

February 22, 2021

To: The Chair and Members of the Toronto and East York Community Council

Re: Palace Arms ZBA Application  
950 King Street West  
File No. 18 153602 STE 19 OZ



---

Dear Members of Community Council,

This letter outlines the significant progress of the application over the last three years. We have worked diligently with our consultants and City Staff to arrive at the proposal presented for approval at the Community Council on February 24<sup>th</sup>, 2021.

The applicant purchased the property in July 2017. There were a dozen tenants residing at the time and the rest of the building was vacant. The overall building (89 rooms that were ~135 sq.ft. each) was in a state of disrepair. The development proposal before Community Council is for a 191-unit purpose built rental building with retail at grade with extensive heritage preservation/restoration and substantial affordable housing package (please see details below).

The proposal is contingent on the timeliness and certainty of the application's progression. Our preference from the start has been to work collaboratively with City Staff and Council but if there are further delays, we will not be able to provide the extensive affordable package outlined below and will seek approval through the Local Planning Appeal Tribunal.

#### Affordable Housing

The initial proposal in May 2018 contemplated 28 new rental studio units at unrestricted rents. Even though the proposal is not subject to OPA 453, there were several revisions to integrate affordable housing into the project:

- February 2020: revised proposal included 15 bachelor units at 4,500 square feet as affordable housing (100% AMR).
- In October 2020, the proposal included 22 affordable units at 8,000 square feet with deeper affordability (90% AMR).
- In December 2020, additional 9 units at 4,100 square feet were proposed, bringing the total proposal to 31 units and 12,100 square feet (90% AMR), which represents full replacement on a per square foot basis.

The proposed affordable units will not only be three times larger but also have superior quality over the existing dwelling rooms, which were in disrepair and only had shared washrooms. The new affordable units will have:

- ✓ in-suite washrooms

- ✓ in-suite kitchens
- ✓ in-suite laundry
- ✓ AC
- ✓ Access to elevators
- ✓ Access to secure bike storage
- ✓ Access to all building amenities

#### Tenant Package

The existing tenants residing in the dwelling rooms will receive compensation, relocation assistance, and the right to come back to new affordable bachelor units at similar rents.

#### Increase in Rental Stock

Original submission proposed a condo complex with retail at grade. The revised submission is a 191-unit purpose-built rental building with part retail on the ground floor. This will significantly increase rental stock.

#### Built-Form

The development contemplates a mixed-use building on the subject site that incorporates the existing three-storey Palace Arms building. The overall height of the proposal has been reduced from 17- to 14-storeys (58.5 and 49.95 metres, respectively, including mechanical penthouse) and massing and materiality changes have been made to the upper levels of the building. There have been over a dozen of architectural revisions with numerous street views produced as part of the three-year process.

#### Heritage Preservation

Extensive restoration and retention has been proposed to preserve the crucial heritage attributes. The heritage alterations have been approved at Toronto Preservation Board on December 17<sup>th</sup>, 2021.

Sincerely,

Intentional Capital

**ALEXANDER SERPER**

VICE PRESIDENT, INVESTMENTS