

## **245-285 Queen Street East, 348-410 Richmond Street East, 88-106 Ontario Street, and 8-12 Brigden Place – Rental Housing Demolition Application – Supplementary Report**

Date: July 7, 2021

To: City Council

From: Chief Planner and Executive Director, City Planning

Ward: 13 – Toronto Centre

### **SUMMARY**

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At its meeting of June 24, 2021, Toronto and East York Community Council forwarded item TE26.9, (June 1, 2021) Report from the Director, Community Planning, Toronto and East York District, "245-285 Queen Street East, 348-410 Richmond Street East, 88-106 Ontario Street, and 8-12 Brigden Place - Rental Housing Demolition Application - Final Report" (the "Final Report") to City Council without recommendations.

The Final Report recommends approval of a Rental Housing Demolition application under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the *City of Toronto Act, 2006* to demolish 57 rental dwelling units at 263-265 Queen Street East and 90 Ontario Street in order to facilitate the redevelopment of the lands with a mixed-use development consisting of two purpose-built rental apartment buildings that would together contain 824 rental units, including 70 replacement rental units, and approximately 15,600 square metres of commercial office and retail space.

The purpose of this Supplementary Report is to provide further details and clarification on how the proposed development has incorporated and been shaped by the feedback received from existing tenants through the application review process. There have been no changes to the Rental Housing Demolition application, and the proposal remains as described in the Final Report from the Director, Community Planning, Toronto and East York District dated June 1, 2021.

Both the Final Report and this Supplementary Report recommend approval of the Rental Housing Demolition application under Chapter 667 of the Toronto Municipal Code and the Residential Demolition Permit under Chapter 363 of the Toronto Municipal Code, subject to the conditions outlined in the recommendations of the Final Report.

## **RECOMMENDATION**

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The Chief Planner and Executive Director, City Planning recommends that:

1. City Council adopt Recommendations 1 to 5 inclusive in the Final Report (TE 26.9) from the Director of Community Planning, Toronto and East York District, dated June 1, 2021.

## **FINANCIAL IMPACT**

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The City Planning Division confirms that there are no financial implications resulting from the recommendation included in this report in the current budget year or in future years.

## **DECISION HISTORY**

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At its meeting of June 24, 2021, Toronto and East York Community Council forwarded item TE26.9, "245-285 Queen Street East, 348-410 Richmond Street East, 88-106 Ontario Street, and 8-12 Brigden Place - Rental Housing Demolition Application - Final Report" to City Council without recommendations. Community Council's decision can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.TE26.9>

## **ISSUE BACKGROUND**

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To supplement the June 1, 2021 report from the Director, Community Planning, Toronto and East York District, this Supplementary Report is provided for the information of City Council.

### **Tenant Consultation**

City Planning staff held two tenant consultation meetings to review the City's housing policies, the impact of the proposed demolition on existing residents, and the proposed Tenant Relocation and Assistance Plan.

The first tenant meeting was held earlier in the Rental Housing Demolition application review process, on November 29, 2017, two weeks after the Official Plan Amendment (OPA) and Zoning By-law Amendment (ZBA) applications for the subject site were appealed to the Local Planning Appeal Tribunal (LPAT). The focus of this meeting was to obtain feedback from tenants on the function and layout of their existing rental units, and on any assistance/relocation concerns they might have. The second tenant meeting was held later in the application review process, on March 9, 2021, after the following matters had been resolved:

- City Council adopted a settlement offer on the OPA and ZBA appeals (the settlement offer was adopted by City Council on July 23, 2018 and the OPA and ZBA appeals were approved in principle by the LPAT on October 31, 2018);
- The applicant requested revisions to the settlement offer initially adopted by City Council on July 23, 2018 (initial revisions to the settlement offer were adopted by City Council on March 27, 2019);
- The applicant submitted an application for a consent to sever the lands at 245-285 Queen Street East, 348-410 Richmond Street East, 88-106 Ontario Street, and 8-12 Brigden Place into two separate lots, signalling that a portion of the site would be conveyed to a new owner (the consent application was subsequently appealed to the LPAT and approved by the Tribunal on January 23, 2020); and
- The City received confirmation that the eastern portion of the site, which contains all of the existing rental housing, was being acquired by Queen Ontario LP from the previous owners (Richmond GP Inc. et al.), such that the new owner would be responsible for fulfilling the rental housing requirements for the site.

Although the Rental Housing Demolition application review process was drawn out because of matters concerning the OPA, ZBA, and consent to sever appeals before the LPAT, tenants have been actively engaged in shaping the proposed development through the appeals process.

As discussed in the Final Report, several tenants of the existing live/work units gained party status at the LPAT proceedings on the OPA and ZBA appeals. As part of the LPAT settlement, a Memorandum of Understanding (MOU) was signed by the former owners and the tenant's association<sup>1</sup> to establish a framework for further negotiation between the applicant and tenants. The MOU was signed on August 22, 2018 and bound all parties to specific obligations concerning the provision of the replacement live/work rental units and financial assistance for tenants.

## **Impact of Tenant Consultation on the Proposal**

The following is a summary of how the proposed development, and specifically the replacement rental proposal, incorporates and has been shaped by tenant consultation. This consultation took the form of personal communication with tenants (communication was received from tenants throughout the application review process), consultation with tenants during a site visit by City Planning staff, feedback received at tenant meetings, the MOU between the former owners and tenants, and ongoing (external) negotiations between the applicant and tenants that fall outside of the purview of Official Plan housing policy requirements and the City's authority under Section 111 of the *City of Toronto Act, 2006*.

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<sup>1</sup>The tenants association represents only some of the existing tenants on the subject site, including the tenants of the live/work replacement rental units.

### ***Full Replacement of Existing Rental Units***

At the time of submission of the OPA and ZBA applications for the subject site, the applicant took the position in their Housing Issues Report (dated February 2016) that neither Policy 3.2.1.6 of the Official Plan nor Chapter 667 of the Toronto Municipal Code applied to the site because all 58 existing units at 90 Ontario Street were subject to commercial leases, with only the two units at 263-265 Queen Street East governed by residential leases.

However, Chapter 667 defines a rental unit as a dwelling unit (a self-contained set of rooms located in a building or structure) used for residential rental *purposes*; it does not require an existing rental unit to have been legally created or for a tenant occupying an existing unit for residential rental purposes to have a residential lease. Similarly, Policy 3.2.1.6 defines rental housing as a building or related group of buildings containing one or more rented residential units and does not require a rental unit to be a legally created residential unit or for the unit to have a residential lease.

In late 2016 and early 2017, City Planning staff conducted a site visit and collected information from tenants to ascertain the use of each of the 58 existing units at 90 Ontario Street. By thoroughly inspecting each unit and consulting with tenants living in the rental units, each unit was categorized as either residential only, live/work, or commercial only (where occupants had a primary residential address elsewhere). Through the site visit and consultation with tenants, staff determined that 55 units were being used, or had previously been used, for residential rental purposes, and 12 of these units were identified as live/work rental units.

Consequently, City staff made the determination that a Rental Housing Demolition application under Chapter 667 of the Toronto Municipal Code was required and that 55 rental units at 90 Ontario Street, along with the two rental units 263-265 Queen Street East, would require replacement pursuant to Official Plan Policy 3.2.1.6.

### ***Full Replacement of Live/Work Rental Units***

Although City staff identified the need for replacement of the existing rental units (despite most of the units having commercial leases), the City's Official Plan housing policies and Chapter 667 only require the existing residential rental use to be replaced in the new development, and do not speak to areas that were used for employment purposes.

In the past, City Planning staff have, where possible, worked with applicants to replace existing live/work rental housing, as such housing is limited in supply, fulfills a need for artists and entrepreneurs, and is often concentrated in former industrial areas that are targeted for regeneration and redevelopment. However, in limited circumstances, the City has been unable to replace existing live/work rental units where the proposed zoning for the site would not accommodate residential uses.<sup>2</sup>

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<sup>2</sup>See, for example, Report from the Director, Community Planning, City Planning "[507 King Street East - Rental Housing Demolition Application - Final Report](#)".

Through the application review process, tenants were vocal about the need to replace the existing live/work rental units, as live-work uses are permitted under the existing zoning and will be carried forward in the site-specific amending zoning by-laws. As discussed in the Final Report, tenants raised concerns at the first tenant consultation meeting about the lack of alternative, similar housing options in the City, especially with regard to housing suitable for artists and live/work units, and the loss of a unique form of housing stock, both in terms of built-form and community-building opportunities.

In response to tenants' feedback, the applicant's settlement offer, dated July 13, 2018, proposed the full replacement of the existing rental units and live/work units, and City Council's adoption of the settlement offer on July 23, 2018 solidified the requirement that all 12 existing live/work rental units be replaced within the proposed development.

### ***Replacement Rental Unit Mix***

The draft OPA for the subject lands, as approved in principle by the LPAT through the settlement between the applicant and City, will permit the applicant to replace the 26 existing bachelor units, which make up almost half (45.6%) of all existing rental units, with one-bedroom and two-bedroom units.

As discussed in the Final Report, the decision to replace the bachelor units with larger unit types was made, in part, on the basis of feedback received from tenants, several of whom have created informal (bed)rooms within their existing units due to the lack of dedicated living spaces. Specifically, tenants raised concerns about how the unit type (number of bedrooms) of each existing rental unit was determined, since several tenants have erected makeshift interior walls to separate their living and working spaces.

In response, the applicant agreed to replace the existing units with interior bedrooms as one-bedroom or two-bedroom units and to request an exemption from the unit mix and size requirements of Policy 3.2.1.6 as part of its OPA application so that they could provide larger replacement rental unit types.

### ***Live/Work Replacement Rental Unit Ceiling Heights***

The MOU between the former owners and tenants association bound the parties to specific requirements concerning the design and delivery of the live/work replacement rental units. In terms of unit design, the MOU committed the owners to replacing "the live/work units in the new development with live/work units with ceiling heights of no less than 11 feet and similar size, in this case, similar size means not more or less than 10% based on an average variation between all units, but no unit shall be lesser than 15% from the size of the original unit."

In acquiring the replacement rental obligations for the site, the new owner has committed to fulfilling all of the former owners' commitments in the MOU. As for the ceiling heights, the new owner has agreed to construct all 27 proposed live/work replacement rental units with a minimum internal ceiling height of 12 feet. This requirement is set out in Recommendation 1.c of the Final Report and will be secured through one or more agreements with the City.

### ***Live/Work Replacement Rental Unit Layouts***

Draft replacement live/work rental unit layouts were presented at the second tenant consultation meeting for feedback. Tenants raised concerns about the ability to remove internal walls within the live/work rental units in order to provide more open space for commercial uses. Tenants also requested that the applicant remove the mezzanine levels with sleeping spaces and include all floor area for each replacement rental unit on a single level to provide as much open space as possible.

In response to tenants' feedback, the applicant has removed the mezzanine levels from their live/work replacement rental unit floor plans and agreed to provide open concept units with movable partition walls (where necessary), provided that such walls would not interfere with structural and building code requirements, would satisfy City Planning's rental replacement requirements (for example, bedroom walls must be fixed), and could be restored to their original condition upon unit turnover.

Discussions between the applicant and tenants on the replacement live/work rental unit layouts are ongoing. Through the Site Plan Approval process, the applicant will have the flexibility to make further changes to their replacement rental unit floor plans to address any further concerns raised by tenants, provided such changes are to the satisfaction of the Chief Planner. The applicant has also committed to making reasonable efforts to accommodate other tenant requests concerning the live/work replacement rental units, including the provision of polished concrete floors, industrial electrical outlets, and larger-sized service elevators for transporting work materials.

### ***Net New Affordable Rental Housing***

Through the application review process, concerns were raised about the potential impact of the proposed demolition and redevelopment on the physical and social character of the surrounding community, and the need for affordable housing units as part of the proposal. On the subject site, five tenants pay rents that fall below the City's affordable rent thresholds and 29 tenants pay rents that fall below the City's mid-range thresholds. The remaining 23 rental units are considered 'high-end'.

As discussed in the Final Report, the applicant has agreed to provide and maintain 22 replacement rental units with a combined GFA of 1,350 square metres at affordable rents, which represents a net increase of 17 affordable units containing nearly 1,000 square metres of net new affordable rental GFA. The additional affordable replacement rental units will be secured as a legal convenience rather than a community benefit.

### ***Tenant Relocation and Assistance Plan***

The MOU between the former owners and tenants association provides that all existing tenants (residential and live/work) will be entitled to a payment equivalent to five months' rent, inclusive of compensation under the *Residential Tenancies Act* (RTA), based on the rent paid by tenants at the time they receive a notice of termination of their tenancy.

The proposed Tenant Relocation and Assistance Plan, which was presented at the second tenant consultation meeting, exceeds the requirements of the MOU. In terms of compensation, all existing tenants will receive the baseline compensation under the RTA, additional financial compensation based on their length of tenure (between five and 12 months' rent), moving allowances, and, where applicable, special needs assistance.

Tenants did not raise any concerns with City staff about the proposed Tenant Relocation and Assistance Plan at the second tenant consultation meeting or anytime thereafter. However, should tenants raise any outstanding concerns between now and the time at which the agreements securing the Tenant Relocation and Assistance Plan are executed, the applicant has committed to working with City Planning staff, the local Councillor's office, and tenants to address such concerns and provide additional assistance, as may be determined necessary by the Chief Planner.

As outlined in Recommendation 1.d of the Final Report, the final form of the Tenant Relocation and Assistance Plan to be secured through one or more agreements with the City shall be developed in consultation with, and to the satisfaction of, the Chief Planner.

## **Conclusion**

City Planning staff continue to recommend approval of the application to demolish 57 existing rental units in order to facilitate the redevelopment of the eastern portion of the subject site with a new purpose-built rental development comprised of upwards of 750 net new rental units and 70 replacement rental units, including 27 live/work replacement rental units. The applicant has integrated the feedback of tenants in the design of the replacement rental units and agreed to make reasonable efforts to accommodate further tenant requests. The proposal satisfies the requirements of the Council-approved settlement offer on the OPA and ZBA appeals for the site and the proposed Tenant Relocation and Assistance Plan is consistent with the City's current practices.

## **CONTACT**

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## **SIGNATURE**

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City Planning

Supplementary Report – 245-285 Queen Street East, 348-410 Richmond Street East,  
88-106 Ontario Street, and 8-12 Brigden Place