

8 to 16 Locust Street and 15 Oxford Drive – Rental Housing Demolition Application – Final Report

Date: June 14, 2022

To: Etobicoke York Community Council

From: Director, Community Planning, Etobicoke York District

Ward: 5 – York South-Weston

Rental Housing Demolition Application Number: 20 113222 WET 05 RH

Related Application Number: 20 113215 WET 05 OZ

SUMMARY

This application proposes to demolish six rental units at 8 and 12 Locust Street as part of the development of the lands at 8 to 16 Locust Street and 15 Oxford Drive. The related Official Plan and Zoning By-law Amendment applications propose a 36-storey residential building comprised of 383 dwelling units, including six replacement rental units on the second floor of the new building. The proposal includes a Tenant Relocation and Assistance Plan that addresses the right for existing tenants to return to a replacement rental unit at similar rent and financial compensation to mitigate hardship. The existing 10-storey rental apartment building known municipally as 15 Oxford Drive, which is comprised of 430 rental dwelling units, would be retained as part of the development and none of the building's residents would experience any changes to their tenancies.

The properties are the subject of an Official Plan Amendment (OPA) and Zoning By-law Amendment (ZBA) application (20 113215 WET 05 OZ), which was appealed to the Ontario Land Tribunal (OLT). A settlement offer was endorsed by City Council on February 2, 2022. On May 6, the OLT approved the OPA and ZBA applications in principle and withheld its final Order until outstanding matters, including a decision by City Council on the Rental Housing Demolition application and a Committee of Adjustment application to sever part of the 15 Oxford Drive 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 under Chapter 363 of the Toronto Municipal Code, subject to conditions.

RECOMMENDATIONS

The City Planning Division recommends that:

1. City Council approve the Rental Housing Demolition Application (20 113222 WET 05 RH) in accordance with Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the City of Toronto Act, 2006 to permit the demolition of six (6) existing rental dwelling units located at 8 and 12 Locust Street, subject to the following conditions:

- a) The owner shall provide and maintain six (6) 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 following such 20-year period, no replacement rental unit shall be registered as a condominium or any other form of ownership housing that provides a right to exclusive possession of a dwelling unit, including life-lease or co-ownership, and no application shall be made to demolish any replacement rental unit or convert any replacement rental unit to a non-residential rental purpose; and the six (6) replacement rental dwelling units shall be comprised of one (1) studio unit, four (4) one-bedroom units, and one (1) three-bedroom unit, as generally illustrated in the plans submitted to the City Planning Division dated March 23, 2022; and 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 all six (6) replacement rental dwelling units at affordable rents, as currently defined in the City's Official Plan, for a period of at least ten (10) years beginning from the date of first occupancy of each unit;
- c) The owner shall provide an acceptable Tenant Relocation and Assistance Plan to all Eligible Tenants of the six (6) existing rental dwelling units proposed to be demolished, addressing the right to return to occupy one of the replacement rental dwelling units at similar rents and other assistance, including a rent gap payment, to mitigate hardship; and 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;
- d) The owner shall provide tenants of all six (6) replacement rental dwelling units with access to, and use of, all indoor and outdoor amenities in the proposed 36-storey residential building at no extra charge, and 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 residential building at no additional cost to tenants;

f) The owner shall provide central air conditioning in each replacement rental dwelling unit within the proposed residential building at no additional cost to tenants;

g) The owner shall provide and make available for rent at least four (4) 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;

h) The owner shall provide tenants of the 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 residential building;

i) The replacement rental dwelling units required in Part 1.a shall be made ready and available for occupancy no later than the date by which seventy percent (70%) of the new dwelling units in the proposed development, exclusive of the replacement rental units, are made available and ready for occupancy; and

j) The owner shall enter into, and register on title at 8 and 12 Locust Street one or more agreement(s), to secure the conditions outlined in Recommendations 1.a. through 1.i. 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 six (6) existing rental dwelling units located at 8 and 12 Locust Street after all the following have occurred:

a) All conditions in Recommendation 1 above have been fully satisfied and secured;

b) The Official Plan Amendment(s) have come into full force and effect;

c) The Zoning By-law Amendment(s) have come into full force and effect;

d) The Committee of Adjustment application has received final approval;

e) 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;

f) The issuance of excavation and shoring permits (conditional or full permit) for the approved development on the site; and

g) The owner has confirmed, in writing, that all existing rental dwelling units proposed to be demolished are vacant.

3. City Council authorize the Chief Building Official and Executive Director, Toronto Building Division to issue a Rental Housing Demolition Permit under Chapter 667 of the Toronto Municipal Code after the Chief Planner and Executive Director, City Planning 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 8 and 12 Locust 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 residential 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 residential 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) 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 this report in the current budget year or in future years.

DECISION HISTORY

A Preliminary Report on the application dated June 22, 2020 was considered by Etobicoke York Community Council on July 14, 2020 authorizing staff to conduct a community consultation meeting with an expanded notification area and to bring forward the Final Report for the applications following the completion of the Mount Dennis Planning Framework Study. Community consultation is summarized in the Comments section of this report. The Preliminary Report can be found at:

<https://www.toronto.ca/legdocs/mmis/2020/ey/bgrd/backgroundfile-148296.pdf>

A Request for Direction Report was adopted by City Council on October 1, 2021, authorizing staff to attend the Ontario Land Tribunal (formerly Local Planning Appeal Tribunal) in opposition to the current Application regarding the Official Plan Amendment and Zoning By-law Amendment appeals for the lands at 8-16 Locust Street and 15 Oxford Drive and to continue discussions with the Applicant in an attempt to resolve outstanding issues and report back on outcomes. City Council accepted the report without amendments and without debate. The Request for Direction Report and City Council's Decision can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EY26.4>

A settlement was adopted by City Council on February 2, 2022. City Council accepted a with prejudice settlement offer, and among other matters, requested the OLT to withhold its final Order on the Zoning By-law Amendment until City Council has addressed the Rental Housing Demolition application and the owner has agreed to provide an acceptable Tenant Relocation and Assistance Plan. The Request for Direction Report and City Council's Decision can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.CC39.6>

ISSUE BACKGROUND

Proposal

The Rental Housing Demolition application proposes to demolish and replace six rental dwelling units within the existing buildings at 8 and 12 Locust Street in association with Official Plan Amendment and Zoning By-law Amendment applications to construct a new 36-storey residential building with 383 units.

Tenant assistance will be provided to all eligible tenants residing in the six existing rental dwelling units to be demolished. All eligible tenants will receive the following:

- Compensation equal to three months' rent pursuant to the Residential Tenancies Act;
- Additional compensation based on rent gap payments;
- A move-out moving allowance and move-back allowance; and
- Additional compensation and assistance for special needs tenants, with the final determination by the Chief Planner and Executive Director, City Planning.

Existing Rental Dwelling Units

According to the plans provided by the applicant and a site visit conducted by City Planning staff the existing rental properties are comprised of:

- 8 Locust Street: 1 studio unit, 1 one-bedroom unit and 1 three-bedroom unit; and
- 12 Locust Street: 3 one-bedroom units.

At the time of application all of the units had rents that were below the Official Plan affordable rent threshold.

Reason for the Application

Chapter 667 of the Toronto Municipal Code, the Residential Rental Property Demolition and Conversion Control By-law, prohibits the demolition of rental housing in any building or related group of buildings that contain six or more dwelling units without obtaining a permit from the City. Since the proposal involves the demolition of six rental dwelling units, a Rental Housing Demolition Application was submitted to the City.

POLICY CONSIDERATIONS

The Provincial Policy Statement (2020)

The Provincial Policy Statement (2020) (the "PPS") provides policy direction on land use planning and development to support an effective and efficient planning system, promote economic prosperity and environmental stewardship, and enhance the quality of natural and built environments in Ontario. The PPS supports a comprehensive, integrated, and long-term approach to planning, and recognizes linkages among policy areas. It includes policies on key issues that affect local communities, such as ensuring the sufficient provision of housing, including affordable housing, to accommodate needs that are both changing and growing.

The PPS recognizes the municipal official plan as the most important planning mechanism for the Statement's implementation. Comments, submissions or advice affecting a planning matter that are provided by Council shall also be consistent with the PPS.

A Place to Grow: Growth Plan for the Greater Golden Horseshoe

The Growth Plan for the Greater Golden Horseshoe 2019 was prepared and approved under the Places to Grow Act, 2005 to come into effect on May 16, 2019. Amendment 1 (2020) to the 2019 Growth Plan came into effect on August 28, 2020. The amended Growth Plan continues to provide a strategic framework for managing growth and environmental protection in the Greater Golden Horseshoe (GGH) region, of which the city forms an integral part.

The Growth Plan 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 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

The Toronto Official Plan outlines City Council's policies and objectives for land use planning and development. Section 3.2.1 of the Official Plan contains the City's policies pertaining to the provision, preservation, and replacement of housing.

Policy 3.2.1.6 prevents new development that would result in the loss of six or more rental dwelling units unless all of the existing rental units have rents that exceed mid-range rents at the time of application, or at least the same number, size, and type of rental units are replaced and maintained with rents similar to those in effect at the time of application. The policy also requires an acceptable tenant relocation and assistance plan, addressing the right for tenants to return to one of the replacement units at similar rents and other assistance to mitigate 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. Chapter 667 of the Toronto Municipal Code, the Rental Housing Demolition and Conversion Control By-law, implements Section 111. The By-law prohibits the demolition or conversion of rental housing units in buildings containing six or more residential dwelling units, of which at least one is a rental unit, without obtaining a permit from the City and requires a decision by either City Council or, where delegated, the Chief Planner and Executive Director, City Planning Division.

Council may refuse an application or approve an application with conditions, including requirements to replace the rental units and/or to provide tenant relocation and other assistance, which must be satisfied before a demolition permit is issued. Decisions made by City Council under Chapter 667 are not appealable to the Ontario Land Tribunal.

Section 33 of the Planning Act also authorizes Council to regulate the demolition of residential properties. Section 33 is implemented through Chapter 363 of the Toronto Municipal Code, the Building Construction and Demolition By-law, which requires Council approval of the demolition of any residential property that contains six or more dwelling units (irrespective of whether any are rental) before the Chief Building Official can issue a demolition permit under the Building Code Act. Where a proposal requires Council approval of a demolition application under Chapter 363 and a Rental Housing

Demolition application under Chapter 667, City Council typically considers both applications at the same time.

The proposal to demolish six rental dwelling units at 8 and 12 Locust Street requires approval under both Chapters 363 and 667 of the Toronto Municipal Code because it involves the demolition of at least six dwelling units and at least one rental unit. Section 6.2 of Chapter 363 provides for the coordination of approval processes, allowing the Chief Building Official to issue a single demolition permit for the purposes of Chapters 363 and 667. The Rental Housing Demolition Application was received on February 6, 2020 and deemed complete March 4, 2020.

Tenant Consultation

On May 19, 2022, staff held a tenant consultation meeting for impacted tenants to provide an overview of the City's housing policies, the impact of the rental demolition proposal on tenants of the six existing rental dwelling units, and the proposed tenant relocation assistance plan. The meeting was held virtually (due to the COVID-19 pandemic) and was attended by City staff and the applicant. However, none of the three tenant households attended the meeting.

City staff heard individually from two tenant households outside of the tenant meeting. Tenant feedback and questions included concerns about not being notified about their entitlements and rights related to the rental housing demolition application, their right to return and financial compensation.

COMMENTS

Provincial Policy Statement and Provincial Plans

Staff have evaluated the proposal and determined that it is consistent with the PPS and conforms with the provincial Growth Plan. The proposal to demolish six rental dwelling units and construct a new 36-storey residential building containing 383 residential dwelling units, including six replacement rental units will help meet the housing needs of current and future residents.

Rental Replacement

In accordance with policy 3.2.1.6 of the Official Plan, the applicant is proposing to replace the existing six rental dwelling units by their respective unit types and at similar rents to those in effect at the time of application. The replacement rental units would be located on the second floor of the proposed development. All the replacement rental units would have comparable unit sizes to the existing rental units.

The applicant has confirmed that tenants would reserve the right to return to a replacement rental unit at similar rent, and that rents for replacement rental units without returning tenants would not exceed the applicable affordable thresholds for a period of at least 10 years. Tenants who return to the replacement rental units would be protected

by the provincial rent increase Guideline, irrespective of whether such Guideline applied to the proposed development under the Residential Tenancies Act 2006, until their tenancies end.

Tenant Relocation Assistance Plan

The applicant has agreed to develop and implement a Tenant Relocation and Assistance Plan for all three Eligible Tenants who previously resided in the building at 8 Locust Street. At the time of application, existing tenants were not provided with notice of the Rental Housing Demolition and subsequently vacated their units at the request of the landlord. The applicant has agreed to treat the three tenant households which formerly occupied 8 Locust Street as Eligible Tenants and provide them with tenant relocation and assistance and the right to return. The Tenant Relocation and Assistance Plan would assist tenants in finding and securing alternative accommodation while the proposed development and replacement rental dwelling units are being constructed.

The applicant has agreed to implement a Tenant Relocation and Assistance Plan for the Eligible Tenants who current and previously lived in the property. The plan would consist of the following:

- The right to return to a replacement rental unit of the same bedroom type and a similar unit size, and at similar rent, as the rental unit they currently occupy;
- Financial compensation, above and beyond that required under the Residential Tenancies Act, 2006, in the form of a rent gap payments, where the rent gap would be calculated as the difference between the rent paid by the tenant on the date their tenancy is terminated and the most recent average rent for vacant private rental apartments by unit type in Canada Mortgage and Housing Corporation's (CMHC) Rental Market Survey (RMS) Zone 8 – (York City), which encompasses the development site for a 36-month period;
- In the event the proposed development took longer than 36 months to complete, the owner would provide the tenant additional monthly rent gap payments until the replacement rental units were ready for occupancy;
- Tenants who previously resided in the building at 8 Locust Street, and were not provided with notice of the Rental Housing Demolition, are entitled to additional rent gap payments reflecting the months between the date their tenancy was terminated and the start of the 36 month period;
- Two moving allowances to cover expenses for moving into alternative interim accommodation and back into a replacement rental unit; and
- Special needs compensation, as determined by the Chief Planner and Executive Director, City Planning.

City Planning staff are satisfied with the proposed Tenant Relocation and Assistance Plan as it addresses the concerns raised by tenants, is consistent with the City's expectations, and would ensure that tenants could continue to access and afford suitable housing within the neighbourhood until the new building and replacement rental units are constructed and available for occupancy. The Tenant Relocation and Assistance Plan will be secured through one or more agreements with the City and to the satisfaction of the Chief Planner and Executive Director, City Planning Division.

Conclusion

City Planning staff have reviewed the Rental Housing Demolition Application and recommend approval with conditions to allow for the demolition and replacement of six rental dwelling units on the site, along with a Tenant Relocation and Assistance Plan for the impacted tenants to mitigate hardship.

CONTACT

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SIGNATURE

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ATTACHMENT

City of Toronto Data/Drawings

Attachment 1: Location Map

Attachment 1: Location Map

