

698 and 700 Spadina Avenue - Rental Housing Demolition Application - Final Report

Date: May 27, 2019

To: Toronto and East York Community Council

From: Director, Community Planning, Toronto & East York District

Wards: Ward 11 – University-Rosedale

Planning Application Number: 16 240238 STE 20 RH (16 194679 STE 20 OZ)

SUMMARY

This Rental Housing Demolition application proposes to demolish six existing rental dwelling units located within two residential rental buildings at 698 and 700 Spadina Avenue and replace all demolished units within a proposed townhouse building on the subject site.

698 and 700 Spadina Avenue are part of a related group of properties at 698-706 Spadina Avenue and 54 Sussex Avenue that are subject to Zoning By-law Amendment and Site Plan Control applications (16 194679 STE 20 OZ and 18 272550 STE 11 SA) for the development of a 23-storey mixed-use building and three-storey townhouses on the subject site. The Zoning By-law Amendment application is the subject of a settlement at the Local Planning Appeal Tribunal (LPAT). The final Tribunal Order is pending until all outstanding matters, including the necessary agreements with the City, are secured.

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 six existing rental dwelling units located at 698 and 700 Spadina Avenue, subject to the following conditions:

- a. the owner shall provide and maintain not less than six replacement rental dwelling units, comprised of at least six two-bedroom units, of which one two-bedroom unit may be provided as a one-bedroom unit for the duration of an eligible tenant's tenure, provided that it is converted to a two-bedroom unit should

the tenant no longer reside in the unit, within the proposed three-storey townhouse building at 54 Sussex Avenue, 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 6, 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 and maintain at least four two-bedroom replacement rental dwelling units at affordable rents and two 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 at no additional cost to the tenants;

d. the owner shall provide central air conditioning in each replacement rental dwelling unit;

e. the owner shall provide tenants of the replacement rental dwelling units with access to dedicated indoor bicycle parking in the proposed mixed-use building under the same terms and conditions as any resident of the mixed-used building;

f. the owner shall provide at least three replacement rental dwelling units with a balcony for private and exclusive access by the unit;

g. 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; 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 six existing rental dwelling units at 698 and 700 Spadina 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 mixed-use building on the subject site; and

e. the execution and registration of a Section 37 Agreement pursuant to the *Planning Act* securing Recommendations 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 townhouse building on the site no later than four (4) years from the day demolition of the existing buildings is commenced; and

d. should the owner fail to complete the proposed townhouse 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 October 13, 2016, Toronto and East York Community Council adopted the Preliminary Report dated September 23, 2016 on the Zoning By-law Amendment

application. The report is available at:

<https://www.toronto.ca/legdocs/mmis/2016/te/bgrd/backgroundfile-96746.pdf>.

A related Rental Housing Demolition application was submitted on October 20, 2016.

On March 9, 2017, City Council adopted the recommendations of the Chief Planner and Executive Director, City Planning Division and the Toronto Preservation Board to include the property at 698 Spadina Avenue on the City of Toronto's Heritage Register and Council stated its intention to designate such property under Part IV of the Ontario Heritage Act. The City Council decision and report from the Chief Planner and Executive Director, City Planning Division is available at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.TE22.19>

The applicant objected to the City Council decision stating its intention to designate 698 Spadina Avenue under Part IV of the Ontario Heritage Act and that objection was referred to the Conservation Review Board (CRB) for a hearing and report.

On May 15, 2017, the applicant appealed the Zoning By-law Amendment application to the LPAT due to City Council's failure to make a decision on the application within the time prescribed by the Planning Act. At its meeting of October 2, 3 and 4, 2017, City Council adopted the Request for Directions Report dated August 18, 2017 to authorize the City Solicitor and appropriate staff to attend the LPAT hearing to oppose the Zoning By-law amendment application and authorized the City Solicitor and appropriate staff to continue negotiations (including formal mediation) with the applicant to address the issues outlined in the report.

In addition, City Council deferred making a decision on the related Rental Housing Demolition application that is the subject of this report (File 16 240238 STE 20 RH) under Municipal Code, Chapter 667 pursuant to Section 111 of the City of Toronto Act, 2006 to demolish the six existing rental dwelling units at 698 and 700 Spadina Avenue. City Council also instructed staff to report on the Section 111 Application to Toronto and East York Community Council at such time as an LPAT decision has been issued regarding the Zoning By-law Amendment appeal for the lands at 698, 700, 702, 704, 706 Spadina Avenue and 54 Sussex Avenue.

At its meeting of July 23, 24, 25, 26, 27, 28 and 30, 2018, City Council directed and gave instructions to the City Solicitor to accept the settlement offer as set out in the settlement offer letter dated July 13, 2018, which resulted from five days of mediation sessions. City Council's decision and the City Solicitor report is available at <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.TE26.21>.

On April 3, 2019, the LPAT issued a decision approving the revised Zoning By-law Amendment application in principle, with the final Tribunal Order being withheld until all outstanding matters, including the necessary agreements with the City, are secured. The decision is available at <http://www.omb.gov.on.ca/e-decisions/pl170621-Apr-03-2019.pdf>.

On May 1, 2019, the applicant withdrew their referral to the CRB of the City Council decision stating its intention to designate 698 Spadina Avenue under Part IV of the Ontario Heritage Act.

ISSUE BACKGROUND

Proposal

The conditionally approved settlement consists of a 23-storey (75.05 metres including mechanical penthouse), 230-unit (511-bed) student residence with 436 square metres of retail uses on the first floor and a two-storey base building that will conserve and incorporate the existing designated building at 698 Spadina Avenue as well as a three-storey, 10-unit stacked townhouse building (including six rental replacement units) on the west side of the property at 54 Sussex Avenue.

The Rental Housing Demolition application proposes to demolish the existing residential rental buildings at 698 and 700 Spadina containing six existing rental dwelling units and provide six replacement rental dwelling units within the proposed three-storey townhouse building. The existing rental dwelling units will be replaced by at least the same unit type and average unit size.

Site

The subject site is located on the northwest corner of Spadina Avenue and Sussex Avenue. The site consists of two parcels - 698, 700, 702, 704 and 706 Spadina Avenue comprising one parcel and 54 Sussex Avenue comprising the other. These two parcels are bisected by an L-shaped public lane.

The combined area of the two parcels is 2,214.4 square metres with a frontage of approximately 41.5 metres on Spadina Avenue and 58.2 metres on Sussex Avenue. The subject site is currently occupied by a three-storey mixed-use building at 698 Spadina Avenue, a three-storey mixed use building at 700 Spadina Avenue, a two-storey commercial/retail building at 702-706 Spadina Avenue, and a tennis court at 54 Sussex Avenue.

Six rental dwellings units are located in the mixed use buildings at 698 and 700 Spadina, comprised of five two-bedroom units and one one-bedroom unit that has exclusive access to a studio/coach house space. All of the units have rents that are considered affordable or mid-range. At the time of this report, five of the six existing rental dwelling units were occupied by tenants.

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

Section 2 of the Planning Act sets out matters of provincial interest which City Council shall have regard in 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.

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 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 that better connect 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.

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 will address the right to return to a replacement unit and mitigation 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. Council approval of a demolition under Section 33 of the *Planning Act* may also be required where six or more residential units are proposed to be demolished 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.

On October 20, 2016, the applicant submitted an application for a Rental Housing Demolition permit pursuant to Chapter 667 of the Toronto Municipal Code.

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 May 9, 2019, staff held a tenant consultation meeting with impacted tenants to provide an overview of the City's rental replacement policy and Rental Housing Demolition By-law and to discuss the Tenant Relocation and Assistance Plan. This meeting was attended by tenants from all five of the currently occupied units. During the tenant consultation meeting and in subsequent correspondence with City Planning staff, tenants raised questions and concerns about access to bicycle parking, tenant relocation and assistance, information about their status on the University of Toronto's wait list for housing, and the process for vacating and returning to replacement units, should City Council approve the Rental Housing Demolition application.

COMMENTS

This section provides an overview of provincial and municipal planning considerations used in the evaluation of the proposal. Staff are satisfied with the 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, maintaining at least the same number, size and type of rental housing units at similar rents. The Section 37 and Section 111 Agreements will secure all required conditions of approval, each 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 six existing rental dwelling units at 698 and 700 Spadina Avenue and provide, maintain and secure six replacement rental dwelling units within the proposed townhouse building. The unit mix for the replacement rental dwelling units will be comprised of six two-bedroom units, of which one unit could be provided as an open concept one-bedroom unit that could be converted to a two-

bedroom unit in the future to address the specific needs of one of the eligible tenants. This proposed unit mix reflects that of the existing rental dwelling units.

Upon completion, the total gross floor area for the six replacement rental dwelling units will be at least the same as the total gross floor area for the six existing rental dwelling units proposed to be demolished. The six replacement rental dwelling units will be provided with ensuite laundry and central air conditioning. Three of the six replacement rental units will have a private balcony. Tenants of the replacement rental dwelling units will have access to dedicated bicycle parking in the proposed mixed use building.

Rental Tenure and Rents

The applicant has agreed to provide, maintain and secure the rental tenure of the six replacement rental dwelling units within the proposed townhouse building for at least 20 years, beginning 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.

The applicant has agreed to provide, maintain and secure four two-bedroom replacement rental units at affordable rents and two 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 698 and 700 Spadina Avenue, which will be to the satisfaction of the Chief Planner and Executive Director, City Planning Division, and secured through the Section 37 and Section 111 agreements with the City.

As part of this Tenant Relocation and Assistance Plan, each eligible tenant will be provided with two options, as outlined below, subject to the availability of alternative rental units. Tenant Relocation and Assistance will be provided on a per unit basis.

Option 1: Accept an alternative rental unit provided by the University of Toronto or Daniels Corporation

- An acceptable alternative rental unit pursuant to the *Residential Tenancies Act*;
 - The University of Toronto has placed eligible tenants on its waiting list for housing within the Huron-Sussex neighbourhood
 - The Daniels Corporation will offer interim rental accommodation to eligible tenants, where available, within its Toronto rental stock portfolio
- At least 12 months' notice to vacate their existing rental dwelling unit for the purpose of demolition;

- A move-out moving allowance;
- The right to return to a replacement rental dwelling unit within the proposed townhouse building at similar rents to their existing rental dwelling unit, with rents protected for at least 10 years; and
- A move-back moving allowance should they exercise their right to return to a replacement rental dwelling unit.

Option 2: Do not accept an alternative rental unit provided by the owner

- Financial compensation equal to 3 months' rent pursuant to the *Residential Tenancies Act*;
- At least 12 months' notice to vacate their existing rental dwelling unit for the purpose of demolition;
- Rent gap compensation for the duration of construction;
- A rental agent mutually agreeable to each tenant and the owner to assist eligible tenants with the search for interim rental accommodation;
- A move-out moving allowance;
- The right to return to a replacement rental dwelling unit within the proposed residential building at similar rents to their existing rental dwelling unit, with rents protected for at least 10 years; and
- A move-back moving allowance should they exercise their right to return to a replacement rental dwelling unit.

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.

Other Related Rental Housing Matters

As part of the settlement of the related Zoning By-law Amendment application, the owner has agreed to secure, through one or more agreements with the City, the following two additional related rental housing matters:

- Interim music space to be provided to one eligible tenant; and
- One of the units will be sound-proofed to meet the needs of one of the existing tenants.

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 698 and 700 Spadina Avenue would satisfy all of the required City's approval conditions. This report recommends that City Council approve, with conditions, the application for a Rental Housing Demolition permit in accordance with Chapter 667 of the Toronto Municipal Code to allow for the demolition of the six existing rental units located on the subject site.

CONTACT

Christine Ono, Planner
Strategic Initiatives, Policy & Analysis (Housing)
Tel. No. 416-392-1255
E-mail: Christine.Ono@toronto.ca

Paul Johnson, Senior Planner
Community Planning
Tel. No. 416-397-0259
E-mail: Paul.M.Johnson@toronto.ca

SIGNATURE

Lynda Macdonald, MCIP, RPP, OALA, FCSLA
Director, Community Planning
Toronto & East York District

ATTACHMENTS

City of Toronto Data/Drawings
Attachment 1: Location Map

Attachment 1: Location Map

