

REPORT FOR ACTION

Expanding Housing Options in Neighbourhoods: Multiplex Study - Supplementary Report

Date: May 8, 2023 To: City Council From: Chief Planner & Executive Director, City Planning Wards: All

SUMMARY

This report provides commentary on the issues raised through public communications to Planning and Housing Committee at its meeting of April 27, 2023.

RECOMMENDATIONS

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

1. City Council receive this report for information.

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.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications.

BACKGROUND

At its meeting of April 27, 2023, Planning and Housing Committee held a statutory public meeting and adopted staff recommendations to amend the Official Plan and city-wide Zoning By-law to permit duplexes, triplexes and fourplexes in *Neighbourhoods* across Toronto. The Committee also moved additional recommendations, including a

request for staff to report directly to the May 10-12, 2023 meeting of City Council on the issues raised in the communications and whether any further amendments are recommended.

https://secure.toronto.ca/council/agenda-item.do?item=2023.PH3.16

COMMENTS

Summary of Communications Received

At its April 27, 2023 meeting, Planning and Housing Committee received 1,034 communications with respect to Item 3.16 and heard from 24 deputants. Of the written submissions:

- 633 expressed support, including six letters received from formal organizations; and
- 401 expressed concern, including 15 letters received from residents' groups or umbrella residents' organizations.

Of those who deputed before the Committee:

- 16 spoke generally in favour of the proposed amendments; and
- 8 spoke generally in opposition.

This report will comment on the major themes received in comments to Planning and Housing Committee at its meeting on April 27, 2023.

Issues Raised and Staff Response

Permitting up to Four Units in All Zones

Of those written in opposition, many communications questioned the need to permit up to four units when the recent Provincial legislation amending the *Planning Act* (Bill 23 – *More Homes Built Faster Act*, 2022) refers to three.

The legislation applies to all municipalities across Ontario, regardless of the municipality's size, and does not restrict municipalities from exceeding these minimums. This study has outlined the multi-faceted rationale for multiplex housing across Toronto. As the country's largest city, serviced by substantial existing and planned rapid transit, and given the feasibility challenges in the Toronto economic context, staff are of the opinion that the City should lead municipalities in increasing housing within low-rise neighbourhoods by permitting up to four units. Housing with four or more units already exist in a variety of residential areas alongside single detached homes and other low-rise building types. Design testing and existing precedents have shown that providing an additional unit while still maintaining the scale of its context is achievable, from both a built form and financial perspective.

Further, some *Neighbourhoods*, such as those within the city's Major Transit Station Areas, may be appropriate for additional density such as low-rise apartments. Other initiatives in the City's Housing Action Plan Report will consider policy and zoning changes to enable low- to mid-rise buildings.

Floor Space Index (FSI)

Communications received from residents' groups indicated concern with the elimination of Floor Space Index as a limiting factor to regulate the size and mass of a building on a lot. Some suggested setting a higher limit rather than eliminating FSI altogether, others felt that having no FSI would support an intent of "unlimited density" and would lead to the erosion of landscaped open space and the tree canopy.

FSI works in conjunction with other built form standards that directly regulate built form, such as setbacks. The former City of Toronto adopted FSI regulations in 1958 as a method of predicting the expected number of residents and employees generated; prior to that, lot coverage was generally used to control built form. Today, FSI maximums apply to 37% of the city, while the majority of other residential zones regulate lot coverage as a way to limit building 'bulk' in addition to setbacks and other built form standards.

Notwithstanding the proposed Zoning By-law Amendment, zoning will continue to regulate the low-rise scale, footprint and massing of buildings through built form controls such as height, setbacks, stepbacks and building length/depth. Through work with the ULI Technical Assistance Panel and consultation on the draft zoning by-law, staff heard that applying existing FSI limits to multiplexes would significantly impact the feasibility of this type of development. Taking a form-based approach to regulating housing in neighbourhoods is more responsive to individual contexts and provides greater consistency in built form. Exempting multiplexes from FSI allows for greater flexibility in the internal configuration of multiplex buildings and ensures multiplexes of similar scales can be built across the city.

Elimination of Floor Space Index on Larger Lots

Some communications provided comments that should FSI be eliminated, the lack of lot coverage regulations in certain parts of the city could result in much larger buildings than intended, particularly on large lots. Staff have reviewed and considered this and recognize the potential for wide lots to accommodate additional floor space.

Since its launch, the multiplex study approach of generally 'Thinking Inside the Box" adopted the premise of making better use of current zoning envelopes as a way to accommodate denser low-rise building types, while signalling that some adjustments would be considered if they would serve to enable multiplex feasibility. This is not intended to override, but work in concert with considerations such as heritage features and typical built form characteristics of the existing context. If FSI, setback, building depth and height variances have in the past been granted to permit the construction of large-scale single detached homes in established neighbourhoods, staff submit that Toronto's low-rise areas can be better utilized to house more people in those neighbourhoods within a similar floor area.

Building Heights

Communications on the topic of height expressed a range of opinions, from an opposition to any height increase, to a suggestion that heights should be increased to 12 metres citywide to allow for four storey multiplexes everywhere.

The proposed amendment to increase heights for multiplexes to at least 10 metres in neighbourhoods would allow for three-storey buildings where this is currently not permitted, as discussed in the Multiplex Final Report. It is staff's opinion that at this time, allowing up to three storeys in neighbourhoods that currently have a one- or two-storey context provides an appropriate transition in scale as these communities evolve over time. The proposed amendment also incorporates a requirement for flat-roofed multiplexes to provide a stepback at the front and rear, to help regulate the massing of the third storey.

Building Depth

Submissions to Planning and Housing Committee also indicated a range of opinions on the proposal to permit additional building depth for multiplexes on lots with specific depths. Concerns included impacts on privacy and overlook, open space and trees, relationship to neighbouring lots and light penetration to units.

Through the February consultation efforts, staff solicited feedback whether building depths greater than 17 metres should be considered. This was based on the ULI Technical Assistance Panel recommendations, and a scan of recent Committee of Adjustment applications indicating a high frequency of variance requests for building depths up to 20 metres or greater, among all low-rise housing types. Having heard both support for and opposition to this idea, staff conducted an analysis to determine appropriate lot depth requirements that could accommodate increased building depth while maintaining open space.

Staff recommend that multiplexes be granted as-of-right depth permissions of 19 metres only on deeper lots. The definition of what is a "deep lot" varies based on the width of a lot - wider lots are required to be deeper to be granted the 19 metre building depth permissions. This approach recognizes that on wider lots, there is more room to build using the full width of the lot and the extra depth is not required to build a multiplex with sufficient living space. On narrower lots, the extra depth supports the achievement of more livable unit sizes. In both cases, the lots are still subject to same setback regulations, ensuring that sufficient landscaped open space is preserved. Hard and soft landscaping requirements are not proposed to be changed and would continue to apply.

Permissions for building platforms (decks and balconies) are effectively similar to what is permitted for single detached and semi-detached houses, which have no maximum number but are limited by encroachments into front or rear setbacks. The amendment would ensure that each unit has the opportunity for access to private outdoor amenity space.

Feasibility/Affordability

Throughout the study there have been many questions surrounding the affordability of multiplex units and whether builders could be mandated to ensure that new units are affordable. Some have raised concerns about multiplex feasibility.

Staff have consistently communicated that Expanding Housing Options in Neighbourhoods is primarily a market housing initiative, focusing on the expansion of

rental housing options, in a range of formats, within the City's *Neighbourhoods*. EHON initiatives represent one portion of the City's Housing Action Plan, which also includes a range of efforts to address housing access and affordability in Toronto. While the multiplex recommendations will not necessarily result in the creation of deeply affordable rental housing, they will enable permissions for housing forms that support residents with a much broader range of incomes and household compositions at various life stages than does the current housing stock within many low-rise communities. Households without the means to purchase or rent a full single-detached home may still be able to access a smaller unit within the same neighbourhood. Multiplex units could also support intergenerational living, with for example a separate unit created to support aging in place or extended families.

As reported previously, the team worked with a Technical Assistance Panel convened by the Urban Land Institute to explore the economic viability of converting homes or building new multiplexes in the Toronto context. Staff have advanced some of the Panel's findings to improve project feasibility, including the elimination or reduction of charges and fees.

Parking

A common topic in consultation, deputations and communications to PHC concerned the need for additional parking spaces for new units being created through the proposed permissions. The proposed amendments do not include provisions for on- or off-site parking, in keeping with Official Plan goals to encourage alternative modes of travel.

City Council adopted revised city-wide parking standards on Dec 15, 2021. These revised standards do not contain minimum or maximum parking standards for all housing including low-rise housing and multiplexes. This means that there is no requirement for parking in Toronto's *Neighbourhoods*, but it remains up to individual property owners to determine how much parking to provide on-site while meeting zoning standards for soft landscaping. It is anticipated that the provision of parking will be demand driven, with some units being offered with or without parking on-site.

Where on-street parking is provided, residents of multiplex units can apply for a permit if needed. Current parking permit holders will not lose their permits until they decide they are no longer needed. Further work is being undertaken by Transportation Services through the Parking Strategy, adopted by Council in April 2022, which will include a comprehensive review of residential permit parking administration and usage, the fee structure, and front yard parking pads. Finally, the multiplex monitoring program will track parking-related data on incoming developments, such as number of spaces provided and whether variances are requested to accommodate increased parking areas on-site.

Tree Canopy

Another common theme throughout the duration of this study has been concern about its impacts on preserving and expanding the tree canopy. Comments expressed that the current tools for protecting the tree canopy are not proving effective; that minor variance

and consent applications have resulted in tree removal; and requested further information about the City's interdivisional working group on this issue.

Official Plan policies, Council direction and current Urban Forestry practices under the tree by-laws regarding tree protection for laneway and garden suites are more specific and restrictive than the City's current policies and practices regarding any other type of development in Neighbourhoods. The same specific and restrictive policies and practices are proposed for multiplexes. Urban Forestry has been involved with City Planning's monitoring of the impacts of laneway and garden suites and reported initial findings in the Laneway Suites monitoring report in 2021. This monitoring approach is proposed to be expanded to include multiplexes.

Staff from City Planning, Toronto Building, Municipal Licensing and Standards, Transportation Services and Urban Forestry have convened and discussed several potential actions and strategies related to achieving the City's goals for protecting and enhancing the urban forest, and increasing greenspace and landscaping, while supporting infill development and growth.

Based on the pressures expected with the introduction of a number of new Provincial housing-related legislation and regulations (Bill 109 and Bill 23), and the beginning of a new City Council term, the proposed report back timing of Q1 2023 was not feasible as these new laws and regulations are likely to include new constraints and opportunities.

With respect to trees affected through minor variance and consent applications, Urban Forestry is a commenting division to the Committee of Adjustment. When healthy by-law regulated trees are proposed for removal or unacceptable injury due to a Minor Variance or Consent to Sever Application, Urban Forestry can recommend that the Committee of Adjustment refuse the application.

Sustainability and Environment

Some communications expressed concern about the environmental impacts of the proposed amendments, such as the demolition and replacement of smaller houses with more carbon-intensive buildings, and the reduction in soft landscaping leading to greater stormwater runoff and basement flooding.

Sustainability is one of the guiding principles of the Multiplex study. The proposed Official Plan policies encourage sustainable building practices such as the salvage and reuse of building materials and existing foundations; and provide for consideration of variance approvals where they are necessitated by sustainable development measures -- for example, eliminating basement construction or preserving healthy existing trees. Another policy included among the development criteria is the requirement to integrate with existing grade at the property line, to avoid reverse slope driveways and reduce basement flooding risk. The zoning by-law amendment does not propose to alter minimum landscaping requirements, so that green space and soft landscaping continue to support groundwater infiltration.

One deputant proposed that developments should submit their carbon emissions budget for review as part of a building permit application, to build in sustainability for

multiplex proposals. While the Toronto Green Standard does not apply to low-rise dwelling types of less than five units, City Council is considering a report (Item PH3.19) that includes updated TGS Tier 2 (voluntary) performance measures to measure embodied carbon and demonstrate an emissions intensity. The City does not require additional requirements above the Building Code, or applicable law, during the building permit stage.

The Toronto and Region Conservation Authority (TRCA) did not comment on the proposal during the consultation period, but provided communication to suggest including an additional sidebar in the Official Plan Amendment, and language in the Zoning By-law Amendment. The suggested sidebar would specify that intensification is not permitted within Hazard lands. As the balance of the Official Plan and Zoning By-law 569-2013 will continue to apply to *Neighbourhoods*, these changes are not necessary; however, this comment will be noted for ongoing and future Official Plan policy review.

Infrastructure and Amenities

Many submissions have raised concerns about the impact of increased density on existing amenities, services and infrastructure available to existing residents. In particular, residents in Scarborough expressed that these elements, as well as transit, are already lacking in their neighbourhoods.

Part of the context for the Expanding Housing Options in Neighbourhoods initiatives has been that many of the City's existing neighbourhoods have been experiencing population decline in recent years, which has resulted in underutilized infrastructure in some areas. Shrinking family sizes and changing demographics have meant that some neighbourhoods have services meant to serve more people. In contrast to concentrations of dense development in high-growth areas, gentle and small-scale intensification in neighbourhoods produces gradual and incremental impacts on existing municipal infrastructure that can be feasibly managed through the City's capital planning processes.

It is difficult to ascertain how many multiplex dwellings units will be built as an outcome of the proposed zoning by-law, because even with as-of-right zoning, development will be market driven, as an outcome of each property owner's individual decisions. Development of multiplex buildings is not a requirement, but a choice. Many properties may remain single-unit dwellings while other owners may exercise the option to expand. Earlier in the study, the team examined multiplex development trends in the areas of the city where these permissions already exist, and found that between 2010-2020, there were only 226 applications for minor variances to construct, legalize/maintain, or add units in multiplex building types, resulting in approximately 330 net new units. The incremental nature of this form of development suggests modest impacts to existing infrastructure.

Multiplex development may follow a similar trajectory as laneway suites and garden suites with a gradual increase in permits issued as interest builds. As of January 31, 2023, 412 building permits have been issued for laneway suites, which have been permitted since 2018 and 2019, and 16 building permits have been issued for garden suites, which have been permitted since July 2022.

The Multiplex Final Report recommends the implementation of a monitoring program to track the number and type of net new units proposed, as well as their geographic distribution, to assess whether future servicing infrastructure capacity and community service and facility improvements are needed.

The first phase of the complementary EHON initiative exploring Neighbourhood Retail and Services resulted in Official Plan and Zoning By-law Amendments to equalize permissions for small-scale businesses to be located in residential-zoned land across the city. The aim of this work is to provide opportunities for new retail and service uses to locate within neighbourhoods, to support walkable communities with improved amenity.

Official Plan Amendment

One of the communications received provided comments on the structure and wording of the proposed Official Plan Amendment, noting that the development criteria should retain "prevailing heights, massing, scale, density and dwelling type" in 4.1.5 (c) but amend 4.1.5 (d) to make it clear that zoning permissions prevail. Staff are of the opinion that this would create confusion in interpretation and do not recommend accepting this change. Other changes suggesting references to building types with up to four units are not consistent with staff's recommendations to permit fourplexes.

Consultation

Some deputants and correspondents raised concerns that the proposed directions presented in public consultation were not aligned with the final recommendations; that the proposed zoning demonstrated change on isolated lots, not in a neighbourhood context; that the information was too complex; and that residents were not adequately aware of the proposals.

Consultation and outreach on the EHON initiative has been ongoing through a range of channels since 2020, including a series of reports to Council on the various studies underway. Attachment 3 – Consultation Summary to the Multiplex Final Report (April 13,2023) details the methods undertaken to inform residents of the proposals and gather feedback. Staff utilized print and social media, e-updates to resident and stakeholder groups, Councillor information sessions, news releases and interviews, as well as concerted efforts to include segments of the population not typically represented in consultation, such as the EHON Roundtable convened in partnership with the Canadian Urban Institute.

Recognizing that the policy and zoning materials can be complex, staff provided plainlanguage commentary and graphic illustrations alongside the proposed technical changes posted on the website to explain their purpose and intent. During the consultation events, in addition to outlining the proposed changes, staff posed questions with the specific intent to solicit public feedback on matters such as building depth, stepbacks for flat-roofed buildings and balcony size. A preliminary proposal to permit multiplexes to exclude certain building elements from Floor Space Index calculations generated significant response that this would not be sufficient to incentivize and facilitate multiplexes. Having received feedback on these matters, staff considered where changes may be appropriate in formulating their final recommended amendments to Council. In this way, the consultation exercise worked as it is intended – to hear from the public and adjust accordingly.

Deferral to Post-Mayoral Election

Some communications received suggested that consideration of the multiplex amendments should be deferred until after a new Mayor is elected on June 26, 2023. The direction to pursue multiplex permissions as part of the EHON proposal, and subsequently as part of the Housing Action Plan, came from Council as a whole and these reports have been prepared in response to those directions.

CONCLUSION

Since its inception, the Multiplex team has adopted five core Guiding Principles to ground and inform its study work, explore and iterate different approaches, and consider a range of factors to make multiplexes a successful model for Toronto:

- Neighbourhoods for Everyone To ensure equity and inclusivity, the proposed amendments provide options across all of Toronto's low-rise neighbourhoods, so that all people can have the opportunity to access the community that suits their needs.
- City of Neighbourhoods Recognizing that many Torontonians identify strongly with their neighbourhood and its characteristics, the proposed amendments maintain the general standards that are specific to each area, while creating room for others to make their home there.
- Low-Rise Neighbourhoods will continue to be low-rise in scale, to maintain and generate new ground-related dwellings as an important option in the city's housing spectrum.
- Green and Livable Maintaining and enhancing the green character of our neighbourhoods, supporting the tree canopy, encouraging sustainable building practices and ensuring appropriately sized units are all key considerations for sensitively accommodating growth.
- Facilitate Multiplexes Staff's recommendations are intended to reduce Cityimposed fees as well as process, policy and zoning barriers, enabling multiplexes to be built faster and with less cost, so that much-needed housing can come online sooner.

These guiding principles have continued to aid in weighing the various perspectives expressed though public feedback on the proposed amendments, with the broader objective of facilitating more housing choice within the context of our low-scale neighbourhoods. Staff are of the opinion that the recommended Official Plan and Zoning By-law Amendments strike the right balance that maintains ground-related housing while embracing necessary change and making space for additional households to benefit from these expanded options.

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