

## **703-713 Soudan Avenue and 1674-1684 Bayview Avenue – Rental Housing Demolition Application Under Municipal Code Chapter 667– Final Report**

**Date:** May 24, 2017  
**To:** Toronto East York Community Council  
**From:** Director, Community Planning, Toronto and East York District  
**Wards:** Ward 22 – St. Paul's

### **SUMMARY**

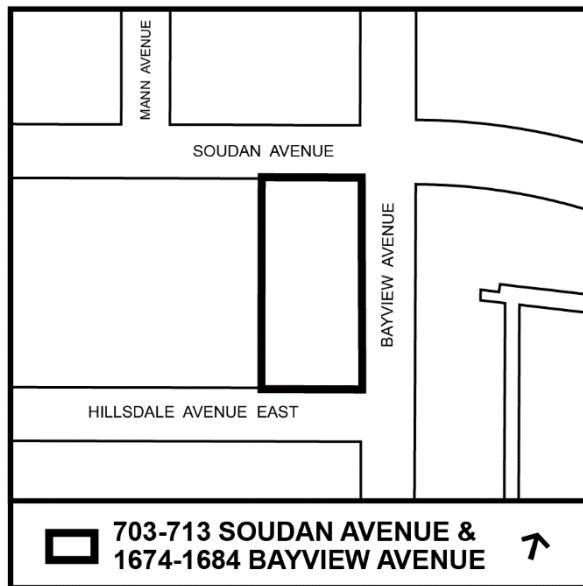
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An application for Rental Housing Demolition and Conversion under Section 111 of the *City of Toronto Act* (Chapter 667 of the Toronto Municipal Code) has been filed for a Residential Rental Property at 703-713 Soudan Avenue and 1674-1684 Bayview Avenue (14 227490 STE 22 RH). This application seeks approval to demolish 10 residential buildings containing 38 rental dwelling units and replace all existing rental dwelling units within a new residential building as part of the proposed redevelopment of the subject site.

This property is part of a related group of buildings at 703-713 Soudan Avenue and 1674-1684 Bayview Avenue that are also subject to an Official Plan Amendment and Zoning By-law Amendment application (File No. 14 267151 STE 22 OZ) for the development of a 7-storey mixed-use building containing 154 dwelling units (including 38 replacement rental dwelling units). The Official Plan Amendment and Zoning By-law Amendment application is the subject of a settlement at the Ontario Municipal Board. The final Board Order is pending until all outstanding matters, including the 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.

Figure 1: Site Map; 703-713 Soudan Avenue and 1674-1684 Bayview Avenue



## 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 38 existing rental dwelling units located at 703, 707, 709, 711 and 713 Soudan Avenue and 1674, 1678, 1680, 1682 and 1684 Bayview Avenue subject to the following conditions:
  - a. The owner shall provide and maintain 38 replacement rental dwelling units, comprised of 21 bachelor, 10 one-bedroom, 5 two-bedroom and 2 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 April 6 and 19, 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 8 bachelor and 6 one-bedroom replacement rental dwelling units at affordable rents and 13 bachelor, 3 one-bedroom and 5 two-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 one-bedroom and 2 three-bedroom replacement rental dwelling units at unrestricted rents;

- c. The owner shall provide and maintain a common laundry room on the second floor equipped with at least 4 washers and 4 dryers, a folding table and utility sink for use by tenants of the rental replacement 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 condominium or any other residents without the need to pre-book or pay a fee, unless specifically required as customary practices for private bookings;
- e. The owner shall provide 19 vehicle parking spaces, 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 31 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 \$30, with annual increases tied to the Provincial rent increase guidelines and with tenants occupying one of the bachelor or one-bedroom replacement rental dwelling units to be given first priority to rent a storage locker;
- 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 her designate, to assist with the securing of the Section 111 Agreement against future owners and encumbrances of the lands, and providing following any condominium registration of the non-rental replacement portion of the site for the partial release of the Section 118 Restriction such that it would continue to apply to the rental replacement portions of the site 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 10 residential buildings, including 38 existing rental dwelling units, at 703, 707, 709, 711 and 713 Soudan Avenue and 1674, 1678, 1680, 1682 and 1684 Bayview Avenue after all of the following have occurred:
  - a. Satisfaction or securing of the conditions in Recommendation 1 above;
  - b. The Official Plan Amendment(s) and Zoning By-law Amendment(s) which were subject of a settlement 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 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 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 10 residential buildings at 703, 707, 709, 711 and 713 Soudan Avenue and 1674, 1678, 1680, 1682 and 1684 Bayview Avenue 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 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**

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The recommendations in this report have no financial impact.

## **DECISION HISTORY**

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On September 24, 2014, a Rental Housing Demolition and Conversion application was submitted and on December 23, 2014, Official Plan Amendment, Zoning By-law Amendment and Site Plan Control applications were submitted for the site comprised of 12 properties: 701, 703, 707, 709, 711 and 713 Soudan Avenue; 1674, 1678, 1680, 1682 and 1684 Bayview Avenue; and 720 Hillside Avenue East. These applications were seeking permission for a 9-storey (32.05 metre height, including mechanical penthouse) mixed-use building with replacement of 38 of the rental units.

On February 18, 2015, Toronto and East York Community Council adopted the recommendations of the Preliminary Report for 701-713 Soudan Avenue, 1674-1684 Bayview Avenue and 720 Hillside Avenue.

<http://www.toronto.ca/legdocs/mmis/2015/te/bgrd/backgroundfile-75643.pdf>

On June 16, 2016, the applicant appealed the Official Plan Amendment, Zoning By-law Amendment and Site Plan Control applications 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*.

A revised application for an 8-storey (29.10 metre, including mechanical penthouse) mixed-use building was submitted on December 23, 2015. On November 11, 2016 the applicant submitted a revised 7-storey (30.2 metre, including mechanical penthouse) proposal which included replacement of all 39 existing rental dwelling units.

At its meeting of January 31, 2017, Council authorized the City Solicitor together with appropriate staff to attend the Ontario Municipal Board hearing to among other matters, oppose the appeals.

<http://www.toronto.ca/legdocs/mmis/2017/te/bgrd/backgroundfile-99907.pdf>

On February 20, 2017, City staff received a confidential settlement offer from the applicant, offering to revise the applications, including amongst other matters, providing for a mixed-use building having a maximum height of 7 storeys (25.1 metres plus a maximum 4.0 metre mechanical penthouse), replacement rental dwelling units and rents, tenant assistance and any other rental related matters at least in conformity with section 3.2.1.6 of the Official Plan and removing the two properties at 701 Soudan Avenue and 720 Hillside Avenue East. It was planning staff's opinion that the revised settlement proposal was appropriate and, at its meeting of March 9, 2017, City Council instructed the City Solicitor and appropriate staff to attend the Ontario Municipal Board hearing for the Official Plan Amendment and Zoning By-law Amendment in support of the appeals as revised in accordance with the settlement offer.

An Ontario Municipal Board hearing on the appeals of the Official Plan Amendment and Zoning By-law Amendment as revised in accordance with the February 20, 2017 settlement offer, took place on April 5, 2017. On April 13, 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, until the section 37 Agreement between the applicant and the City is satisfactorily entered into and registered on title and until the board is advised that City Council has dealt with the application under Chapter 667 of the *City of Toronto Act, 2006*, between the City and the applicant.

## **ISSUE BACKGROUND**

### **Proposal**

The original proposal sought permission to demolish 12 residential buildings at 701, 703, 707, 709, 711 and 713 Soudan Avenue, 1674, 1678, 1680, 1682 and 1684 Bayview Avenue and 720 Hillside Avenue East containing 39 rental dwelling units and re-designate the site from Neighbourhoods to Mixed-Use Areas. Planning staff did not support the proposed re-designation from Neighbourhoods to Mixed-Use Areas due to potential destabilizing effects within the low rise Neighbourhood to the west of the site and the negative precedent it would set along the Avenue.

The settlement proposal requires amongst other matters that the Official Plan and Zoning By-law Amendment applications and the Rental Housing Demolition application be revised to remove from such applications, the two low-rise residential properties at 701 Soudan Avenue and 720 Hillside Avenue East situated at the western end of the development site. The revised proposal is to re-designate the remainder of the site, which includes the properties at 1674-1684 Bayview Avenue and 703-713 Soudan Avenue, from Neighbourhoods to Mixed-Use Areas in the Official Plan.

The revised Rental Demolition and Conversion application removes 701 Soudan Avenue and 720 Hillside Avenue East and proposes to demolish 10 existing residential buildings at 703, 707, 709, 711 and 713 Soudan Avenue and 1674, 1678, 1680, 1682 and 1684 Bayview Avenue containing 38 rental dwelling units and provide 38 replacement rental dwelling units within the new building of at least the same unit type and size as the existing rental dwelling units. A total of 35 replacement rental dwelling units will be

secured at affordable or mid-range rents for 10 years (the remaining 3 replacement rental dwelling units will have unsecured rents) and all eligible tenants will receive tenant assistance.

### **Site and Surrounding Area**

The site includes the 10 properties at 1674-1684 Bayview Avenue, 703-713 Soudan Avenue. These properties contain a total of 41 residential dwelling units and 1 commercial unit. The 41 residential dwelling units are comprised of 38 rental dwelling units and 3 residential units that were owner occupied just prior to application. These units are located on site as follows:

- 703 Soudan Avenue: single-detached house containing 2 rental dwelling units. At the time of application, both dwelling units were occupied by one tenant household;
- 707 Soudan Avenue: townhouse rental unit;
- 709, 711 and 713 Soudan Avenue: three townhouse units that were all owner occupied just prior to application;
- 1674 Bayview Avenue: 3.5 storey rental apartment building containing 29 rental dwelling units;
- 1678 Bayview Ave: single-detached house containing a vacant commercial unit; and
- 1680, 1682 and 1684 Bayview Avenue: 3 single-detached houses containing 6 rental dwelling units.

These 38 existing rental dwelling units have the following unit mix and rent classification

- 23 bachelor rental dwelling units – 8 affordable and 15 mid-range
- 8 one-bedroom rental dwelling units – 6 affordable, 1 mid-range and 1 high-end
- 5 two-bedroom rental dwelling units with mid-range rents
- 2 three-bedroom rental dwelling units with high-end rents

At the time of application, all but four of the existing rental dwelling units were occupied.

### **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; the

adequate provision of a full range of housing, including affordable housing, 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; planning for a range and mix of housing, taking into account affordable housing needs, 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 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 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 September 24, 2014, 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 38 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 April 22, 2015, 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 15 tenants, City Planning staff and the applicant. During this meeting tenants asked questions about the proposed development, criteria for special needs compensation, permitted rent increases for the replacement rental dwelling units, whether or not pets would be permitted in the new building and the process for selecting a replacement rental dwelling unit.

## COMMENTS

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### **Rental Housing**

The 10 existing residential buildings at 703, 707, 709, 711 and 713 Soudan Avenue and 1674, 1678, 1680, 1682 and 1684 Bayview Avenue contain a total of 41 dwelling units; 38 rental dwelling units (23 bachelor, 8 one-bedroom, 5 two-bedroom units and 2 three-bedroom) and 3 townhouse units that were owner occupied just prior to application.

### **Replacement Rental Dwelling Units**

The applicant has proposed to provide and maintain 38 replacement rental dwelling units on the second and third floors of the proposed mixed-use building. The unit mix for the proposed replacement rental dwelling units will be slightly different than the existing unit mix as 2 bachelor units will be replaced with 2 one-bedroom units.

These 38 replacement rental dwelling units will have the following unit mix and rent classification

- 21 bachelor rental dwelling units – 8 affordable and 13 mid-range
- 10 one-bedroom rental dwelling units – 6 affordable, 3 mid-range and 1 high-end
- 5 two-bedroom rental dwelling units with mid-range rents
- 2 three-bedroom rental dwelling units with high-end rents

The provision of 2 additional one-bedroom replacement dwelling units instead of 2 bachelor units will provide for a more balanced unit mix within the building and also create separate living and sleeping areas within these 2 rental replacement dwelling units. The replacement of 2 bachelor dwelling units with 2 one-bedroom dwelling units conforms with Official Plan Policy 3.2.1.6 b (i) as the replacement rental dwelling units are larger, by unit type, than the existing rental dwelling units.

The average unit size and total gross floor area of the replacement rental dwelling units will be slightly larger than the existing rental dwelling units.

A total of 34 of the replacement rental dwelling units will be provided with a terrace or balcony. Tenants of the replacement rental units will have access to all indoor and outdoor amenities on the same terms and conditions as condominium residents, 34 long-term bicycle parking spaces and 19 vehicle parking spaces. The monthly vehicle parking fee for returning tenants shall not exceed \$100. A common laundry room will be provided on the second floor for use by the tenants of the replacement rental units and will be equipped with 4 washers and 4 dryers, a folding table and a utility sink.

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.

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

The applicant has agreed to provide and maintain the 38 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.

The applicant has also agreed to secure the rents for 35 of the 38 replacement rental dwelling units for at least 10 years. The remaining 3 replacement rental dwelling units will have unsecured rent as they are replacing 3 existing rental dwelling units that had high-end rents at the time of application.

### **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. 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 10 residential buildings at 703, 707, 709, 711 and 713 Soudan Avenue and 1674, 1678, 1680, 1682 and 1684

Bayview Avenue containing 38 existing rental dwelling units 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  
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