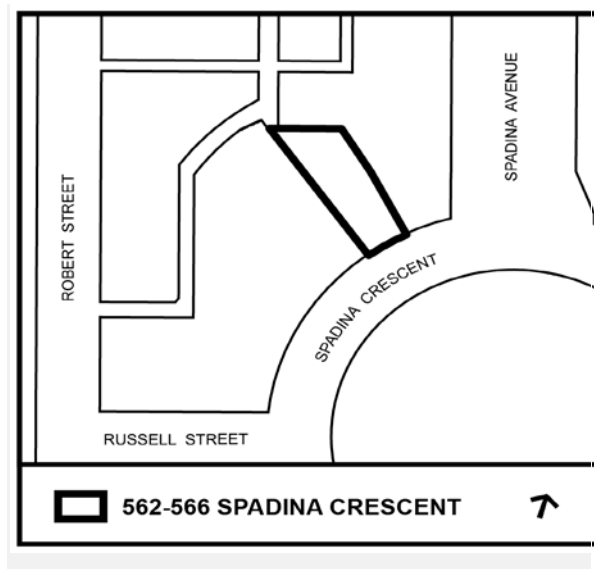
<b>Date:</b>	March 10, 2015
<b>To:</b>	Toronto and East York Community Council
<b>From:</b>	Director, Community Planning, Toronto and East York District
<b>Wards:</b>	Ward 20 – Trinity-Spadina
<b>Reference Number:</b>	15-102333 STE 20 RH

**SUMMARY**

The applicant has submitted an application for a Section 111 permit to demolish 9 three-bedroom residential rental units, contained in 3 two-storey designated heritage properties, located at 562, 564 and 566 Spadina Crescent under Chapter 667 of the Toronto Municipal Code, pursuant to Section 111 of the *City of Toronto Act*, and to replace them with 9 three-bedroom units of larger sizes.

The owner has obtained approval from the Ontario Municipal Board (OMB) to add to the existing buildings to permit third floor and three-storey rear additions on all three buildings, and to consolidate the rear access for all of the units. A related application under the Heritage Act is being reviewed for alterations to the existing heritage buildings to facilitate this development.

The demolition of residential rental housing is prohibited under Chapter 667 of the Toronto Municipal Code, if there are more than six residential units and any one of them is rental, unless a Section 111 permit has been issued. This report recommends the issuance of a Section 111 permit for the



demolition of the 9 three-bedroom units having mid to high-range rents, subject to conditions outlined in this report.

## **RECOMMENDATIONS**

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

1. City Council approve the application for a Section 111 permit to demolish 9 three-bedroom residential rental units, located at 562, 564 and 566 Spadina Crescent, pursuant to Municipal Code Chapters 667 and 363 subject to the following conditions under Chapter 667, which provide for the replacement of rental housing as outlined in the report (March 10, 2015) from the Director, Community Planning, Toronto and East York District, titled: "562, 564, and 566 Spadina Crescent- Residential Rental Demolition Application under Municipal Code Chapter 667 Final Report."
  - a. The owner shall provide and maintain 9 three-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 March 4, 2015, with any revisions to the satisfaction of the Chief Planner and Executive Director City Planning Division, of which 3 of these units 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 minimum rates required 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 111 Agreement(s) and a Section 45(9) Agreement under the Planning Act to secure the conditions outlined in parts 1.a. and b. above, to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning Division; and
  - 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 9 replacement rental units, without the written consent of the Chief Planner and Executive Director, City Planning Division or her designate, to assist with securing 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 City Solicitor to request that the Ontario Municipal Board make a technical amendment to its decision to clarify that a Section 45(9) Agreement under the Planning Act is required as a part of the approval process under Chapter 667 of the Municipal Code.
3. City Council authorize the Chief Planner and Executive Director, City Planning Division to issue the Section 111 permit to the applications for demolition for the rental units contained in 562, 564 and 566 Spadina Crescent, under Municipal Code Chapter 667 after the following has occurred:
  - a. The satisfaction or securing of the conditions in Recommendations 1 and 2;
  - b. The Minor Variances for the proposed development, approved in principle on November 26, 2014, have come into full force and effect.
4. 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**

The applicant submitted combined applications for minor variance (Application Nos. A0334/14TEY, A0335/14TEY, and A0336/14TEY) for 562, 562, and 566 Spadina Crescent, which were heard, and refused at the June 11, 2014 Committee of Adjustment hearing. The applicant appealed the Committee decision to the Ontario Municipal Board, and a hearing date was scheduled. Prior to the OMB hearing, the applicant submitted revised plans to City Planning addressing concerns Planning Staff had with the original proposal. Both Planning Staff and the applicant agreed on the physical form of the revised plans, subject to conditions.

### **ISSUE BACKGROUND**

#### **Proposal**

This application for a Section 111 permit proposes to demolish 9 three-bedroom residential rental units in order to construct 9 three-bedroom replacement rental units of significantly different configurations. At the time of application, the 3 basement units had mid-range rents, and 6 units had high-end rents. All units are currently tenanted. The applicant has proposed to mitigate hardship for tenants, and to secure the buildings as rental tenure for 20 years.

The configurations of the proposed units at each of 562, 564, and 566 Spadina Crescent will be:

- a) A three-bedroom unit located on the ground and first floors;

- b) A three-bedroom unit located on the second floor, with shared rear balcony access to ground;
- c) A three-bedroom unit on the third floor, with shared rear balcony access to ground; and,
- d) Shared laundry, tenant storage, and a maintenance room in the basement.

## Site and Surrounding Area

The existing 3 two-storey heritage buildings, located at 562, 564, and 566 Spadina Crescent, share access and parking at the rear of the site. Each building contains three-bedroom units in the basement, the first floor, and the second floor, respectively. The basement apartments are accessed only from the rear, and all units have rear yard outdoor amenity access. The units are of older stock with poor insulation, dated appliances, and electric heating. Some tenants have purchased and installed laundry machines. The tenants currently pay for heat and hydro. Unit sizes range from 90.2 square metres to 170.7 square metres.

Surrounding the site are:

North: Three-storey detached and semi-detached houses.

South: A three-storey detached house, 2 pairs of three-storey semi-detached houses, a three-storey apartment building, and the three-storey Lord Lansdowne public school.

East: Three-storey semi-detached homes.

West: A four-storey University of Toronto heritage building located at 1 Spadina Crescent, under renovation to house the School of Architecture.

## 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 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.

Under Chapter 667 demolition is defined as, "the demolition of all or part of a building and includes interior renovations or alterations that will result in a change to the number of:

- a) Dwelling units
- b) Dwelling units by bedroom type"

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**

One of the conditions of approval of the OMB decision was that, should it be required, the applicant apply for a permit under Chapter 667 of the Municipal Code. As such, a Rental Housing Demolition and Conversion Application, under Section 111 of the *City of Toronto Act* (Chapter 667 of the Municipal Code), is required prior to the issuance of a permit for the proposed complete internal demolition of existing rental units and to fulfill the Official Plan's requirements to replace them. The original application proposed to replace the 9 three-bedroom units with 3 three-bedroom units and 6 two-bedroom units. After consultation with City Planning Staff, the applicant agreed to change the configuration. The revised configuration provides for secure tenant storage and laundry in the basement, and new unit layouts with larger dining and living room areas.

## **Tenant Consultation**

A Tenant Consultation meeting was held under Chapter 667 on March 2, 2015. Only one tenant attended. No tenants are long-term tenants. The tenant had discussed the information provided by the landlord and City Planning staff with their roommates, and had come prepared with a list of concerns. The major concerns were timing of the demolition, the length of displacement, the eligibility of all tenants to return, the amount of the new rents, and the potential hardship of moving.

## **Agency Circulation**

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

## **COMMENTS**

### **Provincial Policy Statement**

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. Therefore, the retention and renewal of this rental building 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 of Toronto. Retention and maintenance of rental buildings is particularly important to the rental options in the City. In the local area, three bedroom units provide an affordable option for students to cohabitate or for families who wish to reside in the downtown. The protection and renewal of this stock is important as a policy consideration in the evaluation of this proposal.

The owner has proposed to replace all of the existing units at slightly larger sizes, with the same numbers of bedrooms, and similar rents for tenants who return. Six units, having high-end rents at the time of application, will have no rent restrictions, but will be secured as rental tenure, and returning tenants will continue to have rights should they choose to return.

All the current tenants will receive the right to return to a unit after the demolition and replacement of the units. The right to return is per unit, guaranteeing roommates who share a unit to share the right to return. The compensation will also be shared amongst tenants. Currently, most tenants are in roommate situations.

The proposed units, at slightly larger sizes, will provide the opportunity to have families and other household formations in the units compared to the current configurations, which have small common areas that are less functional for larger household gatherings.

## **Conclusion**

The new configuration for the 9 replacement rental units, with shared laundry facilities in the basement, and the renewal of the wiring, insulation, windows, and brickwork will improve this rental stock, while maintaining its historical importance, and secure a valued rental housing option in this area. City Planning Staff have worked with the applicant to revise floor plans to be more appropriate and functional for the current demographic, while providing the flexibility to meet the needs of future households. Planning Staff recommend approval of the Rental Housing Demolition and Conversion application, and are of the opinion that the conditions of this permit reflect the requirements of the Official Plan and are consistent with past City practices.

## **CONTACT**

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## **SIGNATURE**

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