

April 16, 2024

Our File No.: 210604

Via Email: councilmeeting@toronto.ca

Mayor Chow and Members of Council
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Attention: Sylwia Przewdziecki

Dear Mayor and Members of Council:

Re: Item No. PH 11.10 - Response to Including New Approval Conditions for Rental Demolition Applications
Re: Planning and Housing Committee Recommendation #6, Decision Advice Recommendation #1, and April 12, 2024 Supplemental Report

We are solicitors for Tenblock¹, the owners of a number of properties in the City of Toronto (the “City”) where applications for official plan amendment, zoning by-law amendment, Site Plan Control and rental housing demolition have been approved or are currently in process. Most recently, rental housing demolition applications were approved by City Council (“Council”) for three Tenblock projects on the properties known municipally as:

- 25 St. Mary Street – Approved by City Council on May 10, 2023 (“**25 St. Mary**”);
- 145 St. George Street – Approved by City Council on July 19, 2023 (“**145 St. George**”);
and
- 48 Grenoble Drive – Approved by City Council on November 8, 2023 (“**48 Grenoble**”
and collectively the “**Tenblock Approvals**”).

On April 3, 2024, we wrote to the Planning and Growth Management Committee to ensure that the details of the rental housing approvals negotiated with City Staff and the local Councillors in consultation with tenants, and approved by Council in 2023, would be honored to protect the existing approved arrangements in regard to income eligible post-application tenants in 25 St. Mary and 145 St. George.

¹ Tenblock, including its owners and affiliated entities.



In light of the amendments made to Item PH11.10 at the Planning and Housing Committee meeting on April 5, 2024, particularly, Recommendation #6 and associated Decision Advice Recommendation #1, we are again writing to similarly ensure that important details of these heavily negotiated Tenblock Approvals, specifically the tenant assistance matters related to rent gap payments, are honoured despite the unclear language in Recommendation #6 that appears to be seeking to retroactively alter such tenant assistance matters without an understanding of the complete tenant assistance packages negotiated and without a clear, valid and fair process to do so.

The Existing Tenblock Rental Housing Approvals:

As noted above, Tenblock worked extensively with City Staff and the local Councillors in consultation with tenants to obtain Council approval of rental housing demolition applications for 25 St. Mary, 145 St. George, and 48 Grenoble in 2023. Each of these rental housing demolition applications was supported by a detailed set of approval conditions that were based on a fulsome negotiation of rental housing demolition considerations including tenant assistance matters.

Further, in each case, the Council recommendations state that Tenblock will provide an acceptable Tenant Relocation and Assistance Plan to all Eligible Tenants, addressing the right to return to occupy one of the replacement rental dwelling units at similar rents, and other assistance to lessen hardship. In the case of 25 St. Mary and 48 Grenoble, the recommendations specifically include reference to the provision of rent gap payments. In all cases, the negotiations of each Tenblock Approval included a detailed discussion of the application of rent gap payments on the basis of the most recent average rent for vacant private apartments by unit type, being the approach to the calculation of rent gap payments quoted by Staff in its April 12, 2024 Supplement Report (the “**Supplemental Report**”).

Tenblock is in the process of finalizing its Section 111 Agreements for the Tenblock Approvals but has not yet entered into final Section 111 Agreements.

Planning and Housing Committee Recommendation #6 and Decision Advice Recommendation #1:

As discussed in detail in the April 11, 2024 BILD Letter (the “**BILD Letter**”), Item PH11.10 was adopted by the Planning and Housing Committee with a number of amendments, including Recommendation #6 and Decision Advice Recommendation #1, that were brought forward without prior consultation with stakeholders.

There are significant process and legal concerns with the application of Recommendation #6 as currently drafted.



Recommendation #6 states:

- *6. City Council direct the Chief Planner and Executive Director, City Planning, to make all reasonable attempts to include the new rent gap approach in Rental Housing Demolition applications subject to conditional approvals without finalized Section 111 agreements, and report back, where applicable, to the appropriate Community Council with recommendations to apply the new rent gap payment calculation resulting from Recommendation 1 in the Decision Advice, if adopted.*

The language of Recommendation #6 provides a vague direction to City Planning to attempt to retroactively apply a new, untested rent gap payment calculation to existing approved Rental Housing Demolition applications that have not yet finalized required Section 111 Agreements. There are numerous concerns with this approach as it applies to the Tenblock Approvals including:

- the Tenblock Approvals were approved by Council on the basis of detailed and extensive negotiations including detailed arrangements in regard to the provision of rent gap payments and the specific calculation of these payments;
- the Tenblock Approvals were based on a fulsome tenant assistance and rental replacement framework that took into consideration much more than simply the quantum of the rent gap payment. To arbitrarily require the application of a new calculation of the rent gap payment with no regard to the other tenant assistance and rental replacement matters is short sighted and does not take into consideration the importance of other negotiated items to both Tenblock and the impacted tenants;
- the Tenblock Approvals, including the related *Planning Act* applications, were approved by Council. In the normal course, these matters do not return to Council and the Section 111 Agreements are completed in accordance with Council's recommendations and the extensive negotiations that support the approvals in question. The retroactive alteration of such approvals has the potential to result in legal action including a potential action to compel the issuance of related building permits;
- As noted, in both the BILD Letter and the letter provided directly from Tenblock dated April 16, 2024, there are significant issues with the calculation of the rent gap payment set out in Decision Advice Recommendation #1 and the associated Supplemental Report and the lack of a stakeholder consultation process before the suggested change to the rent gap calculation was put before Council for approval.

Given the extent and severity of the issues raised in regard to Recommendation #6 and Decision Advice Recommendation #1, our client supports BILD's request that these matters be deferred and would respectfully request that any reference in Recommendation #6 to attempts to retroactively

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alter any approved Rental Housing demolition application that has yet to execute a Section 111 Agreements be removed.

Yours truly,
Goodmans LLP



Anne Benedetti

cc: Councillor Perks, Chair, Planning and Housing Committee
Deanna Chorney, Manager Strategic Initiatives, Policy & Analysis
Abbie Moscovich, Deputy Director, Planning and Administrative Law Tribunal, Legal Services
Jason Davidson, Solicitor, Planning and Administrative Law Tribunal, Legal Services
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