

561 Jarvis Street and 102-120 Earl Place – Rental Housing Demolition Application – Decision Report – Approval

Date: May 24, 2024

To: Toronto and East York Community Council

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

Ward: 13 - Toronto Centre

Rental Housing Demolition Application Number: 22 199096 STE 13 RH

Related Application Number: 22 185925 STE 13 OZ

SUMMARY

The application proposes to demolish a two-and-a-half-storey apartment building and row of townhouses containing 31 rental units located at 561 Jarvis Street and 102-120 Earl Place. The 31 rental units are proposed to be replaced as part of a new 58-storey building containing a total of approximately 708 dwelling units. The proposal includes a Tenant Relocation and Assistance Plan that addresses the right of existing tenants to return to replacement rental units at similar rents and provides financial compensation to mitigate hardship.

The properties are also the subject of a Zoning By-law Amendment application (22 185925 STE 13 OZ), which was appealed to the Ontario Land Tribunal (OLT). The OLT issued a written decision on April 18, 2024 approving the Zoning By-law Amendment 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 rental housing and provide Tenant Relocation and Assistance.

RECOMMENDATIONS

The Director, Community Planning, Toronto and East York District recommends that:

1. City Council approve the Rental Housing Demolition application (22 199096 STE 13 RH) under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the

City of Toronto Act, 2006 to permit the demolition of 31 existing rental dwelling units at 561 Jarvis Street and 102-120 Earl Place, subject to the following conditions:

- a. the owner shall provide and maintain 31 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 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 31 replacement rental dwelling units shall collectively have a total gross floor area of at least 1,333.72 square metres and be comprised of 6 studio, 24 one-bedroom units, and 1 three-bedroom unit, as generally illustrated in the plans submitted to the City Planning Division dated April 29, 2024. 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 31 replacement rental dwelling units required in Recommendation 1.a above, provide at least 6 studio and 15 one-bedroom units at affordable rents, 2 one-bedroom units at mid-range (affordable) rents, as currently defined in the Toronto Official Plan, all for a period of at least 10 years beginning from the date of first occupancy of the replacement rental units. The remaining 7 one-bedroom units and 1 three-bedroom unit will have unrestricted rents. Rents shall not include additional charges for laundry or air conditioning;
- c. the owner shall 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. 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 31 replacement rental dwelling units with access to, and use of, all indoor and outdoor amenities in the proposed development at no additional charge. Access to, and use of, these amenities shall be on the same terms and conditions as any other resident of the development, 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 in each replacement rental dwelling unit within the proposed development;
- f. the owner shall provide central air conditioning in each replacement rental dwelling unit within the proposed development;
- g. the owner shall provide tenants of the replacement rental dwelling units with access to bicycle and visitor vehicular parking at no additional charge and on the same terms and conditions as any other resident of the proposed development;
- h. the 31 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; and

i. the owner shall enter into and register on title to the lands at 561 Jarvis Street and 102-120 Earl Place 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 authorize the Chief Planner and Executive Director, City Planning 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 31 existing rental dwelling units at 561 Jarvis Street and 102-120 Earl Place after all the following have occurred:

a. all conditions in Recommendation 1 above have been fully satisfied and 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 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 permits) for the approved development on the site; and

e. 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 561 Jarvis Street and 102-120 Earl Place 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 Division;

c. the owner erects the proposed building no later than 4 years from the date on which 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 development containing 31 replacement rental dwelling units 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 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

On August 4, 2022, a Zoning By-law Amendment application was submitted to permit the redevelopment of 561 Jarvis Street and 102-120 Earl Place with a 58-storey residential building with 680 units including 31 replacement rental units. On March 31, 2023, the applicant appealed its Zoning By-law Amendment application to the OLT due to Council's failure to make a decision on the application within the time prescribed by the Planning Act.

On October 11, 2023, City Council adopted an Appeal Report from the Director, Community Planning, Toronto and East York District and directed the City Solicitor and appropriate City staff to oppose the application and continue discussions with the applicant to resolve matters. The Decision of City Council may be found here: <https://secure.toronto.ca/council/agenda-item.do?item=2023.TE7.14>

On February 6, 2024, City Council adopted a Request for Directions Report from the City Solicitor and endorsed a settlement offer for a revised development proposal. The Decision of City Council may be found here: <https://secure.toronto.ca/council/agenda-item.do?item=2024.CC14.3>

On April 18, 2024, the OLT issued a Decision and Interim Order approving in principle the Zoning By-law Amendment for 561 Jarvis Street and 102-120 Earl Place, subject to conditions. The Decision of the OLT may be found here: <https://www.omb.gov.on.ca/e-decisions/OLT-22-004171-AUG-11-2023.pdf>

THE SITE

Existing Rental Housing

The buildings at 561 Jarvis Street and 102-120 Earl Place currently contain a total of 31 rental dwelling units including 6 studio units, 24 one-bedroom units, and one three-bedroom unit. There is currently a two-and-a-half storey apartment building containing 29 rental units at 561 Jarvis. The existing building at 102-120 Earl Place contains a row of 10 townhomes, of which 9 are owner-occupied and one unit (106 Earl Place) has 2 rental units.

Of the existing rental units, 21 have affordable rents, 2 have mid-range (affordable) rents and 8 have rents above mid-range rents. All units are currently occupied.

THE APPLICATION

Description: The Zoning By-law Amendment application for the subject site was approved in principle by the OLT on April 18, 2024, subject to City Council's approval of the Rental Housing Demolition application. The applications encompass the lands municipally known as 561 Jarvis Street and 102-120 Earl Place (see Attachment 1 – Location Map).

Once finalized, the Zoning By-law Amendment would permit the redevelopment of the lands with a 58-storey residential development.

Replacement Rental Units: The proposed development would contain a total of 31 rental replacement dwelling units and 677 new dwelling units. The replacement rental units would be located on the second and third floors of the development. They would be comprised of 6 studio units, 24 one-bedroom units and one three-bedroom unit, of which 21 units would have affordable rents and two would have mid-range (affordable) rents and the remaining eight units would have unrestricted rents.

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 existing rental dwelling units.

All eligible tenants will receive the following:

- at least six months' notice before having to vacate their existing dwelling unit (inclusive of notice required under the Residential Tenancies Act);

- financial compensation, in addition to the requirements of the Residential Tenancies Act, in the form of rent gap assistance. The rent gap would be calculated as the difference between the monthly rent paid by each eligible tenant and the most recent average rent by unit type in Canada Mortgage and Housing Corporation's (CMHC) Rental Market Survey Toronto census metropolitan area (CMA) for purpose-built rental buildings constructed in 2015 or later, by available zones, over the period of construction of the proposed building (estimated at 36 months). The average market rents used to establish rent gap payments will be indexed upwardly to better reflect changes in market conditions since the completion of the latest rental market 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
- upon request, services of a rental leasing agent.

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 the proposed development and renovated units take longer than three years to complete, the applicant would provide each tenant with additional rent gap assistance until the rental units are ready for occupancy.

Reasons for Application

This application to redevelop the subject lands 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.

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

On March 26, 2024, a meeting with impacted tenants was held to review the City's housing policies, the impact of the proposed development on existing tenants, and the proposed Tenant Relocation and Assistance Plan. The meeting was held in person and attended by approximately 27 tenants, representatives of the applicant, City Planning staff and a representative of the local councillor's office. Tenants also submitted written correspondence with additional comments.

Tenants asked questions and expressed concerns about:

- timing of the application and overall development, including the length of time tenants would be displaced from their units;
- availability of rental units in the neighbourhood suitable for tenant's interim accommodations;
- tenant eligibility;
- the proposed replacement rental unit layouts, including their size, location in the building, location of windows and the kitchen design;
- how the rent-gap payment is calculated and if it would be sufficient to find a similar unit in the area;
- the suitability of the data used to calculate the rent gap payment;
- the process for returning to a different type of unit; and
- the process for how replacement units will be selected by eligible tenants and how rents would be calculated, including utility adjustments.

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). In the opinion of Staff, the proposal is consistent with the PPS and conforms with the Growth Plan.

Replacement Rental Housing

Staff are satisfied with the proposed replacement of the existing rental housing units by their respective bedroom type, size and at similar rents to those in effect at the time of the application. The total gross floor area of the 31 replacement rental units is 1,333.72 square metres, which is 105% of the gross floor area of the existing rental units proposed to be demolished.

The average size of replacement studios and one-bedroom units are larger than the average size of existing studio and one-bedroom units. The existing three-bedroom unit is 167 square metres. As the unit is not occupied by an eligible tenant, staff have agreed to replacing the unit with a smaller, more typical unit size.

All replacement units will have ensuite laundry provided. Tenants will have access to all indoor and outdoor amenities on the same terms and conditions as any other resident of the development.

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 proposed development under the Rental Tenancies Act, until their tenancies end. Rents for the 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.

Tenant Relocation and Assistance Plan

City Planning staff are satisfied with the Tenant Relocation and Assistance Plan as it meets the City's expectations for rental demolition. It will allow tenants to continue to access and afford suitable housing within the neighbourhood until the new building, replacement and retained rental units are completed and available for occupancy. The Tenant Relocation and Assistance Plan 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

Attachment 1: Location Map

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