

663 King Street West, 69-73 Bathurst Street and 58-60 Stewart Street– Rental Housing Demolition Application – Final Report

Date: February 01, 2021

To: Toronto and East York Community Council

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

Wards10

Planning Application Number: 16 270245 STE 20 RH

SUMMARY

This Rental Housing Demolition and Conversion application proposes to demolish seven (7) existing residential rental units at 58-60 Stewart Street and replace them as part of a new development.

The properties are also the subject of a Zoning By-law Amendment application (16 270239 STE 20 OZ) for the larger property, including 647, 663-665 King Street West, 69-73 Bathurst Street and 58-60 Stewart Street, which was appealed to the Local Planning Appeal Tribunal (LPAT) on August 21, 2017 (Case No. PL170914). A settlement offer was endorsed by City Council on January 29, 2019. Council deferred making a decision on the Rental Housing Demolition application and directed staff to request the LPAT to withhold its final Order on the Zoning By-law Amendment appeal until Council has authorized the Rental Housing Demolition application and the owner has entered into, and registered on title, an agreement pursuant to Section 111 of the City of Toronto Act, 2006.

On March 6, 2019, the LPAT issued its Decision, approving the Zoning By-law Amendment application in principle and withholding the final Order until outstanding matters, including the Rental Housing Demolition application, among other conditions, are resolved.

This report recommends approval of the Rental Housing Demolition application under Chapter 667 of the Toronto Municipal Code and the Residential Demolition Permit application under Chapter 363 of the Toronto Municipal Code to demolish seven (7) rental dwelling units, subject to conditions, which include the provision of seven (7) replacement rental dwelling units and Tenant Relocation and Assistance.

RECOMMENDATIONS

The City Planning Division recommends that:

1. City Council approve the Rental Housing Demolition Application File No. 16 270245 STE 20 RH in accordance with Chapter 667 of the Toronto Municipal Code and pursuant to Section 111 of the *City of Toronto Act, 2006* which allows for the demolition of seven (7) existing rental dwelling units located at 58-60 Stewart Street, subject to the following conditions:
 - a) The owner shall provide and maintain seven (7) replacement rental dwelling units on the subject site for a period of at least 20 years beginning from the date that each replacement rental dwelling unit is first occupied and, during which time, no application may be submitted to the City for condominium registration, or for any other conversion to a non-rental housing purpose, or for demolition without providing for replacement during the, at minimum, 20 year period; the seven (7) replacement rental dwelling units shall be comprised of one (1) bachelor unit, one (1) one-bedroom unit, three (2) two-bedroom units, and two (2) three-bedroom units, as generally illustrated in the plans submitted to the City Planning Division dated January 21, 2021. Any revision to these plans shall be to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
 - b) The owner shall, as part of the seven (7) replacement rental dwelling units required in Recommendation 1.a above, provide at least the seven (7) replacement rental dwelling units as one (1) bachelor and one (1) three-bedroom replacement rental dwelling units at affordable rents, as currently defined in the City's Official Plan, and one (1) two-bedroom, and one (1) three-bedroom replacement rental dwelling units at mid-range rents, as defined in the City's Official Plan, all for a period of at least 10 years beginning from the date of first occupancy of each unit. The rents of the remaining three (3) replacement rental dwelling units shall be unrestricted;
 - c) The owner shall provide an acceptable tenant relocation and assistance plan for all Eligible Tenants of the seven (7) existing rental dwelling units proposed to be demolished at 58-60 Stewart Street, addressing the right to return to occupy one of the replacement rental dwelling units at similar rents and other assistance to mitigate hardship. The tenant relocation and assistance plan shall be developed in consultation with, and to the satisfaction of, the Chief Planner and Executive Director, City Planning Division;
 - d) The owner shall provide tenants of all seven (7) replacement rental dwelling units with access to, and use of, all indoor and outdoor amenities in the proposed 17-storey mixed-use building at no extra charge. Access to, and use of, these amenities shall be on the same terms and conditions

as any other resident of the building without the need to pre-book or pay a fee, unless specifically required as a customary practice for private bookings;

- e) The owner shall provide ensuite laundry in each replacement rental dwelling unit within the proposed mixed-use building at no additional cost to tenants;
 - f) The owner shall provide six (6) replacement rental dwelling units with balconies or terraces for private and exclusive access by the tenants of such units;
 - g) The owner shall provide central air conditioning in each replacement rental dwelling unit within the proposed mixed-use building;
 - h) The owner shall provide and make available for rent at least two (2) vehicle parking spaces to tenants of the replacement rental dwelling units. Such parking spaces shall be made available firstly to returning tenants who previously rented a vehicle parking space, secondly to returning tenants who did not previously rent a vehicle parking space, and thirdly to new tenants of the rental replacement dwelling units;
 - i) The owner shall provide tenants of the seven (7) replacement rental dwelling units with access to all bicycle and visitor parking on the same terms and conditions as any other resident of the proposed mixed-use building;
 - j) The owner shall provide one (1) storage locker to tenants of the replacement rental dwelling units; and,
 - k) The owner shall enter into, and register on title at 647, 663-665 King Street West, 69-73 Bathurst Street & 58-60 Stewart Street, one or more agreement(s), to secure the conditions outlined in Recommendations 1.a. through 1.jk above, including an agreement pursuant to Section 111 of the *City of Toronto Act, 2006*, 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 Preliminary Approval of the Rental Housing Demolition Permit under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the *City of Toronto Act, 2006* for the demolition of the seven (7) existing rental dwelling units located at 58-60 Stewart Street after all the following have occurred:

- a) All conditions in Recommendation 1 above have been fully satisfied and secured;
 - b) The Zoning By-law Amendment(s) 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 (conditional or full permit) for the approved development on the site;
 - e) The owner has confirmed, in writing, that all existing rental dwelling units proposed to be demolished are vacant; and
 - f) The execution and registration of an agreement pursuant to Section 37 of the *Planning Act* securing Recommendations 1.a. through 1.k. above and any other requirements of the Zoning-Bylaw Amendment (if applicable).
3. City Council authorize the Chief Building Official and Executive Director, Toronto Building to issue a 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 and Executive Director, Toronto Building to issue a Residential Demolition Permit under Section 33 of the *Planning Act* and Chapter 363 of the Toronto Municipal Code for 58-60 Stewart Street 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 Chapter 667 pursuant to section 6.2 of Chapter 363, on condition that:
- a) The owner removes all debris and rubble from the site immediately after demolition;
 - b) The owner erects solid construction hoarding to the satisfaction of the Chief Building Official and Executive Director, Toronto Building;
 - c) The owner erects the proposed mixed-use building on the site no later than four (4) years from the date that the demolition of such building commences, subject to the timeframe being extended to the discretion of the Chief Planner and Executive Director, City Planning Division; and

- d) Should the owner fail to complete the proposed mixed-use building within the time specified in Recommendation 4.c. above, the City Clerk shall be entitled to enter on the collector's roll, as with municipal property taxes, an amount equal to the sum of twenty thousand dollars (\$20,000.00) per dwelling unit for which a demolition permit is issued, and that such amount shall, until payment, be a lien or charge upon the land for which the Residential Demolition Permit is issued.
5. City Council authorize the appropriate City officials to take such actions as are necessary to implement City Council's decision, including execution of the Section 111 Agreement and other related agreements.

FINANCIAL IMPACT

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

DECISION HISTORY

The Rental Housing Demolition Application and associated application to amend the Zoning By-law were submitted by the applicant on December 22, 2016. Subsequently, the applicant appealed the Zoning By-law Amendment application to the LPAT on August 21, 2017, due to the lack of a decision by City Council within the prescribed timeframe. At its May 23, 2018, meeting, City Council adopted a Request for Direction report opposing the Zoning By-law Amendment application and also including a recommendation that City Planning continue discussions with the applicant to resolve outstanding issues with the proposal. A copy of the Request for Direction report can be located here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.TE32.14>

Subsequently, at its January 30, 2019, meeting, City Council adopted a Request for Direction report respecting the Zoning Amendment Application recommending that City Council authorize the City Solicitor and appropriate City staff, to attend before the Local Planning Appeal Tribunal in support of a settlement of the Zoning By-law Amendment appeal for the site, subject to a number of conditions. A copy of the Request for Direction report can be located here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.TE2.3>

Also at its meeting on January 30, 2019, City Council adopted recommendations of the report from the Chief Planner and Executive Director titled Alterations to a Designated Heritage Property, Intention to Designate, 663 King Street West, under Part IV, Section 29 of the Ontario Heritage Act, and Authority to Enter into a Heritage Easement Agreement. A copy of the Report can be located here:

<http://www.toronto.ca/legdocs/mmis/2019/mm/bgrd/backgroundfile-124227.pdf>

On March 6, 2019, the LPAT issued a Decision, approving the Zoning By-law Amendment application in principle and withholding the final Order until such time as City Council has authorized the Rental Housing Demolition application under Chapter 667 of the Toronto Municipal Code and the owner has entered into a Section 111 agreement pursuant to Section 111 of the City of Toronto Act, 2006, and registered such Agreement on title to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning.

APPLICATION BACKGROUND

Proposal

The applicant proposes to demolish and replace the seven (7) rental dwelling units contained within 58-60 Stewart Street, consisting of one (1) bachelor, one (1) one-bedroom, three (3) two-bedroom, and two (2) three-bedroom rental dwelling units, of which six (6) were occupied at the time of application, in order to construct a 17-storey mixed-use building containing retail uses at grade and 245 residential dwelling units above (inclusive of the seven (7) rental replacement units).

Subject Site

The site is an assembly of properties consisting of the municipal addresses at 647, 663-665 King Street West, 69-73 Bathurst Street and 58-60 Stewart Street. The existing rental dwelling units are located in a four-storey brick and beam building at 58-60 Stewart Street, which contains a mix of shared office space and residential rental units, for a total of seven (7) rental dwelling units. The existing rental units are comprised of:

- One (1) bachelor units with affordable rents;
- One (1) one-bedroom unit with high-end rents;
- Three (3) two-bedroom units, of which one unit has mid-range rents and two units have high-end rents; and
- Two (2) three-bedroom units, of which one unit has affordable rents and one unit has mid-range rents.

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 to in carrying out its responsibilities, including: the supply, efficient use and conservation of energy and water; the adequate provision and efficient use of communication, transportation, sewage and water services and waste management systems; the orderly development of safe and healthy communities; the adequate provision of a full range of housing, including affordable housing; the appropriate location of growth and development; and the promotion of a built form that is well designed, encourages a sense of place, and provides for public spaces that are of high quality, safe, accessible, attractive and vibrant.

The Provincial Policy Statement (2020)

The Provincial Policy Statement (2020) (the "PPS") provides province-wide policy direction on land use planning and development to promote strong communities, a strong economy, and a clean and healthy environment. It includes policies on key issues that affect communities, such as:

- the efficient use and management of land and infrastructure;
- ensuring the sufficient provision of housing to meet changing needs including affordable housing;
- ensuring opportunities for job creation;
- ensuring the appropriate transportation, water, sewer and other infrastructure is available to accommodate current and future needs; and,
- protecting people, property and community resources by directing development away from natural or human-made hazards.

The provincial policy-led planning system recognizes and addresses the complex interrelationships among environmental, economic and social factors in land use planning.

The PPS supports a comprehensive, integrated and long-term approach to planning, and recognizes linkages among policy areas.

The PPS is issued under Section 3 of the *Planning Act* and all decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the PPS. Comments, submissions or advice affecting a planning matter that are provided by Council shall also be consistent with the PPS.

The PPS recognizes and acknowledges the Official Plan as an important document for implementing the policies within the PPS. Policy 4.6 of the PPS states that, "The official plan is the most important vehicle for implementation of this Provincial Policy Statement. Comprehensive, integrated and long-term planning is best achieved through official plans."

Provincial Plans

Provincial Plans are intended to be read in their entirety and relevant policies are to be applied to each situation. The policies of the plans represent minimum standards. Council may go beyond these minimum standards to address matters of local importance, unless doing so would conflict with any policies of the plans.

All decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the PPS and shall conform with provincial plans. All comments, submissions or advice affecting a planning matter that are provided by Council shall also be consistent with the PPS and conform with provincial plans.

Toronto 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 the 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, and the following is 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. The By-law prohibits the demolition or 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 demolition under Section 33 of the Planning Act may also be required where six or more residential units are proposed for demolition before the Chief Building Official can issue a permit for demolition under the Building Code Act.

On December 22, 2016, the applicant made an application for a Section 111 permit pursuant to Chapter 667 of the City of Toronto Municipal Code. As per Chapter 667-14, a tenant consultation meeting was held to review the impact of the proposal on tenants of the residential rental property and matters under Section 111.

Reasons for Application

A Rental Housing Demolition Permit is required because the application seeks approval to demolish at least six residential dwelling units and at least one rental dwelling unit.

Tenant Consultation

On July 7, 2020, a tenant consultation meeting was held by City staff pursuant to section 14B of Chapter 667 of the Toronto Municipal Code to review the City's housing policies, the impact of the rental demolition proposal on tenants of the seven existing rental units and the proposed Tenant Relocation and Assistance Plan for Eligible Tenants. This meeting was attended by five (5) of the six (6) Eligible Tenant Households.

During the tenant consultation meeting, tenants raised questions and concerns about the tenant relocation and assistance plan, specific questions about the size and bedroom type of the existing and replacement rental units, timing of the notice to vacate their homes, eligibility for moving supports, whether or not the applicant would assist with finding alternative accommodations during construction, and expected length of construction.

On December 16, 2020, a second tenant consultation meeting was held by City staff to discuss outstanding issues identified related to the size and bedroom type of the existing and replacement rental units. This meeting was attended by five (5) of the six (6) Eligible Tenant Households.

During the tenant consultation meeting, tenants concerns about the size and bedroom type of the existing and replacement rental units were resolved.

COMMENTS

Replacement Rental Housing

The applicant has proposed to construct and maintain seven (7) replacement rental dwelling units on the fifth and sixth floors of the proposed mixed-use building. These seven (7) replacement rental dwelling units will have the same unit mix as currently exists.

The average unit size and total gross floor area of the replacement rental dwelling units is ninety-five per cent (95%) of the existing residential rental gross floor area. The replacement rental dwelling units are well configured with functional layouts. Ensuite laundry and central air conditioning will also be provided in each replacement rental dwelling unit at no additional cost to tenants.

Tenants of the replacement rental units will have access to all indoor and outdoor amenities and long-term bicycle parking spaces on the same terms and conditions as residents of the remainder of the building, and with dedicated access to long term bicycle storage spaces. The applicant has agreed to replace the existing parking and storage locker, providing the tenants of the replacement rental units with dedicated access to a total of two (2) vehicle parking spaces and one (1) storage locker. The monthly storage and parking fee for returning tenants shall not exceed what they previously paid during their tenancy.

One or more agreements pursuant to the Planning Act and City of Toronto Act will secure all details regarding the replacement rental housing, including the number of replacement units, minimum unit sizes, 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 seven (7) 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 affordable rents for two (2) of the replacement rental dwelling units and mid-range rents for two (2) of the replacement rental dwelling units for at least 10 years, beginning from the date that each replacement rental dwelling unit is first occupied. The remaining three (3) replacement rental dwelling units will have unrestricted rents as they are replacing 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 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, eligible tenants will receive the following:

- 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 months' 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;
- A rental leasing agent available upon request;
- Additional compensation based on length of tenure; and,
- Any special needs compensation as determined by the Chief Planner.

City Planning staff are satisfied with the applicant's proposed tenant relocation and assistance plan as it is in line with the City's standard practice.

Conclusion

City Planning Staff have reviewed the Rental Housing Demolition Application at 58-60 Stewart Street and recommend that City Council approve, with conditions, this Rental

Housing Demolition Permit Application in accordance with Chapter 667 of the Toronto Municipal Code to allow for the demolition of the seven (7) existing rental dwelling units on the subject site.

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SIGNATURE

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Attachment 1: Location Map

