

161 and 167 Parliament Street, 351, 363, 371, and 373 Queen Street East, and 80, 90, 92, and 94 Power Street – Rental Housing Demolition Application – Final Report

Date: January 28, 2022

To: Toronto and East York Community Council

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

Ward: 13 – Toronto Centre

Rental Housing Demolition Application Number: 18 136700 STE 28 RH

Related Application Numbers: 18 136695 STE 28 OZ; 21 176821 STE 13 SA

SUMMARY

A Rental Housing Demolition application (18 136700 STE 28 RH) has been submitted under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the *City of Toronto Act, 2006* for the residential rental property at 161 and 167 Parliament Street, 351, 363, 371, and 373 Queen Street East, and 80, 90, 92, and 94 Power Street.

The application proposes to demolish a series of low-rise residential and commercial buildings that collectively contain eight rental dwelling units in order to redevelop the lands with a 27-storey apartment building comprised of 453 dwelling units, including eight replacement rental units. Commercial retail uses, including space for a potential supermarket, would be located on the first and second floors. The total Gross Floor Area (GFA) of the proposed development is approximately 34,900 square metres, of which approximately 31,300 square metres is residential GFA and approximately 3,600 square metres is non-residential GFA, resulting in a Floor Space Index (FSI) of 7.22 times the lot area.

The properties are also the subject of a combined Official Plan Amendment (OPA) and Zoning By-law Amendment (ZBA) application (18 136695 STE 28 OZ), which was appealed to the Ontario Land Tribunal (OLT), formerly the Local Planning Appeal Tribunal (LPAT), in September 2019 (Case No. PL190470) due to City Council's failure to make a decision on the applications within the timeframe prescribed by the *Planning Act*. A settlement offer was endorsed by City Council on October 27, 2020. Council deferred making a decision on the Rental Housing Demolition application and directed staff to request the OLT to withhold its Order on the OPA and ZBA appeals until such time as the Rental Housing Demolition application has been approved by Council and all appropriate conditions associated with the Rental Housing Demolition Permit, including the execution of any necessary agreements, have been satisfied.

On November 23, 2020, the LPAT issued a Decision approving the proposed OPA and ZBAs in principle and withheld its final Order until outstanding matters, including a decision by City Council on the Rental Housing Demolition application, 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 (18 136700 STE 28 RH) under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the *City of Toronto Act, 2006* to permit the demolition of eight (8) existing rental dwelling units at 161 Parliament Street and 90-94 Power Street, subject to the following conditions:

- a). The owner shall provide and maintain eight (8) replacement rental dwelling units for a period of at least 20 years beginning from the date that each replacement rental unit is first occupied. During 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. The eight (8) replacement rental units shall collectively contain a total gross floor area of 868 square metres and be comprised of six (6) two-bedroom units and two (2) three-bedroom units, as generally illustrated in the plans submitted to the City Planning dated September 10, 2021. Any revision to these plans shall be to the satisfaction of the Chief Planner and Executive Director, City Planning .
- b). The owner shall provide and maintain at least two (2) three-bedroom replacement rental dwelling units at affordable rents, as currently defined in the Toronto Official Plan, and six (6) two-bedroom replacement rental units at mid-range rents, as defined in the Toronto 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 eight (8) 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 rent gap payments, 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 .

- e). The owner shall provide tenants of all eight (8) replacement rental dwelling units with access to, and use of, all indoor and outdoor amenities in the proposed development at no extra charge, and on the same terms and conditions as any other resident of the development, without the need to pre-book or pay a fee unless specifically required as a customary practice for private bookings.
- f). The owner shall provide ensuite laundry in each replacement rental dwelling unit within the proposed development at no additional cost to tenants.
- g). The owner shall provide central air conditioning in each replacement rental dwelling unit within the proposed development at no additional cost to tenants.
- h). The owner shall provide and make available for rent at least two (2) vehicular parking spaces to tenants of the replacement rental dwelling units at a monthly parking charge that is no greater than the monthly charge offered to residents of the non-replacement rental dwelling units and on a first come-first serve basis.
- i). The owner shall provide tenants of the replacement rental dwelling units with access to visitor vehicular parking at no charge and on the same terms and conditions as it is offered to any other resident of the proposed development.
- j). The owner shall provide and make available at least seven (7) bicycle parking spaces to tenants of the replacement rental dwelling units at no charge and on a first come-first serve basis.
- k). The owner shall provide and make available for rent at least three (3) storage lockers to tenants of the replacement rental dwelling units at a monthly storage locker charge that is no greater than the monthly charge offered to residents of the non-replacement rental dwelling units and on a first come-first serve basis.
- l). The eight (8) 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.
- m). The owner shall enter into, and register on title to the lands at 161 and 167 Parliament Street, 351, 363, 371, and 373 Queen Street East, and 80, 90, 92, and 94 Power Street, one or more agreement(s) to secure the conditions outlined in Recommendations 1.a through 1.l 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 .

2. City Council authorize the Chief Planner and Executive Director, City Planning 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 eight (8) existing rental dwelling units at 161 Parliament Street and 90-94 Power 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 and 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 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 permits) 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 agreements pursuant to Section 37 of the *Planning Act* and Section 111 of the *City of Toronto Act, 2006* securing Recommendations 1.a. through 1.j above and any other requirements of the Zoning-Bylaw Amendments (if applicable).

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 Division to issue a Residential Demolition Permit under Section 33 of the *Planning Act* and Chapter 363 of the Toronto Municipal Code for 161 Parliament Street and 90-94 Power Street after the Chief Planner and Executive Director, City Planning 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 Division;
- c). the owner erects the proposed building no later than three (3) years from the date on which the demolition of the existing buildings 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 development containing the eight (8) replacement rental dwelling units 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 this report in the current budget year or in future years.

DECISION HISTORY

At its meeting on June 26, 2018, City Council adopted Item TE33.18 "161 and 167 Parliament Street, 351, 363, 371 and 373 Queen Street East and 80, 90, 92 and 94 Power Street – Official Plan and Zoning By-law Amendment and Rental Housing Demolition Applications – Request for Interim Directions Report" and authorized the City Solicitor, together with appropriate City staff, to attend the LPAT hearing in opposition of the OPA and ZBA appeals respecting the lands.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.TE33.18>

At its meeting on October 27, 2020, City Council adopted Item CC25.3 "161 and 167 Parliament Street, 351, 363, 371 and 373 Queen Street East and 80, 90, 92 and 94 Power Street – Official Plan and Zoning By-law Amendment and Rental Housing Demolition Applications – Request for Direction regarding a Local Planning Appeal Tribunal Appeal" and authorized the City Solicitor and appropriate City staff to attend at the LPAT hearing in support of a settlement offer on the OPA and ZBA appeals.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC25.3>

On November 23, 2020, the LPAT issued a Decision and Interim Order approving in principle the OPA and ZBAs for 161 and 167 Parliament Street, 351, 363, 371, and 373 Queen Street East, and 80, 90, 92, and 94 Power Street, subject to conditions.

ISSUE BACKGROUND

Development Proposal

The combined OPA and ZBA application for the subject site was approved in principle by the LPAT on November 23, 2020, subject to City Council's approval of the Rental Housing Demolition application. All three applications encompass the lands municipally known as 161 and 167 Parliament Street, 351, 363, 371, and 373 Queen Street East, and 80, 90, 92, and 94 Power Street (see Attachment 1 – Location Map).

Once finalized, the OPA would amend the King-Parliament Secondary Plan by adding a new Site and Area Specific Policy (SASP) that would permit the redevelopment of the lands with a 27-storey mixed-use development consisting of a three-storey base building topped by a mid-rise element that would range from 10 to 13 storeys, followed by a tower element that would rise to 27 storeys.

The ZBAs would provide relief from maximum building height (overall and base building height) and density restrictions, as well as angular plane and minimum parking requirements (among others), as set out in the former City of Toronto Zoning By-law 438-86 and the City-wide Zoning By-law 569-2013. The approvals would permit a maximum building height of 27 storeys (91.5 metres, exclusive of a 6.0-metre mechanical penthouse), a maximum total GFA of 35,700 square metres, and a maximum residential GFA of 32,100 square metres.

The proposed development would contain a total of 453 dwelling units, including 37 (8.2%) studio units, 170 (37.5%) one-bedroom units, 189 (41.7%) two-bedroom units, and 57 (12.6%) three-bedroom units. Residents would have access to a 722-square metre indoor amenity space on the fourth floor, which would lead directly to a 910-square metre outdoor amenity space on the rooftop of the three-storey base building. A 2,167-square metre space planned for a supermarket would be located on the second floor of the building, which would be accessed by patrons from either the ground floor or the first level of underground parking. An additional 840 square metres of retail GFA would be located on the ground floor. The development would be serviced by 167 vehicular parking spaces (90 residential and 77 visitor/commercial spaces) and 488 bicycle parking spaces (414 residential and 74 visitor/commercial spaces).

The Rental Housing Demolition application is proposing to demolish the eight existing rental dwelling units at 161 Parliament Street and 90-94 Power Street and replace the eight rental units proposed to be demolished on the mezzanine level of the first floor and on the second floor of the proposed development. The replacement rental units are comprised of six (6) two-bedroom rental units and two (2) three-bedroom rental units.

Subject Site

The subject site is located at the southeast corner of Queen Street East and Parliament Street on the northern portion of the block bounded by Queen Street East to the north, Power Street to the east, Richmond Street East to the south, and Parliament Street to the west. The site consists of a total of 10 properties (161 and 167 Parliament Street, 351, 363, 371, and 373 Queen Street East, and 80, 90, 92, and 94 Power Street), of which six are being used for residential purposes, as follows:

- 161 Parliament Street – Single-detached house containing two (2) three-bedroom rental dwelling units (the basement and main floors comprise one unit, and the second floor comprises a second unit).
- 371 and 373 Queen Street East – Mixed-use building that is currently vacant but formerly contained commercial office and/or retail uses on the ground floor and two owner-occupied residential units on the second floor.

- 90, 92, and 94 Power Street – A block of three (3) townhouses with two (2) rental dwelling units per townhouse (in each townhouse, the basement and main floors comprise one unit, and the second floor comprises a second unit).

The properties at 167 Parliament Street, 351 and 363 Queen Street East, and 80 Power Street are all being, or have previously been, used for commercial purposes.

The site contains a total of eight rental dwelling units with the following unit mix and rent classifications:

Table 1: Breakdown of Existing Rental Units by Bedroom Type and Rent Classification

Unit Type	Rent Classification			
	Affordable	Mid-range	High-End	Total
Studio	0	0	0	0
One-bedroom	0	0	0	0
Two-bedroom	0	6	0	6
Three-bedroom	2	0	0	2
Total	2	6	0	8

As of the date of this report, six of the eight existing rental units are occupied.

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 eight rental dwelling units, a Rental Housing Demolition application was submitted to the City.

POLICY CONSIDERATIONS

Provincial Policy Statement and Provincial Plans

Provincial policy statements and geographically-specific provincial plans, along with municipal official plans, provide a policy framework for planning and development in Ontario.

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:

- the efficient use and management of land and infrastructure;
- ensuring the sufficient provision of housing, including affordable housing, to accommodate needs that are both changing and growing;
- ensuring opportunities for job creation;
- ensuring 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 PPS recognizes the municipal official plan as the most important planning mechanism for the Statement's implementation.

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.

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 establishes policies that require implementation through a Municipal Comprehensive Review (MCR), which is a requirement pursuant to Section 26 of the *Planning Act*. 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;
- Directing municipalities to engage in an integrated approach to infrastructure planning and investment optimization as part of the land use planning process;
- Achieving a diverse range of housing options, protected employment zones, recreation and public service facilities, and green spaces;
- Planning for transit-supportive densities and integrating transit services to facilitate the efficient movement of people and goods;
- Retaining viable lands designated as employment areas and ensuring redevelopment of lands outside of employment areas retains space to accommodate jobs 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 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, maintenance, 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, in cases where planning approvals other than site plan are being sought, at least the same number, size, and type of rental units are replaced and maintained with similar rents and the applicant develops an acceptable tenant relocation and assistance plan, addressing the right to return to 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 the City to regulate the demolition and conversion of residential rental properties. Chapter 667 of the Toronto Municipal Code, the Residential Rental Property Demolition and Conversion Control By-law, implements Section 111. The By-law prohibits the demolition of rental housing in any building or related group of buildings that collectively contain six or more dwelling units without obtaining a permit from the City and requires a decision by City Council or, where delegated, the Chief Planner.

Under Sections 14 and 15 of Chapter 667, Council may refuse an application or impose conditions on an approval, including conditions requiring an applicant to replace the rental units proposed to be demolished and/or to provide tenant relocation and assistance, which must be satisfied before a demolition permit is issued. These conditions implement the City's rental housing protection policies in the Official Plan.

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 any demolition of a 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, 1992*. Where a proposal requires Council approval of a residential demolition application under Chapter 363 and

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

The proposal to demolish eight rental dwelling units on the subject lands 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 dwelling unit. The Rental Housing Demolition application was submitted on March 29, 2018 and deemed complete by City Planning staff on May 16, 2018.

Tenant Consultation

On October 13, 2021, a tenant consultation meeting was held pursuant to section 14B of Chapter 667 to review the City's housing policies, the impact of the proposed demolition on existing tenants, and the proposed Tenant Relocation and Assistance Plan. The meeting was held virtually (due to the COVID-19 pandemic) and attended by five tenants, representatives of ONE Properties (the owner), the applicant's planner and architect, City Planning staff, and a representative of the local Councillor's office.

During the meeting, tenants asked questions and expressed concerns about:

- The timing of the application and when it would be approved;
- The timing of the proposed demolition and the estimated length of time over which the proposed development would be constructed;
- The proposed replacement rental unit layouts;
- The process for signing a new lease agreement and how monthly rent would be established upon returning to a replacement rental unit;
- How tenants would be able to afford alternative interim accommodation as the proposed development is being constructed, given that tenants currently pay rents that are below market rents for comparable units in the area;
- What would happen if tenants were unable to find alternative interim accommodation that they could afford;
- Whether ONE Properties has any other rental units to which tenants could relocate in the interim; and
- Whether there would be on-street parking available for residents of the proposed development.

Following the meeting, City Planning staff received email correspondence from tenants that asked questions and raised concerns with regard to:

- How tenants with the longest seniority would have a choice of replacement rental unit to which they may elect to return;
- How tenants of affordable housing can be expected to afford an additional ~\$1,000 in monthly rent over three years (the estimated construction timeline) for a unit that is smaller than what they currently rent, given the proposed amount of financial compensation that tenants would receive based on their length of tenure;
- Whether ONE Properties has any other rental units in which tenants could temporarily reside as the proposed development is being constructed;

- What tenants are to do if rents charged for alternative interim accommodation in the area are significantly higher than what tenants currently pay;
- Whether parking would be made available to tenants in the interim and what parking charges would be in the proposed development;
- The level of noise that is expected from the supermarket in the proposed development and whether such noise could interfere with tenants' reasonable enjoyment of their units;
- Whether rents for the replacement rental units could be increased to market rates one year after tenants sign lease agreements for the replacement rental units;
- Whether maintenance fees would be included in the lease agreements for the replacement rental units; and
- How the City determines length of tenure for the purposes of calculating financial compensation under the proposed Tenant Relocation and Assistance Plan.

Given the significant concerns expressed by tenants about being able to access affordable alternative interim accommodation in the area with the proposed financial compensation based on each tenant's length of tenure, the applicant revised their Tenant Relocation and Assistance Plan to replace the financial compensation by length of tenure with rent gap payments that would fully subsidize the difference in rents that are currently paid by tenants and market rents for comparable units in the area, as described below.

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 eight rental dwelling units within four ground-related residential buildings to construct a new apartment building comprised of 445 net new residential units and eight replacement rental units would accommodate new housing supply through intensification and redevelopment, and contribute to a greater mix of housing options to meet the market-based housing needs of current and future residents.

Toronto Official Plan

In accordance with policy 3.2.1.6 of the Official Plan, the applicant is proposing to replace the existing eight 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 mezzanine level of the first floor and on the second floor of the proposed development. The two-bedroom replacement rental units would have comparable unit sizes to the existing two-bedroom rental units, while the floor area of the existing three-bedroom rental units would be more evenly distributed between the replacement three-bedroom rental units.

City Planning staff are of the opinion that it would be appropriate and consistent with the intent of policy 3.2.1.6 to more evenly distribute the existing three-bedroom floor area

(230 square metres) over the two (2) three-bedroom replacement rental units because the larger existing three-bedroom rental unit (163 square metres, compared to 67 square metres for the smaller three-bedroom unit) is currently vacant and would not have a returning tenant. The result would be the replacement of two large three-bedroom units that conform with the family-friendly unit sizes in the City's Growing Up Guidelines (each having an area of at least 108 square metres), rather than the replacement of one unusually large three-bedroom apartment unit and one unusually small three-bedroom unit. In addition, the existing tenant of the smaller three-bedroom unit would be able to return to a larger replacement rental unit.

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 or mid-range rent 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* (RTA), until their tenancies end.

Tenant Relocation and Assistance Plan

The applicant has agreed to develop and implement a Tenant Relocation and Assistance Plan for all six (6) Eligible Tenants who reside in the buildings at 161 Parliament Street and 90-94 Power Street. The plan would assist tenants in finding and securing alternative accommodation while the proposed development and replacement rental dwelling units are being constructed.

A draft Tenant Relocation and Assistance Plan was presented to tenants at the tenant consultation meeting on October 13, 2021. The draft plan was comprised of the following for each Eligible Tenant:

- 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;
- At least six (6) months' notice before having to vacate their existing dwelling unit (minimum of four months' notice required under Section 50 the RTA and two additional months' notice);
- Financial compensation equivalent to three (3) months' rent or an alternative rental unit acceptable to the tenant, as required under Section 52 of the RTA);
- Additional financial compensation beyond the requirements of the RTA based on the tenant's length of tenure and consistent with the City's current practices (this has since been removed and replaced by financial compensation in the form of rent gap payments, as outlined below);
- Two moving allowances of \$2,500, which is based on the bedroom type of the Eligible Tenant's existing rental unit and consistent with the City's current practices, to cover expenses for moving, first, into alternative interim accommodation and, second, from the interim accommodation into a replacement rental unit;
- Special needs compensation, as determined by the Chief Planner; and

- Upon request, make a rental leasing agent available to the Eligible Tenant to provide them with a list of rental vacancies in the neighbourhood, co-ordinate referrals and references from the current landlord, and provide similar assistance commensurate with the tenant's needs.

In response to concerns of tenants about the ability to afford interim alternative accommodation in the area with the proposed additional compensation by the tenant's length of tenure, the applicant revised their proposed Tenant Relocation and Assistance Plan and replaced the additional financial compensation by length of tenure with financial compensation in the form of rent gap payments.

The rent gap payments would be paid to each Eligible Tenant to cover the difference between tenants' current rents and market rents for comparable units in the area over the period of construction of the proposed building (estimated at three years). The monthly rent gap would be calculated as the difference between the rent paid by a tenant on the date they receive their six (6) months' notice 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 1 (Toronto Central), which encompasses the development site and the City's Downtown.

The rent gap payments would be paid by ONE Properties to each Eligible Tenant on the date they provide vacant possession of their existing rental unit. In the event the proposed development and replacement rental units took longer than three (3) years to complete, ONE Properties would provide each tenant an additional rent gap payment equal to the applicable additional accrued monthly rent gap until the replacement rental units were ready for occupancy. If required, the additional rent gap payment would be provided to tenants at the time they sign their lease agreements for the replacement rental units.

The rent gap payments would replace the financial compensation by length of tenure that was proposed at the tenant consultation meeting (as described above), but all other aspects of the proposed Tenant Relocation and Assistance Plan would remain the same: tenants would still reserve the right to return to a replacement unit of a similar unit type and size at similar rent, tenants would still receive at least six months' notice and moving allowances, and a leasing agent would still be made available to tenants upon request.

City Planning staff are satisfied with the revised Tenant Relocation and Assistance Plan as it directly 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

This report recommends approval of the application to demolish eight rental dwelling units at 161 Parliament Street and 90-94 Power Street, subject to the conditions set out 161 and 167 Parliament Street, 351, 363, 371, and 373 Queen Street East, and 80, 90, 92, and 94 Power Street – Rental Housing Demolition Application – Final Report Page 13 of 15

in the recommendations of this report. The proposal involves the full replacement of the existing rental units and the applicant has developed an acceptable Tenant Relocation and Assistance Plan, addressing the right to return to a replacement rental unit at similar rent and additional financial compensation in the form of rent gap payments to mitigate hardship for existing tenants. The demolition would permit the redevelopment of the site with a new apartment building containing 445 new residential units and full replacement of the existing rental units, facilitating significant new housing supply while contributing to the provision of a broader range and mix of housing options to accommodate the needs of current and future residents.

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SIGNATURE

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Toronto & East York District

ATTACHMENT

City of Toronto Data/Drawings

Attachment 1: Location Map

Attachment 1: Location Map

