

## **Housing Accelerator Fund: Apartment Infill Study – Residential Infill Report**

Date: May 27, 2025

To: Planning and Housing Committee

From: Chief Planner and Executive Director, City Planning

Ward: All

### **SUMMARY**

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The Apartment Infill Study seeks to optimize land use and enable more housing options in the city's apartment neighbourhoods, including purpose-built rental housing, by developing new tools and best practices to simplify and streamline the approval process for apartment infill proposals. Existing apartment sites offer an opportunity for contextually appropriate infill and reurbanization to address the city's current housing needs and the creation of complete communities through redevelopment.

The Apartment Infill Study is one of 54 actions in Toronto's 2023 Housing Action Plan ("HAP"), which seeks to increase housing supply within complete, inclusive, and sustainable communities with critical infrastructure to support growth. The new homes enabled by the HAP will contribute to the provincial housing target of 285,000 new homes in Toronto by 2031. In recognition of the urgent action needed to address Toronto's housing needs, the City of Toronto has partnered with other orders of government to pursue all possible approaches toward increasing housing supply and to supporting growth. The study is also one of eight initiatives under the federal Housing Accelerator Fund ("HAF"), through which the Canada Mortgage and Housing Corporation ("CMHC") has committed \$471.1 million in funding to support the City's efforts to eliminate barriers to building new housing, make a generational transformation of Toronto's housing system and increase housing affordability for residents. This report and zoning by-law represent deliverables to fulfill the City's commitment to Initiative 8 under the HAF, to optimize land use in the city's apartment neighbourhoods through establishing best practices and developing new tools to simplify and streamline the approval process for infill housing on existing apartment sites.

The study recommends zoning amendments to enable additional housing on existing apartment sites by permitting townhouses on sites zoned Residential Apartment Commercial in city-wide Zoning By-law 569-2013, and by permitting the conversion of certain underutilized common spaces into residential dwelling units. It also recommends new permissions to enable overcladding associated with deep energy retrofits of existing apartment buildings, which will contribute to Toronto's housing supply through the preservation of existing and aging housing stock.

It is important to note that renewal of apartment tower neighbourhoods, and continuing to explore opportunities for infill on apartment neighbourhood sites, remains an ongoing priority of City Planning. Future work is planned, including reviewing and analyzing apartment infill development trends, lot studies, and existing development review processes, to develop planning tools that will facilitate larger-scale apartment infill opportunities city-wide and/or on site-specific or geographic-specific basis.

The recommended amendments have been developed in consultation with relevant City divisions and industry experts, and considers industry best practices, recent development trends, and the City's Net Zero Existing Building Strategy. They are consistent with the Provincial Planning Statement 2024 and conform with the Official Plan, including policies for *Apartment Neighbourhoods*, Housing and the recently adopted new Chapter 1 to the Official Plan vision, which aims to eliminate disparities, prioritize climate action, and become the world's most inclusive city.

## **RECOMMENDATIONS**

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The Chief Planner and Executive Director, City Planning, recommends that:

1. City Council amend Zoning By-law 569-2013, as amended, substantially in accordance with the proposed Zoning By-law Amendment appended as Attachment 3 to this report.
2. City Council authorize the City Solicitor to make such stylistic and technical changes to the proposed Official Plan and Zoning By-law Amendments as may be required.

## **FINANCIAL IMPACTS**

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There are no financial implications resulting from the recommendations included in this report in the current budget year or in future years.

The HAF provides incentive funding to local governments aimed at increasing housing supply. The recommendations in this report will help satisfy the conditions set out in the City's application under the HAF, as it responds directly to Initiative 8: Optimizing Land Use and Simplifying the Planning Approvals Process to Increase Purpose-Built Rental Supply in Apartment Neighbourhood Zones. This funding would assist a number of initiatives that support and expedite delivery of the Housing TO 2020-2030 Action Plan ("HousingTO Plan") and Housing Action Plan.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

## EQUITY STATEMENT

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The City of Toronto recognizes that housing is essential to the inherent dignity and wellbeing of a person, and to building healthy, equitable, sustainable and livable communities. Residents' quality of life, the city's economic competitiveness, social cohesion and diversity also depend on current and future residents being able to access and maintain adequate, suitable, and affordable homes.

The City of Toronto's existing housing plans and strategies seek to improve housing outcomes for a range of residents and to support equity and climate resilience, specifically:

- The [HousingTO 2020-2030 Action Plan](#) ("HousingTO Plan") envisions a city in which all residents have equal opportunity to develop to their full potential and is centred on a human rights-based approach to housing. It is also focused on increasing the supply of new affordable homes, protecting the existing housing stock, and helping renters to achieve and maintain housing stability; and
- The City's Official Plan contains policies relating to the provision of a full range of housing and maintaining and increasing the affordable and mid-range housing stock within the city. The recently updated Chapter 1 to the Official Plan establishes Toronto's vision and shared priorities for an accessible, equitable and inclusive city through providing for a range of housing forms, tenures and affordability, including dignified supportive housing for vulnerable populations.

The opportunities identified in this report align with the priority actions outlined in the HAP, and support HousingTO Plan and Official Plan objectives to increase the supply of housing, including purpose-built affordable and market rental housing. They can also contribute to increasing opportunities for people from equity-deserving groups, including those from low-and-moderate-income households, to access safe, healthy, and adequate homes, within inclusive, complete, and equitable communities.

## CLIMATE STATEMENT

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On October 2, 2019, City Council declared a climate emergency for the purpose of "naming, framing and deepening our commitment to protecting our economy, our ecosystems and our community from climate change" ([Item MM10.3](#)). This was followed up with the adoption of TransformTO Net Zero Strategy, which includes targets to achieve net-zero emissions in Toronto by 2040 ([Item IE26.16](#)).

Provincial policy, including the Provincial Planning Statement, supports intensification and building "compact and complete communities" as a strategy to help reduce greenhouse gas emissions and plan more adaptive communities that are resilient to the impacts of climate change. Removing regulatory barriers to creating additional infill housing is an important intensification strategy that promotes a more efficient use of land and resources that can be achieved quickly, relative to more complex planning applications. Density within built up areas supports low carbon transportation choices,

such as walking, cycling, and public transit. Intensification in Toronto also reduces the need for sprawl to accommodate our housing need in the region, helping to protect agricultural lands, water resources and natural areas. Increasing density in built up areas maximizes the use of existing infrastructure, which avoids carbon-intensive infrastructure built elsewhere.

The zoning amendments recommended through this report advance Toronto's strategies to address climate change and TransformTO by eliminating zoning barriers to the refurbishment of existing buildings and renovations for incremental housing, such as conversions of underutilized spaces to residential dwelling units, as well as to tower renewal and deep energy retrofit initiatives that entail recladding or overcladding. Future work will continue to explore opportunities to improve or optimize site conditions to contribute to sustainability objectives, such as reducing paved surfaces for parking and expanding areas for soft landscaping and tree planting.

## **DECISION HISTORY**

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On December 14, 2022, City Council adopted Item CC2.1 - 2023 Housing Action Plan, which directed the City Manager to develop a Housing Action Plan for the 2022-2026 term of Council, such plan to include targeted timelines for the approval and implementation of a range of policy, program, zoning and regulatory actions to increase the supply of housing in support of complete communities.

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

On March 21, 2023, Executive Committee received the Housing Action Plan 2022-26: Priorities and Work Plan Report ("HAP Work Plan"), including the Apartment Infill Study, and directed staff to report annually on its implementation.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX3.1>

On November 8, 2023, City Council adopted Item EX9.3 - "Generational Transformation of Toronto's Housing System to Urgently Build More Affordable Homes" including direction to the Deputy City Manager, Development and Growth Services to advance early due diligence work on 40 City-owned sites that were identified as potential housing sites as outlined in Confidential Attachment 1 of the report.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX9.3>

On December 13, 2023, City Council adopted Item MM13.27 - "Federal Housing Accelerator Fund - Supporting Generational Transformation of Toronto's Housing System" including direction to the Deputy City Manager, Development and Growth Services, to receive receipt of HAF program funds, in accordance with the terms and conditions of a contribution agreement and any related agreements, directives or program guidelines.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MM13.27>

On July 11, 2024, Planning and Housing Committee adopted Item PH14.10 – "Housing Action Plan: Apartment Infill Study – Preliminary Report", which endorsed City Planning's study workplan and directed staff to report back with detailed proposals in the second quarter of 2025.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH14.10>

On November 13, 2024, City Council adopted a report titled “Build More Homes: Expanding Incentives for Purpose Built Rental Housing”, which directed staff to report back on implementation tools to provide incentives for purpose built rental homes in 2025.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX18.2>

On February 5, 2025, City Council adopted Item PH18.4 - “Expanding Housing Options in Neighbourhoods - Ward 23 Multiplex Study - Official Plan and Zoning By-law Amendments - Decision Report - Approval” to amend the Official Plan and City-wide Zoning By-law to permit fiveplexes and sixplexes in detached residential buildings in Ward 23. In the same item, Council also adopted a supplementary report from the Deputy City Manager titled “Progress Update - Housing Accelerator Fund” and dated February 4, 2025, which responded to Planning and Housing Committee direction to provide an update on the status of the initiatives and milestones under the contribution agreement between the City and the federal government. Staff committed to expediting the Apartment Infill Study to align with HAF requirements, as set out in the supplementary report.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.PH18.4>

## **BACKGROUND**

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### **Housing Action Plan**

HAP priorities for the 2022-2026 term of Council include targeted timelines for the approval and implementation of a wide range of actions, policies and programs to increase the supply of housing within complete, inclusive and sustainable communities with the critical infrastructure to support growth. The new homes enabled by the tools developed through this study will contribute to the provincial housing target of 285,000 new homes in Toronto by 2031 and increase opportunities for a range of different housing options in apartment neighbourhoods across the city.

The Apartment Infill Study sets out to enable infill housing on existing apartment sites city-wide, including those owned by public, private, non-profit and co-op housing providers. This supports the objectives of the HAP through removing policy and zoning barriers to building housing; leveraging public lands to increase housing supply; preserving existing rental homes; supporting the development of a range of purpose-built rental homes (including market and non-market) through new and strengthened housing policies and programs; and supporting the community sector (including non-profit and co-op housing providers) to modernize and grow their stock.

### **Housing Accelerator Fund**

In December 2023, the City entered into a contribution agreement with CMHC under the federal government’s Housing Accelerator Fund that commits \$471.1 million in funding to support the City’s efforts to eliminate barriers to building new housing, make a generational transformation of Toronto’s housing system and increase housing affordability for residents.

Under the agreement, the City committed to delivering eight initiatives with 35 accompanying milestones aimed at accelerating development of new housing and preserving existing housing, and achieving a total of 60,980 net new permitted homes over three years. The Apartment Infill Study is in fulfillment of Initiative 8 under the HAF reflects the City's commitment to optimizing land use and developing new tools to simplify and streamline the approval process for infill housing on existing apartment sites.

## **TransformTO and Net Zero Existing Building Strategy**

In response to the climate emergency declared by City Council, the City developed the TransformTO Net Zero Strategy in 2019 to outline a pathway to achieve net zero emissions in the city by 2040. Net zero emissions means that greenhouse gas emissions are reduced to as close to zero as possible, and any remaining emissions are offset through removing carbon from the atmosphere. Actions that can remove carbon can include the restoration of natural systems, planting trees, or employing technologies that can capture and permanently store carbon before it is released into the air. TransformTO's Net Zero Strategy includes a set of low-carbon goals and short-term actions to reduce Toronto's greenhouse gas emissions (GHG) while improving health, encouraging economic growth, improving social equity, and increasing climate resilience

The Net Zero Existing Building Strategy is one of three initiatives to advance the decarbonization of all homes and buildings in Toronto to reduce emissions to net zero by 2040, along with the Toronto Green Standard for new private and city-owned developments and the Net Zero Carbon Plan for City-owned Buildings. Existing buildings account for the largest source of greenhouse gas emissions in Toronto, comprising 56 percent of total emissions in 2022. The Strategy includes nine key policy actions to accelerate retrofits of existing buildings, including the streamlining of permitting and approval processes for deep retrofits. Findings from the technical study for the Strategy indicate that building envelope upgrades are more expensive than switching to lower carbon energy sources, but deliver the highest co-benefits of social equity, health and local economic benefits. The recommended overcladding permission in this report contributes to the implementation of a key policy action of the Net Zero Existing Building Strategy by removing regulatory barriers in the city-wide Zoning By-law for deep energy retrofits.

## **RECOMMENDED ZONING BY-LAW AMENDMENT**

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This report recommends amendments to the city-wide Zoning By-law to implement the following three permissions:

- Townhouses as a permitted building type in the RAC zone;
- Conversion of underutilized spaces within existing apartment buildings into additional residential dwelling units; and
- Cladding as a permitted encroachment into required building setbacks and separation distances in the Residential Apartment zone category.

More detail on each of the above three proposals is described in the “Comments” section of this report.

## **POLICY & REGULATION CONSIDERATIONS**

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### **Planning Act**

Section 2 of the *Planning Act* establishes matters of provincial interest to which City Council shall have regard, in carrying out its planning responsibilities. These include: the orderly development of safe and healthy communities; the adequate provision of a full range of housing, including affordable housing; the promotion of development that is designed to be sustainable, to support public transit and to be oriented to pedestrians; and the appropriate location of growth and development.

### **Provincial Planning Statement, 2024**

On October 20, 2024, the Provincial Planning Statement (2024) (“PPS”) came into effect and combined the Provincial Policy Statement (2020) and the Growth Plan (2020) into a single policy document. All decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the PPS and shall conform to provincial plans, including the Greenbelt Plan (2017) and others.

The PPS provides policy direction provincewide on land use planning and development and speaks to building homes while sustaining strong and competitive communities, making wise use of and managing resources, and protecting public health and safety. More specifically, the PPS includes policies that direct planning authorities to:

- provide for an appropriate range and mix of housing options and densities to meet projected requirements of current and future residents;
- promote densities for new housing which efficiently use land, resources, infrastructure and public service facilities, and support the use of active transportation; and
- support general intensification and redevelopment to support the achievement of complete communities.

### **City of Toronto Official Plan**

The City’s Official Plan (2006) is founded on a growth management strategy which steers growth and change to some parts of the city, while generally protecting others from more significant change.

Official Plan policies for *Apartment Neighbourhoods* are outlined in Sections 2.3.1 and 4.2 of the Plan. The Official Plan describes *Apartment Neighbourhoods* as stable areas of the City where significant growth is not anticipated on a city-wide basis; however, it recognizes that opportunities exist for infill development on underutilized sites. While tall buildings may be considered where built form compatibility can be demonstrated, infill is

identified primarily as low-rise building forms such as townhouses and small-scale apartments, as well as vertical and horizontal building additions.

Guidance regarding infill development on apartment sites is provided through the Official Plan in the Built Form and Public Realm policies (Sections 3.1.3 and 3.1.4) and development criteria for *Apartment Neighbourhoods* (Policies 4.2.2 to 4.2.6). Compatible infill development may be permitted on a site within a developed *Apartment Neighbourhood* which improves existing site conditions, which includes providing needed improvements, renovations and retrofits to existing rental housing to extend the life of existing building(s) that are to remain, and encouraging improved energy and water efficiency in existing buildings through renovations and retrofits (Policies 4.2.3(q) and (r)). Physical compatibility is demonstrated through appropriate built form relationships with the existing height and massing of buildings on-site and in the immediate context, including adequate separation distances. The existing conditions of the site may be improved through the provision of on-site indoor and outdoor residential amenity improvements; quality landscaped open space; adequate on-site shared vehicular parking; the consolidation, and relocation of parking to limit their visibility from streets and parks; and organization of new development to frame streets, parks and open spaces with good proportion.

Section 3.2.1 of the Plan states that a full range of housing, in terms of form, tenure, and affordability, will be provided and maintained to meet the needs of existing and future residents. Policy 3.2.1.5 states that where significant development occurs on existing rental sites, the tenure of existing rental buildings will be secured for at least 20 years. Improvements to the existing rental apartment building will also be required, without any transfer of costs to tenants.

Policy 5.1.3.3 enables the City to use site plan control to secure sustainable design features that include energy efficient exterior cladding and window treatments to improve energy efficiency and reduce greenhouse gas emissions.

### **Zoning By-law 569-2013**

On May 9, 2013, City Council enacted City-wide Zoning By-law 569-2013 (“City-wide Zoning By-law” or “Zoning By-law”). The purpose of the City-wide Zoning By-law was to harmonize 43 former municipal by-laws from the pre-amalgamated City into one zoning by-law. The *Apartment Neighbourhoods* designation in the Official Plan includes lands which are subject to the Residential Apartment (RA), Residential Apartment Commercial (RAC) and Residential (R) zones. A small proportion of properties are also zoned Residential Multiple (RM), or they are not in Zoning By-law 569-2013 and are instead subject to former municipal zoning by-laws. However, these only represent approximately 1 percent of properties designated *Apartment Neighbourhoods*. The percentage of properties subject to each zone is as follows: 42 percent in the R zone, 15 percent in the RAC zone, 42 percent in the RA zone and 1 percent in the RM zone or former municipal zoning by-laws.

The majority (57%) of existing apartment sites are zoned RA or RAC, under the Residential Apartment zone category in Chapter 15 of the Zoning By-law. Both zones permit primarily residential uses and building types, with performance standards that



allow larger apartment buildings than the residential zones associated with low-rise neighbourhoods. The RAC zone also permits a range of small-scale commercial, service and community uses to be located in a single use building or in an apartment building with 100 units or more. The RAC zone was originally developed for apartment neighborhoods in the outer suburbs where access to basic commercial and community amenities, such as grocery stores and personal services, was limited.

As most regulations for apartments were adapted from former municipal zoning by-laws, standards applying to Toronto's apartment neighbourhoods have generally not been modernized to reflect current housing needs and development trends. Key built form standards for apartments include permitted maximum height, minimum building setbacks, minimum separation distance between two or more buildings on the same lot, residential amenity space rates and minimum landscaping requirements. While parking minimums for residential units in new development have been removed through By-law 89-2022, existing buildings are required to maintain lawfully existing parking spaces. Visitor and accessible parking are still required for apartment and mixed use buildings in By-law 89-2022.

Of the RAC and RA zones, only the RA zone currently permits townhouses as an infill building type. The permission for townhouses was introduced through an LPAT decision dated May 8, 2019, and a subsequent OLT settlement order approving the final-form amendment to the City-wide Zoning By-law dated April 19, 2024, and an amending order on August 13, 2024.

## **COMMUNITY CONSULTATION & ENGAGEMENT**

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Staff used multiple engagement tools to solicit feedback on the Apartment Infill Study. A dedicated webpage was created on the City of Toronto website to provide information on the study and to advertise upcoming consultation events ([www.toronto.ca/ApartmentInfillStudy](http://www.toronto.ca/ApartmentInfillStudy)). This webpage will also support future work related to apartment neighbourhoods. Two virtual community consultation meetings were held on April 15 and 16, 2025, to solicit public input; the meetings were also advertised on the City's social media platforms and details were provided to Residents Associations and Ward Councillors to share with their constituents.

### Community Consultation Meetings

Two virtual community consultation meetings were hosted by staff on April 15 and 16, 2025. In total, approximately 40 members of the general public attended. Attendees included tenants from existing apartment neighbourhoods, as well as owners of apartment sites. The meetings were comprised of presentations by staff and question and answer periods where attendees had the opportunity to ask questions about the study. The following comments were raised in the meeting, and via phone calls or e-mails to staff:

#### *Permissions for Townhouses in the RAC zone*

- Participants were generally supportive of enabling infill townhouse permissions.

- Some participants believed that these permissions would help improve housing affordability and increase housing supply.
- Participants suggested that standardized designs (i.e. CMHC catalogue) that enable apartment infill would be helpful for independent apartment site owners, similar to what was created for low-rise housing in neighbourhoods.
- The feedback received supported fewer zoning regulations for housing forms that can provide family-sized units.

### *Permissions to Convert Underutilized Space into Dwelling Units*

#### *Comments on parking availability*

- There were concerns expressed about removing parking spaces for existing tenants, especially when transit is not available near apartment sites, and tenants need to commute by car for work.

#### *Comments on the preservation of amenities*

- Participants noted that amenities and common facilities which are well-utilized within apartment buildings (such as storage lockers) contribute to quality-of-life for tenants.
- Infill development on suburban apartment sites with little amenity space may discourage people from moving outside of the downtown, due to the decreased access to local services and commercial amenities in suburban areas.

### *Permissions for Cladding Encroachments (to support Tower Renewal Retrofits)*

- Participants were generally supportive of cladding permissions.
- There were some concerns raised about the cost of a cladding retrofit and potential rent increases.
- Some tenants were concerned about cladding retrofits resulting in general disruption through construction (noise, dust and vibration) or displacement, and if there would be recourse.
- Some participants were skeptical of cladding as a strategy to meet the City's Net Zero Existing Building Strategy in situations where heritage buildings are involved.

### *General Comments (Regarding this Study and Future Work)*

- There were supportive comments on these initiatives from numerous attendees, including support for streamlining the development approval process through increasing "as-of-right" zoning scenarios which could bring down the cost of housing.

#### *Impacts of Infill on Tenants*

- Some tenants thought that more intensive apartment infill proposals should require a rezoning process to ensure that tenants are provided the appropriate assistance.

- Apartment sites should not become focus areas to increase housing supply, particularly when development displaces tenants.
- Some participants observed that there are many impacts and implications associated with infill development on apartment sites, including increased area traffic and reduced open space areas.

### *Housing Supply and Affordability*

- Participants asked how the City was addressing the increased need for public infrastructure, such as servicing, stormwater management, roads and transit, to support new housing supply.
- Some participants encouraged the City to incentivize infill development in apartment neighbourhoods and improvements to existing buildings through development charge credits and community benefit charge credits.

### Industry Roundtables

Two industry roundtable meetings were hosted by staff on April 4, 2025 and April 9, 2025. In total, approximately 47 industry professionals attended the sessions. Industry professionals included planners, architects, landscape architects, developers, and representatives from industry groups (BILD and Greater Toronto Apartment Association) and non-profit organizations (Toronto Atmospheric Fund and Tower Renewal Partnership). Each session consisted of a presentation by staff and question-and-answer period where attendees had the opportunity to respond to focused questions. The following comments were raised in the meeting:

### *Permissions for Townhouses in the RAC zone*

- Some participants noted redevelopment requires expensive rehabilitation to the existing building. Townhouses are typically a portion of a larger development and help recoup costs on expensive renovations.
- Existing underground garages may not be built to carry new weight from building additions, new infill development, or additional soil volume to allow for proper planting.
- Some participants noted concerns with certain performance standards for townhouses, including minimum dwelling unit width and setbacks.
- One participant noted that non-residential uses are unlikely at many locations, unless they are located along a major street.
- Some participants noted concerns with the process of confirming existing conditions of older apartment buildings through application submission materials, rather than “grandfathering” existing conditions.

### *Permissions to Convert Underutilized Space into Dwelling Units*

- Participants noted that underutilized ground floor, basement, and parking areas are most commonly converted to residential units. Conversions of wholly below-ground spaces into dwelling units are not feasible due to Ontario Building Code requirements.

- Many participants agreed that amenity space and gross floor area requirements often triggered the need for approval by the Committee of Adjustment.
- Many participants noted that development charges on new dwelling units may impact the viability of a project.

#### *Permissions for Cladding Encroachments (to support Tower Renewal Retrofits)*

- Some participants recommended increasing the encroachment permissions to up to one metre for flexibility, to accommodate architectural detailing and new retrofit technologies.
- Most participants confirmed Exterior Insulation and Finish Systems (EIFS) are the most common cladding materials used.
- Some participants noted difficulties they confront when phasing in new tenants, as re-cladding work can be loud and lengthy.
- Some participants asked staff to clarify how overcladding permissions contribute to the City's Housing Accelerator Fund commitments.
- Some participants encouraged the City to incentivize infill development in *Apartment Neighbourhoods* and incentivize improvements to existing buildings through development charge credits and community benefit charge credits.

#### Tenant Advisory Committee Meeting

Staff met with the Tenant Advisory Committee meeting on April 23, 2025. The Tenant Advisory Committee engages tenants with lived experience and advocacy groups to provide advice, guidance, and identify proactive solutions to the City in its efforts to help renters. Four participants participated in a presentation and question-and-answer period. The following comments were raised in the meeting:

- Some participants noted concerns with increased noise volumes associated with infill development.
- Some participants expressed concern that townhouses provide less housing in exchange for finite and valued open space.
- Some participants noted the risk of creating “food deserts” where there is not enough land to accommodate both townhouses and non-residential.
- Some participants supported townhouses as a development option in confined/constrained areas of sites.
- Some participants noted tenants were less likely to seek Landlord Tenant Board (LTB) compensation for the loss of these amenities due to stigma, risk of eviction, accessibility constraints with LTB hearing, and a perceived bias at the LTB.
- Some participants noted concerns with passing the cost of cladding improvements onto tenants through above-guideline rent increases.
- Some participants were concerned with continuing services and amenities within an existing apartment building during construction, and how tenants are notified of construction or renovation initiatives.
- Conversion of space regulations should be very precise and clear about what spaces can be converted, particularly important spaces (mailrooms, etc.).

- Some participants encouraged the City to adopt a grant or loan program for re-cladding, in an effort to avoid above-guideline rent increases.

## COMMENTS

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Toronto's apartment neighbourhoods, characterized by concrete frame, multi-unit buildings surrounded by significant open space, were developed in response to the city's post-war population growth experienced between 1960 and 1980. The majority of buildings were privately developed and financed in a high-rise housing boom during this period, with these buildings forming a significant feature of in the landscape of new neighbourhoods in the suburbs of Toronto. The "tower in the park" typology and emergence of apartment neighbourhoods in Ontario reflect a number of historic factors, including innovations in concrete frame construction, as well as the ability of the private development industry to meet increased demand for apartment housing. Apartment neighbourhoods are also the product of post-war era public planning policy, which actively promoted high-rise construction in the expansion of new neighbourhoods in the suburbs to provide additional housing options, higher densities to maximize public infrastructure investment and vast open space between buildings to offset the impacts of dense apartment housing conditions.

As the approach to planning has shifted to encourage more active modes of transportation such as transit, cycling and walking, the surface parking and some underutilized open space portions of "tower in the park" sites provide potential opportunities for infill development to accommodate additional housing and other amenities to support complete communities, including more active uses at grade, public realm improvements, access and walkability through sites, screening of servicing and loading areas and preserving tree canopy.

While the Official Plan does not contemplate significant growth within *Apartment Neighbourhoods*, recent Council-directed initiatives, such as the Expanding Housing Options in Neighbourhoods (EHON) and Housing Action Plan work programs have reframed the approach to change in stable neighbourhoods. Through introducing permissions for additional low-rise housing forms, including townhouses and low-rise apartments on Major Streets and Sixplexes in Ward 23 - Scarborough North, with potential for city-wide expansion, these initiatives have implemented zoning permissions that may distribute growth more evenly across the city, making better use of existing infrastructure and resources. The Apartment Infill Study is consistent with this direction by developing tools to extend incremental growth to underutilized lands within established apartment neighbourhoods and broadening the diversity of housing options in these areas.

## Recommended Zoning Amendments

This report recommends Council adopt a Zoning By-law Amendment to permit the following three zoning changes in support of the study's workplan and the City's commitment to the Housing Accelerator Fund:

- Townhouses as a permitted building type in the Residential Apartment Commercial (RAC) zone and associated performance standards;

- Conversion of underutilized spaces within existing apartment buildings into additional residential dwelling units; and
- Cladding as a permitted encroachment into required setbacks and separation distances in the Residential Apartment (RA) and RAC zones.

These amendments would enable a modest incremental increase of housing and range of infill building types on existing apartment sites. The permissions serve to address some of the unique challenges to implementing infill housing and preserving existing housing stock within apartment neighbourhoods, including: optimizing development opportunities for infill buildings on lots which are irregular in shape and pattern, often with adjacency to lower-scale neighbourhoods; aging buildings which are in need of retrofits to meet modern safety and energy standards; and simplifying approvals for renovations to empower a broader range of private owners to undertake infill housing projects.

Considered collectively as a comprehensive proposal, staff are recommending the three zoning permissions for the following reasons:

- **Promote Clear and Consistent Zoning:** The recommended permissions promote consistency between zones associated with *Apartment Neighbourhoods*, and with other zones permitting apartment buildings in the City-wide Zoning By-law, making zoning permissions easier to understand and apply on existing apartment sites.
- **Increase Development Potential for Housing:** Extending townhouse permissions to the RAC zone allows a broader range of infill building forms across apartment neighbourhoods, which provides greater flexibility in addressing different site conditions for redevelopment. There is significant variability in the lot fabric in apartment neighbourhoods, and many buildings located on irregular shaped lots with adjacency to lower-scale neighbourhoods or parks. Townhouses require less site area than higher-scale infill buildings and offer an infill option on the peripheries of more constrained sites where built form transition to low-rise areas is needed.
- **Optimize the Use of Space in Existing Buildings:** Apartment buildings constructed in the post-war era often contain significant common areas on the ground floor and basement, such as lobby, vacant storage and administrative offices or rooms. Some buildings include an excess supply of parking. As the utility of these common areas has shifted over time based on the needs and preferences of tenants, these spaces have often become underutilized. The proposed conversion of space permission removes regulatory barriers in renovating these spaces in existing apartments into additional dwelling units to meet current rental housing demand.
- **Advance Sustainability and Preservation of Housing Supply:** Most buildings in Toronto's apartment neighbourhoods were constructed before 1985 and are in need of retrofits to meet modern safety and energy standards. Permissions for overcladding remove regulatory barriers to building envelope upgrades, which improve a building's energy and thermal performance as part of a deep energy

retrofit. Introduce zoning permissions to enable retrofits recognizes that the preservation of the City's rental and affordable housing within apartment neighborhoods is an integral component of Toronto's strategy to address housing needs.

- **Enable Owner-Led Renovations:** The majority of Toronto's apartment sites are privately-owned and comprise a range of ownership structures and portfolio sizes. A number of factors can impede an owner's ability to initiate an infill redevelopment project, including lack of available capital and unfamiliarity with the technical expertise required to execute a project and obtain required approvals. Permissions to convert space to dwelling units is intended to allow smaller-scale renovation projects for additional dwelling units through a building permit application. This can reduce process barriers for renovation and construction initiated by independent apartment site owners, who have limited access to financing and capacity to coordinate with adjacent landowners for complex infill proposals.

Further background and description of each zoning permission is provided below in a subsequent section of this report. The recommended amendments are consistent with the PPS 2024 and conform with the Official Plan policies related to apartment infill, as detailed below. They optimize land use and simplify planning approvals processes to increase purpose-built rental supply in apartment neighbourhood zones in accordance with the HAF contribution agreement and will contribute to the provincial housing target of 285,000 new homes in Toronto by 2031 and increase opportunities for a range of different housing options in apartment neighbourhoods across the city, consistent with the HAP.

## Development Trends

Staff reviewed development trends in rezoning applications for apartment infill projects submitted between 2013 to 2024, and minor variance applications submitted between 2019 to 2024, to inform the recommended zoning amendments. The general findings of this review are described below. As part of City Planning's ongoing work to support tower neighbourhood renewal, staff will continue to review development trends to identify common issues with infill applications, best practices and appropriate tools to simplify development approvals which support balanced planning outcomes.

### *Townhouses in Apartment Infill Proposals*

Out of a total of 95 rezoning applications for infill development submitted over the past 10 years, 14 proposals (approximately 15%) included infill townhouses. Infill townhouse proposals were distributed equally between apartment sites in the R, RA and RAC zones. In all applications, at least one additional infill building was proposed, being mid-rise in scale or taller. The average number of dwelling units proposed through infill townhouses was 22 units.

In most applications, townhouses are proposed along frontages of a site which face properties in the Residential Zone category, or the Open Space zone category, which corresponds to low-rise neighborhoods and parks, respectively. In the few applications

where townhouses interfaced with areas in the CR zone, they were located on narrow, constrained portions of sites, often between a lot line with street frontage and an existing building.

### *Minor Variance Applications for Conversion of Space to Dwelling Units*

Between 2019 to 2024, the Committee of Adjustment received 208 minor variance applications for lands designated *Apartment Neighbourhoods* in the Official Plan. A total of 54 applications of those applications were to convert existing floor area within buildings to additional dwelling units. This excludes applications which in addition to conversions of space also proposed building additions or additional infill buildings on the site. An average of five dwelling units were created through each proposal, and the majority of applications have been approved.

Based on drawings submitted for minor variance applications, conversions of underutilized space to dwelling units generally take place on the ground floor and in the basement, or a combination of both areas. Areas which are commonly converted include lobby areas, storage for the maintenance of the building, property management offices and staff rooms, maintenance and utility rooms, and parking spaces. The chart in Attachment 1 to this report summarizes the most frequently requested variances, representing the areas of regulatory “friction” applicants commonly encounter with the City-wide Zoning By-law, including parking requirements, amenity space requirements, and restriction on maximum permitted number of dwelling units in a building.

## **Recommended Zoning Permissions**

### ***Townhouse Permissions in the Residential Apartment Commercial (RAC) Zone***

The *Apartment Neighbourhoods* land use designation in the Official Plan is implemented primarily through the Residential Apartment (RA), Residential Apartment Commercial (RAC) and Residential (R) zones in the City-wide Zoning By-law. Townhouses, defined in the By-law as “a building that has three or more dwelling units, and no dwelling unit is entirely or partially above another”, is a permitted residential building type in all of the above-noted zones except for the RAC zone.

Adopted by Council in 2014, application of the RAC zone was intended to provide greater access to local commercial and community uses in apartment neighbourhoods in areas of the city, mostly in Etobicoke York and Scarborough community planning districts, where such amenities were lacking or difficult to reach. The RAC is primarily distinguished from the RA zone through permissions for a limited range of non-residential uses on apartment sites containing at least 100 units, in single-use non-residential buildings or established as ancillary uses on the ground floor of an apartment. The RAC zone does not require apartment buildings within the zone to include these uses. Rather, it allows the flexibility for these uses to occur, thereby improving convenience to needed services in the neighbourhood.

Staff considered whether introduction of townhouse permissions would displace opportunities to establish new non-residential uses in the RAC zone. Upon review of development trends for apartment infill applications from 2013 to date, staff note that



townhouses are usually proposed at the edges of development sites, to optimize the use of site area in more constrained locations, and to provide transition to lower-scale neighbourhoods. When non-residential uses are provided as part of an infill proposal, they are typically proposed on lands zoned RAC, and consistently at the base of higher-scale infill buildings. Staff are of the opinion that permissions for infill townhouses would not detract from the provision of local commercial and community uses, as these uses are typically established in development scenarios where there is feasible site area and appropriate context for a higher-scale infill building.

Staff are of the opinion that extending infill townhouses to the RAC zone is appropriate and consistent with recent provincial policy changes. Introducing townhouse permissions can optimize development potential for the remaining 15 percent of apartment neighbourhoods zoned RAC city-wide, while still maintaining flexibility for non-residential uses in conditions where they are appropriate. Based on the Industry Roundtable feedback received during consultation, townhouses can be more cost-efficient to construct than low-rise apartment buildings (i.e. “stacked townhouses”), and are more likely to yield family-sized units.

To permit townhouses in the RAC zone, staff propose adding townhouses as a permitted residential building type to Regulation 15.20.20.40(1) – Permitted Building Types, and applying the same performance standards for infill townhouses in the RA zone to the RAC zone. Harmonization of standards between the two Residential Apartment zones ensures greater consistency and ease of administration when applying the city-wide Zoning By-law to apartment neighbourhoods. Several performance standards relating to townhouses in Section 15.5 – Regulations Applying to the Residential Apartment Zone Category, will apply to townhouses in the RAC zone, including regulations to address floor area calculations, landscaping requirements, parking space location, driveway access and required separation between a townhouse driveway and an apartment building. Additional requirements, such as those relating to minimum lot area, minimum width and lot frontage for townhouse dwelling units, maximum permitted building height and amenity space requirements will be introduced directly into the RAC zone in Section 15.20 of the city-wide Zoning By-law.

Key performance standards for infill townhouses in the RAC zone are summarized in Attachment 2 to this report.

### ***Permissions to Convert Underutilized Space to Dwelling Units***

This report recommends a zoning permission to permit the conversion of underutilized space within existing apartment buildings to new dwelling units. Many of these older apartment buildings include extensive common areas which reflect the needs and preferences of tenants for amenities at the time these buildings were constructed. As the utility of common areas and amenities has shifted over time, many of these spaces have been vacant or unused, offering an opportunity for owners to optimize the use of existing space and convert these areas to a modest amount of new housing.

This permission is also intended to remove regulatory barriers to owner-led renovations, taking in consideration the ownership composition of Toronto’s apartment buildings. The majority of Toronto’s post-war apartment buildings are privately-owned, ranging from

small, independent owners, which are often legacy family-owned operators, to large owners which include pension funds, insurance companies and publicly traded companies such as real estate investment trusts (“REITS”). While mid-size to large private owners have access to lower-cost capital and financing to initiate complex infill redevelopment projects, smaller independent owners may lack both access to capital and the technical expertise required. Apartment buildings owned by smaller, independent owners are estimated to comprise 20 to 30 percent of all apartment sites in Toronto.<sup>1</sup> The recommended conversion permission increases the accessibility of conversion renovations for a broader range of landowners, including smaller independent owners, by simplifying required approvals to an “as-of-right” process which only requires a building permit application.

The development trends found for conversion of space minor variance applications, including areas which are commonly repurposed, are described in an earlier section of this report. A small number of applications also involved the conversion of larger dwelling units to small units, indoor amenity areas, and vacant commercial units. Conversion of large residential units to smaller units is not permitted through this regulation, and is generally discouraged within Official Plan policies. It would also require a rental housing demolition permit application. While communal laundry facilities, utility rooms and storage lockers do not constitute “amenity space” as required in the city-wide Zoning By-law, in situations where these facilities were converted, they were nearly always replaced, often in a more compact form due to upgrades to more efficient machines and equipment.

In the majority of conversion proposals, additional dwelling units are accompanied with improvements to the existing building, which suggests that renovations for additional units are often part of a larger scope of work to revitalize and update the building. Improvements which typically accompany a conversion proposal include:

- New or improved indoor and outdoor amenity space;
- New or reconfigured storage lockers;
- New or reconfigured laundry facilities, with upgraded machines;
- Resident and visitor bicycle parking;
- Additional accessible parking spaces;
- New waste storage rooms;
- Improvements to on-site landscaping, walkways and main entrances;
- Updates to the building’s exterior.

The recommended permission to convert underutilized space to dwelling units will be a new regulation in Section 15.5 for the Residential Apartment Zone category and in Section 10.10 for the R zone, applying to lots with greater than 100 units to reflect sites within *Apartment Neighbourhoods* in Toronto and East York District. Any conversion in a basement must comply with Regulation 5.10.1.30(3)(A) and be partially above-grade to ensure liveability of the units and access to light, as well as compliance with daylighting requirements in the Ontario Building Code.

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<sup>1</sup> ULI Advisory Services Panel, “Toronto, Ontario. Affordability and Resilience: The Challenge of Tower Renewal in Private Rental Apartment Buildings”, Urban Land Institute (February 2020): 13.

The permission allows for the conversion of interior floor area to a maximum of five additional dwelling units, and provides exemptions from zoning requirements for these new units. These exemptions reflect the most commonly requested variances in conversion of space applications at the Committee of Adjustment, and include relief from requirements for:

- Maximum permitted number of dwelling units;
- Maximum permitted gross floor area;
- Maximum permitted floor space index;
- Minimum lot area required for each dwelling unit on a lot;
- Required additional indoor and outdoor amenity space;
- Required additional loading spaces;
- Required additional visitor, residential occupant and accessible parking spaces; and,
- Required additional short-term and long-term bicycle parking spaces.

The intent of the permission is to limit the number of units which may be granted relief from the requirements noted above, so that the small increase in new residential units can be accommodated with existing amenity space, parking and bicycle parking on the site.

This permission does not allow any exterior changes to the building by way of increases to the permitted building envelope through height or reduced setbacks. Interior floor area used for large residential units cannot be divided into additional smaller units. Some conversion applications involve the repurposing of more elaborate amenities to dwelling units, including swimming pools and saunas. However, many post-war apartments include minimal amenities as they were developed under legacy zoning by-laws which required little to no amenity space. As indoor amenity space can contribute significantly to the liveability of rental buildings for existing tenants, particularly in areas of the city with higher social need, any proposed reduction of amenity requirements should continue to be reviewed on a site-specific basis through a planning application process.

Policy 3.2.1.5 of the Official Plan requires that when significant infill development is proposed on an existing rental apartment site, improvements and renovations are to be made to the retained building to extend the life of buildings and improve amenities. The improvements are often provided in the form of new or upgraded common facilities within the building, or exterior renovations, and are typically determined through staff site visits and tenant consultation. Through the development review and approval process, the owner's obligation to construct these improvements is secured in an agreement with the City in a form satisfactory to the City Solicitor. The proposed permissions do not allow for a portion of a building that is the subject of improvements or upgraded facilities secured in an agreement with the City to be converted to additional residential units. These improvements were identified and approved through a public process as priorities to revitalize the existing rental housing stock through Policy 3.2.1.5.

While the City removed requirements for minimum resident occupant parking in the city-wide Zoning By-law in 2021, existing buildings are required to maintain existing parking

supplies (or the lawfully required amount of parking). The conversion permission also allows units to be created through the repurposing of existing residential occupant parking spaces, provided that the building maintains a minimum rate of one (1) residential occupant space per dwelling unit. The required number of accessible and visitor parking spaces is not recommended to be reduced for conversion.

Through consultations with the public and the City's Tenant Advisory Committee, tenant access to parking was a frequently-raised concern. The provision of sufficient parking to meet the mobility needs of residents in rental buildings, particularly in areas of the city with lower access to transit, was identified as a priority in redevelopment. Due to the maximum number of units which can be created through this permission, it is anticipated that a small number of parking spaces will be removed in any given development scenario. The base reduction threshold to one (1) residential occupant space per dwelling unit ensures that an acceptable level of access to parking is maintained for existing residents, while allowing buildings which include a surplus of parking the flexibility to repurpose the space. The permission to convert existing parking spaces to additional units mirrors similar conversion permissions in the city-wide Zoning By-law and reflect current policy direction to balance housing needs with reduced automobile dependence.

### ***Permissions for Cladding in Support of Tower Renewal Retrofits***

Toronto's post-war apartment neighbourhoods were largely constructed before 1985, rendering the stock of existing rental buildings across the city more than 40 years old.

Most were built during time without modern building code or zoning standards, with building envelopes often comprising single-glazed or double-glazed aluminum windows and exposed concrete or masonry structural walls with little insulation. Building envelopes are the primary source of heat loss and gain, as well as a conduit for drafts, moisture and noise. The energy performance of a building highly correlates to the condition of the building envelope, amongst other variables, and the apartment buildings constructed during this period may perform poorly relative to contemporary rental buildings. The result is that these buildings can use up to 10 times more energy to heat and cool, incite health risks due to mould, and provide uncomfortable living conditions for residents.

This report proposes permissions for overcladding as an initial step to remove regulatory barriers to deep energy retrofits in meeting the City's sustainability objectives. Overcladding is a method to revitalize an existing building's envelope by applying a new cladding system, which includes finished exterior materials and a layer of insulation, to the original exterior surface of the building.

The pathway to achieving improved thermal and energy performance for existing buildings is holistic in nature, and the nature of the retrofits required often depends on many site-specific variables, including the state of repair, condition and design of individual buildings. Overcladding is capital-intensive and typically undertaken as capital repairs or as part of a deep energy retrofit. Overcladding completed as a capital repair may not always improve insulation, whereas improvement of insulation value should be enabled and encouraged as part of a deep retrofit. Deep energy retrofit scenarios

typically involve a comprehensive building upgrade, which may include installation of high performance windows, upgraded HVAC equipment, installation of low-temperature radiators, and reconfiguration of ventilation systems, as well as elimination of thermal bridges through balconies to reduce heat loss. A deep energy retrofit can achieve a greenhouse gas emission reduction of greater than 75 percent, significantly improving resident comfort, health, and climate resilience, while reducing capital costs for apartment site owners.<sup>2</sup>

Through introducing overcladding permissions in support of tower renewal retrofits, the Apartment Infill Study recognizes that the City's supply of rental in apartment neighbourhoods, often with below average market rents, is an asset which should be preserved to meet the diverse housing needs of Toronto's residents. Refurbishment of existing buildings is more beneficial than new construction from an environmental, cost and social standpoint. In terms of environmental considerations, older apartment buildings are typically constructed of concrete slabs, which contain significant amounts of embodied carbon. Demolition and replacement of buildings of the same scale would be a significantly more energy intensive. From a cost perspective, retrofit of existing buildings can be completed at less than half to one-fifth of the cost of demolition and new construction for the same number of units.<sup>3</sup> In terms of social impacts, retrofit of existing buildings incurs less disruption and displacement of existing tenants relative to redevelopment scenarios which require demolition and replacement of buildings.

The recommended permissions for overcladding align with the City's Net Zero Existing Building Strategy, which will require the owners of all privately-owned buildings to decarbonize by 2040. It contributes to the implementation of one of nine key policy actions in the Strategy to accelerate retrofits by streamlining the approval and permitting process for deep energy retrofits. The energy performance modelling and performance upgrade standards recommended for the Net Zero Existing Building Strategy has informed the overcladding permissions in this report.

To enable overcladding retrofits, staff are recommending permissions in Section 15.5 for the Residential Apartment zone category to allow new cladding to be added to the original exterior surface of the main wall of a building, and to encroach into a required minimum building setback and building separation distance a maximum of 0.9 metres, if the building is at least five years old. Parallel encroachment permissions already exist in the Commercial Residential (CR) zone and the Residential Zone category in Section 10.5 of the city-wide Zoning By-law, however, the maximum allowance is 0.15 metres. In the CR zone, a requirement exists for the building to be at least five years old, while this requirement does not apply for the Residential zones. Cladding encroachments in the Residential Zone Category may be no closer to a lot line than 0.3 metres. As the general pattern of building setbacks in apartment neighbourhoods is larger compared with mixed use areas zoned CR and low-rise neighborhoods in the Residential Zone Category, a more permissive allowance for cladding can be accommodated in the Residential Apartment zone category.

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<sup>2</sup> Tower Renewal Partnership, "Advancing Building Retrofits: Final Report" (January 2020): 10.

<sup>3</sup> E.R.A Architects, planningAlliance, and the Cities Centre at the University of Toronto, "Tower Neighbourhood Renewal in the Greater Golden Horseshoe: An Analysis of High-Rise Apartment Tower Neighbourhoods Development in the Post-War Boom" (November 2010): 76.

The recommended encroachment permission provides an allowance for cladding systems and any associated ventilation equipment and pipes installed beneath the cladding in support of deep energy retrofits. The 0.9 metre standard is a cumulative dimension which combines the existing encroachment permission of 0.6 metres for vents, pipes, or utility equipment applying to apartment buildings in the Residential zone category, with a 0.3 metre allowance for overcladding systems. The 0.3 metre dimension can generally accommodate cladding systems with an insulation value of R40 to meet recommended upgrades in Net Zero Existing Building Strategy performance targets. The intent of the 0.9 metre standard is to provide flexibility for a wide range of cladding materials available on the Canadian market, while accommodating rapidly evolving technologies, best practices and site-specific approaches to retrofits. Accommodating a greater diversity of materials also allows for higher design standards, architectural integrity and quality of public realm when updating a building's exterior in a deep energy retrofit.

In addition to environmental considerations, the permission requires that any necessary ventilation equipment and pipes be incorporated beneath the overcladding for a more streamlined appearance to the exterior of the building, which can positively contribute to the public realm. To support the aesthetic updates that can be achieved through an overcladding retrofit, staff are also recommending an encroachment permission for architectural features be added to Section 15.5 for the Residential Apartment category, to allow cornices, decorative columns and other similar architectural features to encroach into a required building setback by 0.6 metres. Parallel permissions already exist for apartment buildings in the Residential zone category and the CR zone. This recommendation responds to industry feedback which identified a need to enable architectural features which can complement an overcladding renovation, to accommodate greater design flexibility in aesthetic upgrades to the renewal of existing buildings.

## **FUTURE WORK**

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Following Council's decision on the recommendations of this report, staff will continue work and interdivisional staff collaboration to explore best practices around apartment infill proposals. This entails strategies to simplify and streamline approvals for infill buildings, including the use of "as-of-right" zoning permissions and new tools such as the Community Planning Permit System (CPPS), as well as the potential for higher scale buildings such as mid-rise development. These best practices will be informed by development review trends, to identify patterns of development (scale and siting of buildings, tenure, improvements to the site and existing buildings, including public realm, and community benefits secured), and common issues with proposals in conforming with development criteria for *Apartment Neighbourhoods* in the Official Plan.

Staff will continue to prepare lot studies of *Apartment Neighbourhood* properties city-wide and create a detailed inventory of site characteristics, to understand the physical attributes of existing apartment sites. The lot studies will determine whether there is sufficient uniformity in the lot fabric and commonality between apartment sites to introduce as-of-right zoning performance standards for infill development city-wide, or for specific typologies of apartment sites.

Staff have also identified other issues and areas for further study through the consultations that were undertaken for this report. These are summarized below, and they will continue to be an area of focus for City Planning, in consultation with other City Divisions, and other levels of governments as identified in each respective topic:

**Financing Renewal and Equity Impacts:** Deep energy retrofits of existing apartments is capital intensive and securing financing for renewal projects while maintaining affordable rents for existing tenants is challenging. Concerns regarding above-guideline rent increases (AGIs) as a result of retrofits and infill development was a frequently raised issue during consultation. Public sector retrofit funding programs, such as the City's High-Rise Retrofit Financing (Hi-RIS) and Taking Action on Tower Renewal (TATR) programs provide low-cost financing and grants to apartment owners undertaking retrofits, while ensuring costs are not passed to tenants through AGIs. The Hi-RIS program provides financing for owners of older residential apartment buildings to make improvements that reduce energy and water consumption. Targeted for the City's Emerging Neighbourhoods or Neighbourhood Improvement Areas, the TATR program provides a combination of loans and grants to owners of older residential apartment buildings in low-income areas or who provide tenants with rents at or below average market rent. Staff will consider opportunities to align approval processes with these programs to advance the uptake of deep retrofits in infill development scenarios.

**Development Charges and Financial Feasibility:** Development Charges may more acutely impact smaller-scale renovation projects to add incremental housing, such as conversion of space proposals. The City and Provincial legislation provide numerous targeted reductions to municipal fees and charges to support housing delivery. For example, the Province provides HST exemptions for rental units, and exemptions from municipal growth funding tools, for affordable residential units, subject to an agreement. A Development Charge by-law review is planned to initiate in early 2025, and recommendations of this review will be considered in the study's strategy to deliver infill housing on apartment sites.

**Zoning Barriers to Sustainable Building Design:** Improving a building's energy performance can be achieved through a variety of pathways. This report focuses on removing regulatory barriers to the renewal of a building's exterior envelope, however, additional strategies to achieve sustainability objectives may be examined through this study, or in response to Item 2024.PH15.4 - Review of Zoning Regulations for Solar Panels, Heat Pumps and Energy Storage Devices. Zoning permissions suggested for exploration during consultation include balcony enclosures to reduce thermal bridging and heat loss, as well further zoning relief needed to enable fuel-switching to less-carbon intensive energy sources, such as electrification.

**Issues Concerning Capacity to Support Growth:** Comments regarding infrastructure capacity of services including water, sewers, roads and transit have been raised from interdivisional partners and the public during the consultation process. Prior to reporting on any zoning by-law amendments in future work on tower neighbourhood renewal, staff will continue to consult with divisional partners such as Toronto Water and Parks, Forestry, and Recreation to ensure that the potential incremental growth resulting from policy and zoning changes can be accommodated.

Future work will maintain a robust engagement strategy, which will see continued consultation with interdivisional partners at the City, the Apartment Infill Industry Roundtable, the City's Tenant Advisory Committee and broader city-wide public consultation.

## **CONCLUSION**

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It is recommended that City Council approve the recommended Zoning By-law Amendment for the Apartment Infill Study and to fulfill the City's commitment to the Housing Accelerator Fund, with respect to Initiative 8: Optimizing Land Use and Simplifying the Planning Approvals Process to Increase Purpose-Built Rental Supply in Apartment Neighbourhood Zones.

## **CONTACT**

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## **SIGNATURE**

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## **ATTACHMENTS**

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Attachment 1: Summary: Conversion of Space Applications to the Committee of Adjustment, 2019-2024

Attachment 2: Summary of Standards for Townhouses in the RAC Zone

Attachment 3: Draft Zoning By-law Amendment

**Attachment 1: Summary: Conversion of Space Applications to the Committee of Adjustment, 2019-2024**

<b>Total Number of Applications</b>	54
<b>Average number of units created</b>	4.76
<b>Zoning</b>	
Residential (R)	7
Residential Detached (RD)	1
Residential Multiple (RM)	11
Residential Apartment (RA)	19
Residential Apartment Commercial (RAC)	15
<b>Location of Conversion</b>	
Basement	16
Ground floor	27
Basement and ground floor	11
<b>Types of Variance</b>	
Maximum number of units	11
Minimum lot area for each dwelling unit	12
Amenity space requirements	28
Minimum number of parking spaces	30
Parking location	14

Floor space index or gross floor area	5
Landscaping	8
Other	27
<b>Decision</b>	
Approved	42
Refused	1
Deferred/hearing to be scheduled	8

## **Attachment 2: Summary of Standards for Townhouses in the RAC Zone**

Key standards applying to infill townhouse development in the RAC zone include:

- building type permissions for a townhouse, if it is located on the same lot as an apartment building and the main pedestrian entrance through the front or side main wall is no farther than 7.5 metres from a lot line abutting a street;
- permitted maximum building height of 10 metres;
- minimum lot area, lot frontage and floor area;
- minimum width of 5.0 metres per dwelling unit in a townhouse;
- amenity space rates;
- landscaping requirements;
- minimum height requirement of 1.2 metres above established grade for main pedestrian entrances of individual townhouse units;
- permission for platforms at or below the first storey of a townhouse and permitted encroachments into setbacks for platforms, canopies, and awnings for townhouses;
- minimum separation distance between a townhouse driveway and an apartment building, to ensure that driveway access does not impact the public realm and that open space may be provided between buildings for landscaping or outdoor amenity space;
- restrictions on individual private driveways leading from a street and directly serving a dwelling unit in a townhouse; and
- permissions for parking in an attached integral garage at the rear of a townhouse unit, accessed from a common lane or driveway, and in an underground parking structure.

### **Attachment 3: Draft Zoning By-law Amendment**

(To Be Provided As A Separate Attachment)