

## **Exempting dwelling rooms in a multi-tenant house from parkland dedication and clarifications to exemptions in Article III of Chapter 415 - Development of Land**

**Date:** November 21, 2024

**To:** Planning and Housing Committee

**From:** General Manager, Parks Forestry and Recreation

**Wards:** All

### **SUMMARY**

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As part of the 2023 Housing Action Plan, City Council adopted a New Regulatory Framework for Multi-Tenant Housing ("MTH") and recognized this form of rental housing stock as a critical component of affordable housing options. This program brought new incentives and other financial supports to assist property owners in obtaining a licence for this housing in all areas of the City.

In response to [MM20.30 Multi-Tenant Housing Framework: Parks Levy Exemption and Framework Application](#), this report seeks Council authority to exempt dwelling rooms in a multi-tenant house from parkland dedication requirements in Article III of Toronto Municipal Code Chapter 415, being the Parkland By-law ("Article III"). This amendment aligns with Council's priority for the development of this housing type and other financial considerations provided by the City.

Following Council's recent adoption of MM22.10 Supporting Transitional Housing in Toronto - 3 Cadillac Avenue (Neshama Hospice) and site-specific parkland dedication exemption for the development of a non-profit hospice, this report also seeks approval to apply the exemption to non-profit hospices city-wide to reflect Council's support of this type of development.

Finally, this report introduces amendments to Article III to clarify the intent and improve the readability and the interpretation of (a) exemptions relating to additional residential dwelling units on a parcel of land as well as additional residential dwelling units in apartment buildings, and (b) the definition of Environmental Lands specifically relating to the protected features within protected areas as defined and identified by Chapter 658 of the Municipal Code, being the Ravine and Natural Feature Protection By-Law. The proposed amendments will ensure consistent interpretation and application of Article III.

## RECOMMENDATIONS

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The General Manager, Parks Forestry and Recreation recommends that:

1. City Council amend Article III of the City of Toronto Municipal Code, Chapter 415, Development of Land substantially in accordance with Attachment 1 of this Report.
2. City Council authorize the City Solicitor to make such stylistic and technical changes to the amendments to the City of Toronto Municipal Code contained in Attachment 1 as may be required.

## FINANCIAL IMPACT

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Cash in lieu of parkland dedication payments are calculated on the value of the land to be developed prior to building permit issuance, so each application and payment will vary from any other throughout the city. While the foregone cash in lieu of parkland payments resulting from the proposed exemptions are not known, levies from this form of development are not currently accounted for in PFR's Capital Plan. Given the estimated number of applications which may seek the proposed exemptions, staff do not anticipate a significant financial impact.

The clarifying language in Attachment 1 is intended to better reflect the intent and practice of the City in interpreting Article III and accordingly no further financial impact is anticipated to arise from the adopting of the recommendations in this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

## DECISION HISTORY

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At its meeting on October 9, 2024, City Council adopted MM22.30 which provided a site-specific parkland dedication exemption for the development of Multi-Tenant House dwelling rooms at 268 Seaton Street.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MM22.30>

At its meeting on October 9, 2024, City Council adopted MM22.10 which provided a site-specific parkland dedication exemption for the development of a non-profit hospice (Neshama Hospice) at 3 Cadillac Avenue.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MM22.10>

At its meeting on July 24, 2024 City Council adopted MM20.30 Multi-Tenant Housing Framework: Parks Levy Exemption and Framework, and requested the General Manager, Parks Forestry and Recreation to bring forward an amendment to the City of Toronto Municipal Code to provide an exemption from the parkland dedication requirements for Dwelling Rooms and directed the City Solicitor and the General

Manager, Parks, Forestry and Recreation to make additional changes to improve readability and clarity of the current exemptions under City of Toronto Municipal Code Chapter 415-30 (A).

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MM20.30>

At its meeting on December 14, 2022, City council adopted CC2.1 a New Regulatory Framework for Multi-Tenant Houses (“Multi-Tenant Houses Framework”) and in recognition of the urgent need to protect multi-tenant houses, introduced an updated city-wide zoning approach to permit multi-tenant houses in all areas of the city, subject to zone-specific requirements, a new licensing by-law and a phased and collaborative approach to licensing and enforcement.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.CC2.1>

At its meeting on July 19, 2022, City Council adopted EX34.3, Growth Funding Tools - Alternative Parkland Dedication Rate, which brought forward Official Plan and Municipal Code amendments in response to legislative requirements of Bill 187.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.3>

At its meeting on June 8, 2010, City Council adopted EX44.5, Proposed Municipal Code Amendment - City Wide Parkland Dedication By-law, which sought Council’s authority to develop a comprehensive parkland dedication by-law, under Chapter 415 of the City of Toronto Municipal Code, to establish harmonized city-wide parkland dedication requirements and exemptions.

<https://secure.toronto.ca/council/agenda-item.do?item=2010.EX44.5>

## **COMMENTS**

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### **Multi-Tenant Housing**

Multi-Tenant Housing, more commonly referred to as rooming houses, comprises buildings where four or more rooms are rented out to separate people who may share a kitchen and/or washroom but do not live together as a single housekeeping unit. The Multi-Tenant Housing Framework adopted by Council in 2023 allows this housing form throughout the City with a City issued license.

Although the New Regulatory Framework for Multi-Tenant Houses introduced a number of financial incentives as of March 31, 2024, it did not provide for an exemption from parkland dedication requirements.

### **Residential Parkland Dedication Requirements and Exemptions**

A parkland dedication (or cash in lieu of parkland) is a requirement for all residential and non-residential development under Sections 42 and 51 the Planning Act, Section 3.2.3 of the Official Plan and enacted in Section 415, Article III of the Municipal Code. This policy requirement allows the City to acquire new parkland and cash in lieu of parkland to fund acquisitions and park development to support population growth. The changes proposed in Attachment 1 do not provide for or amend the alternative requirement authorized by subsection 42(3) of the Planning Act.

City Council has, previously adopted a number of residential parkland dedication exemptions in order to meet other city-wide objectives including to support the development of affordable housing. The current residential exemptions are as follows:

- Non-profit housing
- Replacement of an existing dwelling unit on an existing lot
- Enlargement of an existing dwelling unit an existing lot, including a detached garage
- Laneway and Garden Suites
- The second, third or fourth dwelling unit within an existing primary residential building (creation of a fourplex)
- One additional residential unit in an existing apartment building
- Long Term Care homes
- Affordable rental housing units secured under a Municipal Housing Project facility Agreement.
- Housing Now Development projects

Given multi-tenant housing is a priority of Council, a parkland exemption would be consistent with other financial supports being provided to bring existing multi-tenant houses into compliance under the Licencing By-law and would remove a potential financial barrier for new multi-tenant housing opportunities.

The proposed parkland dedication exemption for multi-tenant houses would apply to a building with four or more dwelling rooms that may have shared common facilities for sanitary and cooking, as defined in and to be licensed under Toronto Municipal Code Chapter 575, Multi-Tenant Houses. This exemption would not apply to other types of dwelling rooms or accommodation such as hotels.

Attachment 1 also provides an exemption for non-profit hospices. Although exempt from paying development charges, non-profit hospices currently do not meet the criteria of non-profit housing or a public hospital under Article III and therefore are currently subject to a 5% residential parkland dedication requirement. This recommended exemption extends Council's recent site-specific exemption through MM22.10 for a non-profit hospice development at 3 Cadillac Avenue to all similar projects city-wide.

Lastly, the proposed Attachment 1 includes amendments that address sections of the current language of the exemptions relating to additional dwelling units that sector stakeholders have identified as unclear. While City staff have consistently applied the exemptions, this report proposes revised language that clarifies the intent to improve readability and ensure consistent interpretation and application of the exemptions.

As with other articles within Chapter 415, City Staff require the applicant or owner to provide evidence to the satisfaction of the City to establish their entitlement to an exemption. The proposed Attachment 1 includes language to confirm this practice applies to all relevant exemptions in Article III.

### **Protected Areas within Ravine and Natural Feature Protection - Definition of Environmental Lands**

Currently all Areas identified in Chapter 658 of the Toronto Municipal Code, being the Ravine and Natural Feature Protection By-law ("Chapter 658"), are included in the definition of Environmental Lands in Chapter 415, meaning that Protected Areas on Schedule 2 of Chapter 658 cannot be conveyed for parks or other recreational purposes pursuant to section 415-26 E of Chapter 415. This exclusion has led to certain unintended consequences. The current drafting of the definition of Environmental Lands has the implication of making certain lands identified as Protected Areas in Chapter 658 ineligible for parkland even where Parks, Forestry and Recreation staff are interested in taking lands, and City Planning Environmental Policy staff are supportive of these lands becoming parkland. This revised language would clarify the intent and connection between the two Municipal Code Chapters to ensure the goals of the by-laws are maintained.

## **CONTACT**

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## **SIGNATURE**

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## **ATTACHMENTS**

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Attachment 1 - Proposed Amendments to Article III of Toronto Municipal Code Chapter 415, Development of Land