# **TORONTO**

# REPORT FOR ACTION

# 2-24 Temple Avenue - Rental Housing Demolition Application - Decision Report - Approval

**Date:** August 31, 2023

**To:** Toronto and East York Community Council

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

Ward: 4 – Parkdale-High Park

Rental Housing Demolition Application Number: 21 105909 STE 04 RH

Related Application Numbers: 21 105906 STE 04 OZ, 21 205245 STE 04 SA

#### SUMMARY

This Rental Housing Demolition application proposes to demolish 23 rental dwelling units at 2-24 Temple Avenue and replace them with 23 replacement rental dwelling units within the proposed new 14-storey residential building on the site, comprising 268 dwelling units.

The properties are also the subject of a Zoning By-law Amendment (ZBA) application (21 105906 STE 04 OZ), which was appealed to the Ontario Land Tribunal (OLT) (Case No. OLT-21-001749) on the basis of City Council's failure to make a decision on the application within the statutory timeline under the Planning Act. City Council endorsed a settlement offer on December 14, 2022 and directed staff to request the OLT to withhold its Final Order on the appeals until such time as Council has made a decision on the Rental Housing Demolition application. The OLT issued a Decision, effective January 26, 2023, approving the ZBA application appeal with conditions.

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 replacement of the existing rental housing units and provision of a Tenant Relocation and Assistance Plan, to the satisfaction of the Chief Planner and Executive Director, City Planning Division and Chief Building Official and Executive Director, Toronto Building Division.

#### RECOMMENDATIONS

The City Planning Division Recommends that:

1. City Council approve the Rental Housing Demolition Application File No. 21 105909 STE 04 RH in accordance with Chapter 667 of the Toronto Municipal Code and pursuant to Section 111 of the City of Toronto Act, 2006 to allow the demolition of twenty-three (23) existing rental dwelling units located at 8-10, 14, 16, and 22 Temple Avenue, subject to the following conditions:

- a) The Owner shall provide and maintain twenty-three (23) replacement rental dwelling units on the subject site 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 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 replacement. The twenty-three (23) replacement rental dwelling units shall collectively have a total gross floor area of at least 1,071.4 square metres and shall be comprised of fourteen (14) studio units, four (4) one-bedroom units, three (3) two-bedroom units, and two (2) three-bedroom units, as generally illustrated in the plans submitted to the City Planning Division dated August 22, 2023, 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, as part of the twenty-three (23) replacement rental dwelling units required in Recommendation 1.a. above, provide at least twelve (12) studio, and two (2) one-bedroom replacement rental dwelling units at affordable rents, defined as gross monthly rent no greater than one-hundred percent (100%) of the average City of Toronto rent by unit type, as reported annually by the Canada Mortgage and Housing Corporation, one (1) studio, one (1) one-bedroom and one (1) three-bedroom replacement rental dwelling units at mid-range rent, defined as gross monthly rent that exceeds Affordable Rent but is no greater than one-hundred and fifty percent (150%) of the average City of Toronto rent by unit type, as reported annually by the Canada Mortgage and Housing Corporation, and one (1) studio, one (1) one-bedroom, three (3) two-bedroom and one (1) three-bedroom replacement rental dwelling units at high-end rent, all 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 twenty-three (23) 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, the provision of rent gap assistance, and other assistance to lessen 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 twenty-three (23) replacement rental dwelling units with access to, and use of, all indoor and outdoor amenities in the proposed 14-storey residential 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 and central air conditioning in each replacement rental dwelling unit at no extra charge;
- f) The owner shall provide and make available for rent at least three (3) 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 resident vehicle parking space, and at similar monthly parking charges that such tenants previously paid. The remaining resident vehicle parking spaces shall be made available to tenants of the replacement rental units to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
- g) The Owner shall provide tenants of the replacement rental dwelling units with access to bicycle and visitor parking on the same terms and conditions as any other resident of the proposed development, and in accordance with the Zoning By-law;
- h) The replacement rental dwelling units required in Recommendation 1a above 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 14-storey residential building, exclusive of the replacement rental units, are made available and ready for occupancy; and
- i) The owner shall enter into, and register on title to the lands at 2-24 Temple Avenue, an agreement pursuant to Section 111 of the *City of Toronto Act, 2006* to secure the conditions outlined in Recommendations 1.a. through 1.h. above all to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning Division.
- 2. City Council authorizes the Chief Planner and Executive Director, City Planning Division, to issue Preliminary Approval for 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 all or any of the twenty-three (23) existing rental dwelling units at 8-10, 14, 16, and 22 Temple Avenue after all of the following have occurred:
  - a) All Conditions in Recommendation 1 above have been fully satisfied or secured:
  - b) The Zoning By-law Amendment has 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; and
  - e) The City's receipt of confirmation that all existing rental dwelling units to be demolished are vacant or will be vacant prior to the demolition of any existing rental unit.
- 3. City Council authorizes 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 authorizes 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 2-24 Temple Avenue after the Chief Planner and Executive Director, City Planning Division, has issued the Preliminary Approval referred to in Recommendation 2, 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 shall remove all debris and rubble from the site immediately after demolition;
  - b) The Owner shall erect solid construction hoarding to the satisfaction of the Chief Building Official and Executive Director, Toronto Building;
  - c) The Owner erects the proposed residential building containing the replacement rental dwelling units on the site no later than three (3) years from the date that the demolition of the existing buildings commenced, 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 14-storey building within the time specified in Recommendation 4 (c) above, the City Clerk shall be entitled to enter on the collector's roll, to be collected in a like manner as municipal 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.

#### 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**

On April 21, 2021, Toronto and East York Community Council adopted the recommendations of a Preliminary Report from City Planning regarding the application (Item TE 24.26).

http://app.toronto.ca/tmmis/viewAgendaltemHistory.do?item=2021.TE24.26

On September 1, 2021, the Applicant appealed its ZBA application (21 105906 STE 04 OZ) for 2-24 Temple Avenue to the OLT pursuant to s. 34(11) of the Planning Act, due

to Council not making a decision within the statutorily prescribed time frame. The appeal is known as OLT Case No. OLT-21-001749.

On June 13, 2022, Toronto and East York Community Council considered and adopted the recommendations of a Request for Directions Report from City Planning, being Item TE34.55, regarding the ZBA Application, as a result of the Applicant's Appeal. In its decision, Community Council authorized City staff and the City Solicitor to attend the Ontario Land Tribunal hearing scheduled from September 26, 2022 to October 4, 2022 to oppose the ZBA Application for 2-24 Temple Avenue, and to continue discussions with the applicant in an attempt to resolve the outstanding issues. http://app.toronto.ca/tmmis/viewAgendaltemHistory.do?item=2022.TE34.55

On December 14, 2022, City Council adopted a Request for Further Directions Report directing the City Solicitor and appropriate City staff to attend the OLT in support of a settlement offer on the ZBA appeals respecting the subject lands, subject to conditions. <a href="https://secure.toronto.ca/council/agenda-item.do?item=2023.CC2.6">https://secure.toronto.ca/council/agenda-item.do?item=2023.CC2.6</a>

On January 26, 2023, the OLT issued a Decision approving the ZBA Application appeal for 2-24 Temple Avenue.

#### THE APPLICATION

## **Reason for Application**

This application involves the demolition of rental housing. Since the development site contains six or more residential units, of which at least one unit is rental housing, an application is required under Chapter 667 of the City's Municipal Code, the Rental Housing Demolition and Conversion By-law. The By-law requires that an applicant obtain a permit from the City allowing the demolition of the existing rental housing units. The City may impose conditions that must be satisfied before a demolition permit is issued.

On January 18, 2021, a Rental Housing Demolition application under Chapter 667 of the Toronto Municipal Code was submitted for 2-24 Temple Avenue to demolish the existing rental dwelling units on the site.

# **Development Proposal**

The Rental Housing Demolition application proposes to demolish 23 rental dwelling units within the existing buildings at 8-10, 14, 16, and 22 Temple Avenue. The Rental Housing Demotion application is part of a series of required approvals along with applications for Zoning By-law Amendment and Site Plan control approval necessary to construct the new 14-storey building with 268 residential units, inclusive of the 23 rental replacement units recommended to be secured by this report.

# **Existing Rental Dwelling Units**

According to the plans provided by the applicant and a site visit conducted by City Planning staff on May 25, 2022, the existing rental dwelling units are comprised of the following unit types and rent levels:

Unit Type	Affordable Rent	Mid-Range Rent	High End Rent	Total
Studio	12	1	1	14
One-Bedroom	2	1	1	4
Two-Bedroom	0	0	4	4
Three-Bedroom	0	1	0	1
Total	14	3	6	23

At the time of this report, 13 of the existing rental dwelling units proposed to be demolished are occupied by eligible tenants (tenants who were tenants at the time the Rental Housing Demolition application was submitted). The remaining units are either vacant or occupied by tenants who moved into the building after the rental demolition application was made.

#### **Tenant Consultation**

On July 24, 2023, City Planning staff held a tenant consultation meeting with impacted tenants to provide an overview of the City's housing policies, the impact of the rental demolition proposal on tenants, and the proposed tenant relocation and assistance plan. The meeting was held in person at the Toronto Public Library – Parkdale Branch and attended by nine tenant households, City Staff, the Councillor's office, and the applicant.

Tenants asked questions related to the project timeline, eligibility requirements for tenant assistance and a replacement rental unit, rent gap assistance, views and access to natural light, and layouts of the proposed replacement rental units.

#### **POLICY CONSIDERATIONS**

#### **Provincial Land-Use Policies**

All decisions of the Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the Provincial Policy Statement (PPS), and shall conform to provincial plans.

#### **Toronto Official Plan**

Official Plan Policy 3.2.1.6 requires that new development that would result in the loss of six or more rental dwelling units replace at least the same number, size, and type of rental units as exist on the site and maintain 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 lessen hardship.

#### 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 23 rental dwelling units and construct a new building resulting in a total of 268 new dwelling units (inclusive of 23 replacement rental dwelling units) on the subject site will help meet the housing needs of current and future residents.

#### **Rental Demolition and Replacement**

In accordance with Official Plan policy 3.2.1.6, all existing 23 rental dwelling units will be replaced in the proposed development by their respective or larger bedroom types, at similar unit sizes, and at rents similar to those in effect at the time of application.

The unit types and rent classifications for the replacement units is outlined in the table below:

Unit Type	Affordable Rent	Mid-Range Rent	High-End	Total
Studio	12	1	1	14
One-Bedroom	2	1	1	4
Two-Bedroom	0	0	3	3
Three-Bedroom	0	1	1	2
Total	14	3	6	23

The 23 replacement units will be located on floors one through three of the proposed building at 2-24 Temple Avenue. All replacement rental dwelling units will be provided with ensuite laundry facilities and central air conditioning. All tenants of the replacement rental dwelling units will have access to bicycle parking, visitor parking, and all indoor and outdoor amenities, on the same terms and conditions as any other resident of the proposed building.

The owner has also agreed to provide and make available for rent at least three resident 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, and at similar monthly parking charges that such tenants previously paid. The remaining vehicle parking spaces shall be made available to the rest of the 23 replacement rental tenants.

The applicant has confirmed that eligible tenants of the existing rental units would reserve the right to return to a replacement rental unit at similar rent. Tenants who return to the replacement rental units would be subject to rent increases capped by the provincial rent increase Guideline, irrespective of whether such Guideline applied to the units until their tenancies end. Rents for affordable and mid-range replacement rental units without returning tenants would not exceed the City's rent thresholds for a period of at least 10 years. All 23 replacement rental dwelling units will be secured as rental tenure within the proposed development for a period of at least 20 years, beginning on the date that each replacement rental dwelling unit is first occupied.

#### **Tenant Relocation and Assistance Plan**

A Tenant Relocation and Assistance Plan that addresses tenants' right to return to a replacement unit and assistance to lessen hardship will be provided to all eligible tenants residing in the 23 existing rental dwelling units. At the time of this report, there are 13 eligible tenant households.

In accordance with the Tenant Relocation and Assistance Plan shared with tenants at the tenant meeting on July 24, 2023, all eligible tenants will receive the following:

- at least six months' notice of the date that they must vacate their rental unit;
- the right to return to a rental replacement unit of the same unit type at similar rent;
- compensation equal to three months' rent pursuant to the Residential Tenancies Act;
- additional financial compensation in the form of a rent gap assistance, where the rent gap would be calculated as the difference between the rent paid by a 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 4 Toronto West, which encompasses the development site, over the period of construction of the proposed building (estimated at 36 months). The rent gap assistance would be paid out to each eligible tenant in a lump sum on the date they provide vacant possession of their existing rental unit. The vacant market rents used to establish rent gap assistance will be indexed upwardly to better reflect changes in market conditions since the completion of the latest CMHC survey;
- move-out and move-back moving allowances;
- a rental leasing agent available upon request to assist tenants with finding interim accommodation; and
- additional compensation and assistance for special needs tenants, with the final determination by the Chief Planner and Executive Director, City Planning.

The Tenant Relocation and Assistance Plan is consistent with the City's current practices and will support tenants to access and afford suitable housing within the neighbourhood until the new building and replacement rental units are available for occupancy.

Staff are satisfied with the proposed approach to replacing demolished rental units, and with the proposed Tenant Relocation and Assistance Plan. The replacement housing and tenant assistance matters 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.

#### **CONTACT**

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# **SIGNATURE**

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#### **ATTACHMENTS**

**City of Toronto Data/Drawings** 

Attachment 1: Location Map

# Attachment 1: Location Map

