

680 and 688 Sheppard Avenue East – Rental Housing Demolition Application – Decision Report – Approval

Date: March 8, 2024

To: North York Community Council

From: Director, Community Planning, North York District

Ward: Ward 17 - Don Valley North

Rental Housing Demolition Application Number: 19 248116 NNY 17 RH

Related Applications: 19 248099 NNY 17 OZ; 20 110316 NNY 17 SA; and 21 232444 NNY 17 SB

SUMMARY

This Rental Housing Demolition application proposes to demolish a total of 47 existing rental dwelling units at 680 and 688 Sheppard Avenue East and replace them with 47 new replacement rental dwelling units with the same unit types and sizes and at similar rents to those in effect at the time of the application.

The properties are also the subject of Official Plan and Zoning By-law Amendment applications (19 248099 NNY 17 OZ), which were appealed to the Ontario Land Tribunal (OLT). The OLT issued a written decision on February 15, 2023, approving the Official Plan and Zoning By-law Amendments in principle, with the final Order being withheld until all outstanding matters, including the rental housing matters and necessary agreements with the City, are secured.

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 to replace the existing rental housing and the provision of a Tenant Relocation and Assistance Plan for all eligible tenants of the existing rental dwelling units, including the right to return to a replacement rental dwelling unit.

RECOMMENDATIONS

The Director, Community Planning North York District recommends that:

1. City Council approve the Rental Housing Demolition Application File No. 19 248116 NNY 17 RH in accordance with Chapter 667 of the Toronto Municipal Code and pursuant to Section 111 of the City of Toronto Act, 2006, which allows for the demolition

of forty-seven (47) existing rental dwelling units located at 680 and 688 Sheppard Avenue East, subject to the following conditions:

- a. The owner shall provide and maintain forty-seven (47) replacement rental dwelling units on the subject site for a period of at least 20 years beginning from the date that each replacement rental dwelling unit is first occupied, and, during which time, 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 providing for replacement. The replacement rental dwelling units shall collectively have a total gross floor area of at least 3,290.5 square metres and be comprised of two (2) studio units, fifteen (15) one-bedroom units, twenty-nine (29) two-bedroom units, and one (1) three-bedroom unit, as generally illustrated in the plans dated October 31, 2023 and submitted to the City Planning Division on November 13, 2023. 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 forty-seven (47) replacement rental dwelling units required in Recommendation 1.a above, provide at least two (2) studio, fifteen (15) one-bedroom, twenty-nine (29) two-bedroom, and one (1) three-bedroom replacement rental dwelling units at affordable rents, defined as gross monthly rent no greater than one times the average City of Toronto rent by unit type, as reported annually by the Canada Mortgage and Housing Corporation, all for a period of at least 10 years beginning from the date of first occupancy of each unit;
- c. The owner shall provide an acceptable Tenant Relocation and Assistance Plan for all Eligible Tenants of the forty-seven (47) existing rental dwelling units proposed to be demolished at 680 and 688 Sheppard Avenue East, 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 an access plan addressing how replacement rental dwelling units will be occupied, including the use of the City's Centralized Affordable Rental Housing Access System or, where the system is not yet in place, to tenants who have demonstrated that they are in need of affordable rental housing through a fair and transparent process developed in consultation and to the satisfaction of the Chief Planner and Executive Director, City Planning and Executive Director, Housing Secretariat; and
- e. The owner shall provide tenants of all forty seven (47) replacement rental dwelling units with access to, and use of, all indoor and outdoor amenities in the proposed 22-storey 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;

- f. The owner shall provide ensuite laundry in each replacement rental dwelling unit at no extra charge;
- g. The owner shall provide central air conditioning in each replacement rental dwelling unit within the proposed building at no extra charge;
- h. The owner shall provide balconies or terraces for private and exclusive access by tenants of at least six (6) one-bedroom units and three (3) two-bedroom units, to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
- i. The owner shall provide and make available for rent at least sixteen (16) 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 tenants of the replacement rental units to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
- j. The owner shall provide tenants of all replacement rental dwelling units with access to bicycle and visitor parking on the same terms and conditions as any other resident of the proposed mixed use building;
- k. The owner shall provide and make available for rent a minimum of fourteen (14) storage lockers to tenants of the replacement rental dwelling units. Such storage lockers shall be made available firstly to returning tenants who previously rented a storage locker, and at similar monthly rates that such tenants previously paid. The remaining storage lockers shall be made available to tenants of the replacement rental units to the satisfaction of the Chief Planner and Executive Director, City Planning Division;
- l. The replacement rental dwelling units required in recommendation 1.a. above shall be made ready and available for occupancy no later than the date by which 70% of the new dwelling units in the proposed development, exclusive of the replacement rental dwelling units, are made available and ready for occupancy, subject to any revisions to the satisfaction of the Chief Planner and Executive Director, City Planning; and,
- m. The owner shall enter into, and register on title to the lands at subject site, an agreement pursuant to Section 111 of the City of Toronto Act, 2006 to secure the conditions outlined in Recommendations 1.a. through 1.l. above all to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning Division.

2. City Council authorize the Chief Planner and Executive Director, City Planning Division, to issue Preliminary Approval of the Rental Housing Demolition Permit under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the City of

Toronto Act, 2006 for the demolition of the forty-seven (47) existing rental dwelling units located at 680 and 688 Sheppard Avenue East after all the following have occurred:

- a. All conditions in Recommendation 1 above have been fully satisfied and secured;
- b. The Official Plan Amendment has come into full force and effect;
- c. The Zoning By-law Amendment has come into full force and effect;
- d. 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;
- e. The issuance of excavation and shoring permits (conditional or full permit) for the approved development on the site; and
- f. The owner has confirmed, in writing, that all existing rental dwelling units proposed to be demolished are vacant.

3. City Council authorize the Chief Building Official and Executive Director, Toronto Building Division to issue a Rental Housing Demolition Permit under Chapter 667 of the Toronto Municipal Code after the Chief Planner and Executive Director, City Planning Division 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 680 and 688 Sheppard Avenue East after the Chief Planner and Executive Director, City Planning Division has given Preliminary Approval referred to in Recommendation 2 above, which may be included in the Rental Housing Demolition Permit under Chapter 667 pursuant to section 6.2 of Chapter 363, on condition that:

- a. The owner removes all debris and rubble from the site immediately after demolition;
- b. The owner erects solid construction hoarding to the satisfaction of the Chief Building Official and Executive Director, Toronto Building;
- c. The owner erects the proposed building on the site no later than three (3) years from the date that the demolition of the existing rental dwelling units 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 building within the time specified in Recommendation 4.c. above, the City Clerk shall be entitled to enter on the collector's roll, as with municipal property taxes, an amount equal to the sum of twenty thousand dollars (\$20,000.00) 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 any other related agreements.

FINANCIAL IMPACT

The City Planning Division confirms that there are no financial implications resulting from the recommendations included in this report in the current budget year or in future years.

DECISION HISTORY

A Preliminary Report on the applications was adopted by North York Community Council on February 5, 2020 authorizing staff to conduct a community consultation meeting with an expanded notification area. The decision of the North York Community Council can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.NY13.9>

On March 9, 2022 City Council adopted the recommendations of a Request for Directions Report from Community Planning. Those recommendations included opposing the official plan and zoning by-law amendments at the Tribunal and to continue discussions with the applicant to address the issues outlined in the report. That decision and the report from Community Planning can be found at the following link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.NY30.7>

On July 19, 2022 City Council adopted a Request for Directions Report from the City Solicitor and endorsed a settlement offer to permit a revised development proposal. The Decision of City Council may be found here: <https://secure.toronto.ca/council/agenda-item.do?item=2022.CC47.31>

On February 15, 2023, the OLT issued a Decision and Interim Order approving in principle the Official Plan and Zoning By-law Amendment for 680 and 688 Sheppard Avenue East, subject to conditions. The Decision can be found here:

<https://www.omb.gov.on.ca/e-decisions/OLT-21-001414-FEB-15-2023.pdf>

THE SITE

Existing Rental Dwelling Units

The building at 688 Sheppard currently contains a total of 35 rental dwelling units, including 13 one-bedroom, 21 two-bedroom, and 1 three-bedroom units. Of these, 18 units were occupied as of the date of this report while 17 units were vacant.

The building at 680 Sheppard contains a total of 30 dwelling units, all of which are currently vacant. City staff have determined that 12 of these units were last used as rental dwelling units and the remaining 18 units were last used as co-operative units. Official Plan policy 3.2.1.6 and Chapter 667 of the Toronto Municipal Code do not apply

to the 18 co-operative units. The 12 rental dwelling units were comprised of 2 studio, 2 one-bedroom, and 8 two-bedroom units.

All of the 35 rental dwelling units at 688 Sheppard and 12 rental dwelling units at 680 Sheppard have affordable rents.

THE APPLICATION

Description

The Official Plan and Zoning By-law Amendment application for the subject site was approved in principle by the OLT on February 15, 2023, subject to City Council's approval of the Rental Housing Demolition application. The applications encompass the lands municipally known as 680 and 688 Sheppard East (see Attachment 1 - Location Map).

Once finalized, the Official Plan and Zoning By-law Amendment would permit the redevelopment of the subject site with a 22-storey mixed use development. The proposed development would contain a total of 47 replacement rental dwelling units to be located on levels two to four and be comprised of two (2) studio, fifteen (15) one-bedroom, twenty-nine (29) two-bedroom, and one (1) three-bedroom units. All 47 replacement rental dwelling units would have affordable rents. Residents would have access to all indoor and outdoor amenity spaces.

Reasons 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 is rental housing, an application is required under Chapter 667 of the Toronto 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.

POLICY & REGULATION CONSIDERATIONS

Provincial Land-Use Policies

All decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the Provincial Policy Statement (2020), and shall conform to provincial plans, A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2020), the Greenbelt Plan, and others.

Official Plan

The Official Plan outlines the City'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 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 the applicant to develop an acceptable tenant relocation and assistance plan, addressing the right to return to the replacement units at similar rents and other assistance to lessen hardship.

The Official Plan can be found here: <https://www.toronto.ca/city-government/planning-development/official-plan-guidelines/official-plan/>.

COMMUNITY CONSULTATION

Tenant Meeting

A City-led in-person tenant meeting was held on December 4, 2023 for the tenants of 680 and 688 Sheppard Avenue East pursuant to Chapter 667 to review the City's housing policies related to the replacement of existing rental housing, the Tenant Relocation and Assistance Plan, and the proposed development. The meeting was attended by 14 tenants of the 18 remaining eligible tenants, representatives of the applicant, staff from the local councillor's office, and City Planning staff.

Notice of the tenant meeting was delivered to each of the tenant households and posted in common areas two weeks prior to the meeting. Handouts were also provided one week prior to the meeting and tenants were encouraged to reach out to City staff if they had questions, particularly if they were unable to attend the meeting. Members of the applicant team went door to door to distribute the handouts and determine whether a language translator was required at the tenant meeting. As a result, a certified Tagalog translator was present at the meeting.

The following questions and concerns were brought up during the tenant meeting:

- process for changing unit types, e.g., moving from a one-bedroom to a two-bedroom and how rents would be calculated for the new unit type;
- provision of laundry and new kitchen appliances in the replacement rental units;
- how rent gap payments will be calculated and whether these will be topped up if construction takes longer than what was estimated;
- how the replacement rental units will be managed;
- whether family members of tenants can be added to leases;
- concerns about the availability of vacant rental units in the area and whether the rent gap payments will be sufficient;
- eligibility for special needs tenants;
- how replacement rental units with no returning tenants will be rented out; and,
- timelines for demolition if the application is approved.

COMMENTS

Provincial Policy Statement and Provincial Plans

Staff's review of this application has had regard for the relevant matters of provincial interest set out in the Planning Act. Staff has reviewed the current proposal for consistency with the Provincial Policy Statement (2020) and conformity with the Growth Plan (2020). Staff find the proposal to be consistent with the PPS and conforms with the Growth Plan as it will replace existing rental housing and add new housing.

Rental Demolition and Replacement

In accordance with Official Plan policy 3.2.1.6, the applicant is proposing to replace the existing 47 rental dwelling units proposed to be demolished at 680 and 688 Sheppard Avenue East. The replacement rental dwelling units would be comprised of two (2) studio, fifteen (15) one-bedroom, twenty-nine (29) two-bedroom, and one (1) three-bedroom units, all of which would have affordable rents.

The total gross floor area (GFA) of the 47 replacement rental units is 3,290.54 square metres, which is 100% of the GFA of the existing rental dwelling units proposed to be demolished. The average size of the existing studio units is 41.3 square metres while the average size of the proposed studio units is 37.7 square metres. The average size of the existing one-bedroom units is 57.7 square metres while the average size of the one-bedroom replacement rental units is 56.8 square metres. The average size of the existing two-bedroom units is 77.2 square metres while the average size of the two-bedroom replacement rental units is 77.9 square metres. The size of the existing three-bedroom unit is 96.6 square metres while the size of the three-bedroom replacement rental unit is 96.6 square metres. The average size of all existing and replacement rental units is equivalent, at 69.9 square metres.

All replacement rental dwelling units will be provided with ensuite laundry facilities and central air conditioning. Tenants of the replacement rental units will have access to bicycle parking, visitor parking, and all indoor and outdoor amenities on the same terms and conditions as the other residents of the proposed mixed use development.

At the time of application, 16 tenants were renting a vehicle parking space and 14 tenants were renting storage lockers. Returning tenants who currently rent a vehicle parking space and/or a storage locker in the existing buildings will be offered a vehicle parking space and/or storage locker at a similar monthly rate to what they are currently paying.

City Planning staff are of the opinion that the proposed replacement plan is appropriate and consistent with the intent of Official Plan policy 3.2.1.6.

Tenant Relocation and Assistance Plan

The applicant has agreed to implement a Tenant Relocation and Assistance Plan for all Eligible Tenants currently residing at 680 and 688 Sheppard Avenue East, all to the satisfaction of the Chief Planner and Executive Director, City Planning, and secured through legal agreements with the City. The Tenant Relocation and Assistance Plan would assist tenants in finding and securing alternative accommodation during the demolition and construction period.

In accordance with the Tenant Relocation and Assistance Plan shared with tenants at the tenant meeting on December 4, 2023, all Eligible Tenants would receive:

- the right to return to a replacement rental dwelling unit in the new mixed use building of the same unit type, similar size, and at similar rents as the rental dwelling unit they currently occupy;
- at least 6 months notice before having to vacate their existing rental dwelling unit, inclusive of notice required under the Residential Tenancies Act (RTA);
- financial compensation equal to 3 months' rent, as required by the RTA;
- financial compensation, above and beyond that required under the RTA, in the form of rent gap assistance. 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 14 – North York (Northeast), which encompasses the development site, for 30 months. The vacant market rents used to establish rent gap assistance will be indexed upwardly to the end of the 6-month notice period to better reflect changes in market conditions since the completion of the latest CMHC survey.
- Moving allowances to cover expenses for moving, first, into alternative interim accommodation, and second, from the interim accommodation into a replacement rental unit;
- additional compensation for tenants with special needs, as determined by the Chief Planner and Executive Director, City Planning; and,
- the services of a rental leasing agent upon request.

The rent gap assistance would be paid by the applicant to each Eligible Tenant on the date they provide vacant possession of their existing rental unit. In the event that construction of the proposed mixed use development takes longer than 30 months, the applicant would provide each eligible tenant with additional rent gap assistance at 6 month increments until the replacement rental units are ready for occupancy.

The Tenant Relocation and Assistance Plan is consistent with the City's current practices and City Planning staff are satisfied it would appropriately lessen hardship for tenants.

CONTACT

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SIGNATURE

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ATTACHMENT

Attachment 1: Location Map

