

253 Markham Road, 12, 20 and 30 Dunelm Street- City-Initiated Zoning By-law Amendment - Decision Report - Approval

Date: February 3, 2025

To: Scarborough Community Council

From: Director, Community Planning, Scarborough District

Ward: 24 - Scarborough-Guildwood

Planning Application Number: 25 103470 ESC 24 OZ

SUMMARY

This report recommends City Council approve a City-Initiated Zoning By-law Amendment which proposed revisions to City-wide Zoning By-law 569-2013, as amended by Site Specific Zoning By-law 988-2022, including matters secured through Section 37 of the *Planning Act* as detailed in Schedule A.

An associated Official Plan Amendment and Zoning By-law Amendment Application No. 16 1735545 ESC 36 OZ was, approved by City Council in 2022 to permit the construction of a 783 unit (54,634 square metre) residential development. The approved development consists of four residential buildings ranging between 8 and 20 storeys in height (Buildings A, B, C, D), two blocks of three and a half storey stacked back-to-back townhouses (Buildings E and F) and a new 4,455 square metre (1.1 acre) public park. Vehicular access to the buildings is via a C-shaped private street off Dunelm Street, with parking located in an underground garage. The proponent has an opportunity to quickly advance the construction of Building A which would provide 245 affordable rental and rental controlled housing units, supported by financial commitments made by the federal governments and the City.

The proposed amendments recommended by this report would not assign any further development rights to the subject property but will help to facilitate the delivery of an affordable rental and rent controlled housing project in the first phase of construction (Building A).

RECOMMENDATIONS

The Director, Community Planning, Scarborough District recommends that:

1. City Council amend City of Toronto Zoning By-law 569-2013, as amended by 988-2022 for the lands municipally known as 253 Markham Road, 12, 20 and 30 Dunelm

Street substantially in accordance with the draft Zoning By-law Amendment included as Attachment 3 to this Report.

2. City Council authorize the City Solicitor to make such stylistic and technical changes to the draft Zoning By-law Amendment as may be required.

3. City Council authorize City officials to take such action as is necessary to implement the recommendations above, including the amending and execution of necessary agreements as required.

FINANCIAL IMPACT

The Development Review 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

Transfer and Sale of City Owned Lands

At its meeting of May 8 and 9th, 2012 and October 5, 6 and 7, 2016, City Council adopted recommendations to authorize the City to enter into an agreement to transfer City-owned properties municipally known as 253 Markham Road, 12 Dunelm Street and 30 Dunelm Street to CreateTO (formerly Build Toronto). 20 Dunelm (the parcel between 12 Dunelm and 30 Dunelm) was later acquired by CreateTO to facilitate the creation of a contiguous development parcel. The lands were ultimately sold to Highland Co-Operative Development Corporation in 2018 with obligations to fulfil the requirements of the transfer, inclusive of the conveyance back to the City of a public park as well as addressing the City's affordable housing interest. Two decisions of City Council on this issue can be found at the following links:

<https://secure.toronto.ca/council/agenda-item.do?item=2012.GM13.7>

<https://secure.toronto.ca/council/agenda-item.do?item=2016.GM14.7>

Home Ownership Assistance Program (HOAP)

At its meeting of July 23, 2018, City Council adopted recommendations authorizing City financial support for up to 300 new affordable ownership homes to be built by the non-profit affordable housing groups, Habitat for Humanity, Greater Toronto Area, and Options for Homes/ Home Ownership Alternatives (Highland Co-Operative Development Corporation). Of note, City financial contributions for the 300 new affordable homes will take the form of down payment assistance loans to assist eligible purchasers moving from rental housing into homeownership. The loans will be funded from the City's Home Ownership Assistance Program (HOAP) using the new Development Charges deferral approach. The decision of City Council can be found at the following link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX36.30>

Approved Official Plan Amendment and Zoning By-law Amendment

At its meeting on July 19, 20 and 21, 2022 (Item SC33.10) Council approved the Official Plan Amendment and Zoning By-law Amendment allowing for the 783 unit residential development and securing Section 37 contributions. The approval includes four residential buildings ranging between 8 and 20 storeys in height (Buildings A, B, C, D), two blocks of three and a half storey stacked back-to-back townhouses (Buildings E and F) and a new 4,455 square metre (1.1 acre) public park. Vehicular access to the buildings is via a C-shaped private street off Dunelm Street, with parking located in an underground garage.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.SC33.10>

The proposed development is also subject to Site Plan Control. A site plan application has been submitted for this development, which is currently under review by City staff.

Rental Housing Supply Program (RHSP)

The Rental Housing Supply Program (RHSP) was approved by City Council at its meeting of June 26 and 27, 2024 to support the delivery of a range of new rental homes, including rent-geared to income (RGI), affordable, rent-controlled, and purpose-built rental homes, and build the capacity of the community housing sector.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.PH13.8>

A Call for Applications for financial incentives under this program opened in November, 2024, and an application for the affordable rental and rent-controlled housing development at 253 Markham Rd. - Building A has been received and is under review. This project represents the first phase of a larger redevelopment project. If approved, these incentives would include: exemptions of DCs, parkland dedication fees, and community benefit charges, waivers of planning application fees and building permit fees, as well as exemptions from municipal property taxes for the length of the affordability period.

Member Motion to City Council (February 5, 2025)

At its meeting on February 5, 2025, City Council will consider a Member Motion to authorize an exemption from taxation for municipal and school purposes for the affordable rental and rent-controlled homes proposed within Building A, Phase 1 of the proposed development. While the project is eligible for property tax exemptions following its approval under RHSP, this exemption is subject to approval by City Council.

Furthermore the motion is seeking authorization to terminate the Home Ownership Assistance Program (HOAP) agreement. Due to provincial legislative changes which have now provided the development charge relied previously available through HOAP, the existing HOAP agreement is no longer required. The HOAP incentives approved by Council in 2018 have not resulted in any financial impact to the City as the development did not proceed.

The Member Motion is linked below:

<https://secure.toronto.ca/council/agenda-item.do?item=2025.MM26.8>

THE SITE

The subject site is located east of Markham Road and on the north side of Dunelm Street, south of the Metrolinx/CN rail corridor. The lands are 2.5 hectares (6.24 acres) in area and is comprised of four properties municipally known as 253 Markham Road, 12 Dunelm Street, 20 Dunelm Street and 30 Dunelm Street. The subject site has a frontage of approximately 120.9 metres on Markham Road and 209.3 metres on Dunelm Street. The properties are currently vacant.

Statutory Public Meeting Comments

In making their decision with regard to the application, Council members had an opportunity to view the oral submissions made at the statutory public meeting held by the Scarborough Community Council for this application, as these submissions were broadcast live over the internet and recorded for review.

COMMUNITY CONSULTATION

A community consultation meeting is scheduled to be held on a virtual platform on Thursday February 6, 2025, prior to the application being considered at Scarborough Community Council on February 20, 2025.

COMMENTS

Provincial Land-Use Policies

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 draft Zoning By-law amendment for consistency with the Provincial Policy Statement (2024). In the opinion of staff, the proposal does not significantly revise the approved development which was deemed consistent with PPS 2020 and the Growth Plan at the time of the initial approval in 2022 and is consistent with PPS 2024.

City-Initiated Zoning By-law Amendment

The proposed City Initiated Zoning By-law Amendment to the site-specific Zoning By-law 988-2022 will enable the first phase of the approved development to advance (Building A) facilitating the construction of approximately 49 affordable units and 196 rent-controlled homes, for a total of 245 dwelling units. The City Initiated Zoning By-law would allow for the expediting of the construction of Building A while still upholding the requirements of the approved site specific Zoning By-law. The enacted site-specific Zoning By-law identifies various obligations and contributions that are to be secured prior to the issuance of the first above-grade building permit for Building A. To advance Building A for affordable housing, the timing of items secured by Schedule A and the required Section 37 Agreement are proposed to be adjusted into subsequent phases of development on the site. The key changes are summarized below:

Parkland Dedication Contributions

Schedule A of the site-specific Zoning By-law requires a cash contribution of \$850,000 towards above base park works on the proposed parkland. The in-force zoning provisions require payment prior to the issuance of the first above-grade building permit for Building A, and the conveyance of the lands to occur within 24 months of first above-grade permit.

In consultation with the Parks and Recreation Department, this City-initiated Zoning By-law Amendment recommends payment to be required prior to the first building permit for any building on site except for Building A. This will allow the affordable units in Building A to be constructed while maintaining the obligation of both the land conveyance and payment towards the above-base park improvements to occur upon the next phase of development, no matter which building advances first.

Update to Home Ownership Assistance Program (HOAP) Agreement

The multi-phase development at the subject site is subject to a prior development agreement with Build Toronto, as it was originally planned as an ownership project. In July 2018, City Council approved financial incentives under a Home Ownership Assistance Program (HOAP) agreement. However for Building A, the project will now consist of rental housing through a co-operative. In addition, as recent provincial legislative changes have provided the development charge relief previously available through HOAP, the existing HOAP agreement is no longer required. The HOAP incentives approved by Council in 2018 have not resulted in any financial impact to the City as the development did not proceed. As such, City Council will consider a Member Motion seeking authorization to terminate the Home Ownership Assistance Program (HOAP) agreement for the subject lands. Pursuant to that direction, the proposed City-Initiated Zoning By-law amendment would delete that requirement, originally secured through Section 37.

Development Agreement for the relocation of the existing watermain

The site-specific Zoning By-law requires the applicant to enter into a Development Agreement for the relocation of the 750mm transmission watermain prior to the issuance of any building permit. Engineering Review staff have reviewed the applicant's proposal to delay the timing of this agreement to a subsequent phase of development (excluding Building A) and are satisfied with the Section 37 Agreement being updated to reflect this. As such the draft Zoning By-law Amendment will permit these adjusted terms.

Toronto Transit Commission (TTC) signal installation

The site-specific Zoning By-law requires payment of \$35,000 to the TTC for the installation of signal priority at an intersection within the vicinity of the site. The payment is required prior to the issuance of the first above-grade building permit for Building A.

The TTC has recently made changes to their development requirements and have provided written confirmation that this requirement can be removed from Schedule A of the site-specific Zoning By-law.

Provision of Unit Composition

Schedule A of the site-specific Zoning By-law outlines a detailed unit composition for the entire site and requires a minimum of 25% two-bedroom units for Buildings A, B, C, D, and F. The By-law also requires a minimum of 10 percent of all of the dwelling units to be three or more bedrooms, which shall be distributed in each building as follows:

- Building A shall provide and maintain a minimum of 4 percent of the total number of dwelling units in Building A as three-bedroom units;
- Building B shall provide a minimum of 3 percent of the total number of dwelling units in Building B as three-bedroom units;
- Building C shall provide and maintain a minimum of 4 percent of the total number of dwelling units in Building C as three-bedroom units;
- Building D shall provide and maintain a minimum of 11 percent of the total number of dwelling units in Building C as three-bedroom units;
- Building E shall provide and maintain 100 percent of the total number of dwelling units in Building E as dwelling units as three bedrooms; and
- Building F shall provide and maintain a minimum of 64 percent of the total number of dwelling units in Building F as three-bedroom units.

It should be noted that the mechanism of including the above noted conditions in Schedule A secures the agreed upon unit mix as a legal convenience rather than a performance standard regulation in the main part of the By-law. As such the Owner cannot vary the requirements through the Committee of Adjustment which would not have jurisdiction over Schedule A. Through this process, the applicant is requesting revisions to the above unit composition to read as follows:

The Owner shall provide and maintain a minimum number of two- and three-bedroom units in accordance with the following, subject to minor variations satisfactory to the Chief Planner, and Executive Director, City Planning Division:

- (i) a minimum of 25 percent of the total number of dwelling units must contain two or more bedrooms;
- (ii) a minimum of 6 percent of the total number of dwelling units must contain three or more bedrooms;
- (iii) any dwelling units with three or more bedrooms provided to satisfy (ii) above are not included in the provision required by (i) above; and
- (iv) notwithstanding (ii) above, a minimum of 4 percent of the number of dwelling units in Building A must contain three or more bedrooms."

Community Planning staff have reviewed the requested changes and can support the revisions. No changes are proposed for Building A and the proposed language would allow the opportunity for two or more bedrooms to provide flexibility for an increased number of three-bedroom units in the future.

Additional minor revisions to Zoning By-law 988-2022

The site-specific Zoning-By-law was passed in 2022 and contains standards which are now dated, The proposed City-initiated Zoning By-law Amendment updates the development standards in line with current Zoning standards by including the following items:

- Exemption from the requirement for electric vehicle infrastructure
- Exemption from the requirement for bicycle maintenance facilities
- Bicycle parking spaces to now be located within the public right-of-way

Community Planning staff have reviewed the requested updates and have made the necessary changes to ensure the by-law implements the most up to date City standards.

Outdoor Amenity Area

Site-specific Zoning-By-law 988-2022 requires outdoor amenity area for each dwelling unit at a minimum rate of 2.3 square metres for Buildings A, B, C and D. Community Planning staff have reviewed this and provide the following updated wording for inclusion in the proposed By-law Amendment to reflect an overall amount for the sum of all the buildings:

Outdoor amenity space must be provided on a lot at a minimum rate of 2.3 square metres per dwelling units for the aggregate number of dwelling units in Building A, Building B, Building C and Building D.

Conclusion

Staff are of the opinion that the proposed revisions to the site-specific Zoning By-law, including matters secured through Section 37 of the *Planning Act* as detailed in Schedule A, are consistent with the approved development. The required obligations and contributions secured as part of the original approvals are still required to be provided, however the timing has been revised to allow for Phase 1 (Building A) to advance expeditiously in order to receive funding that will provide much needed affordable rental housing.

The proposed affordable housing development is supported by the City of Toronto and other levels of Government policy initiatives to provide much needed affordable housing within the City.

CONTACT

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SIGNATURE



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ATTACHMENTS

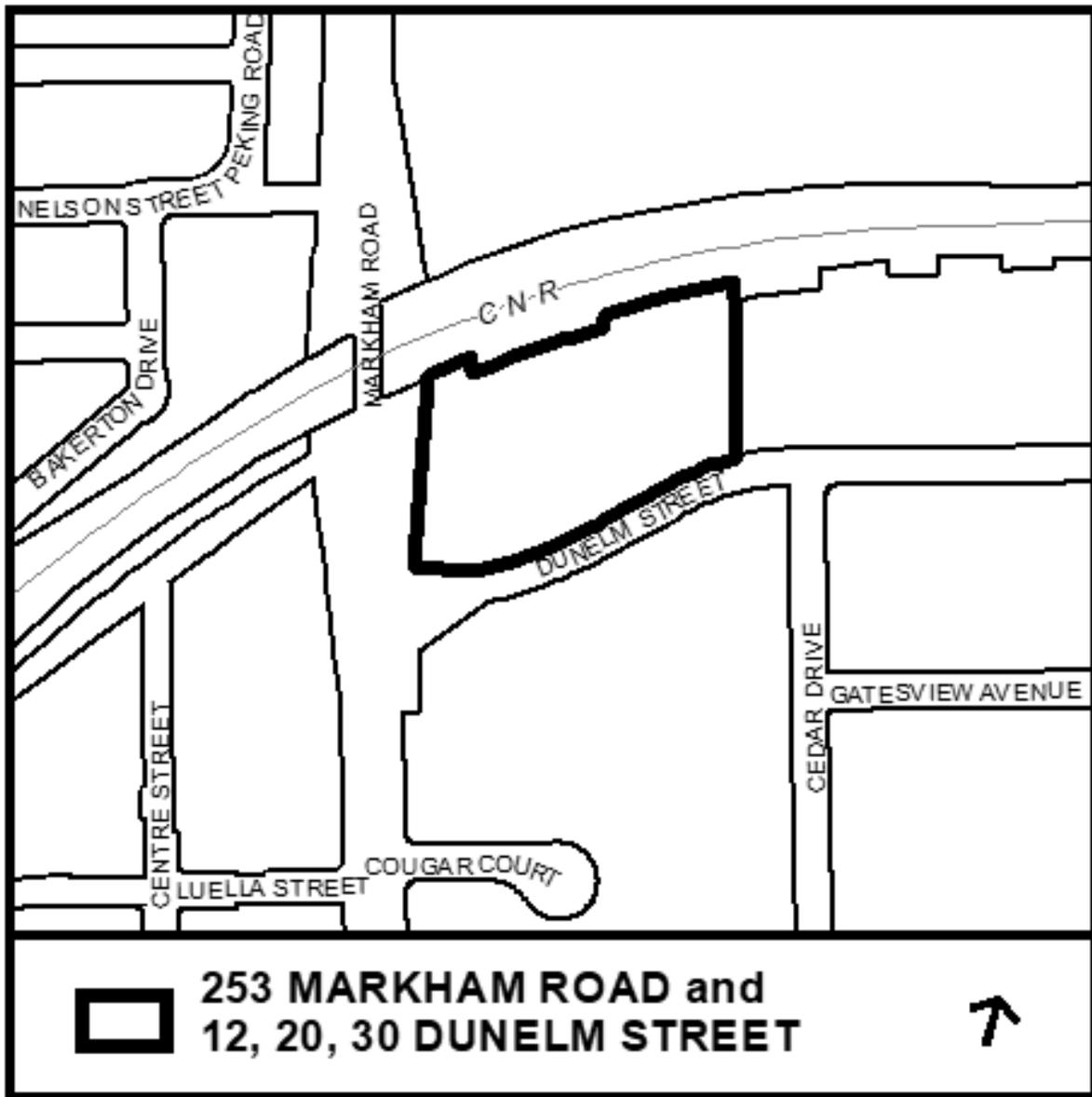
City of Toronto Data/Drawings

Attachment 1: Location Map

Attachment 2: Approved site plan

Attachment 3: Draft Zoning By-law Amendment

Attachment 1: Location Map



Attachment 2: Approved Site Plan



Attachment 3: Draft Zoning By-law Amendment

(Attached separately as a PDF)