

221, 225 and 227 Sterling Road – Rental Housing Demolition Application – Decision Report – Approval

Date: April 10, 2026

To: Toronto and East York Community Council

From: Director, Strategic Initiatives Policy and Analysis

Ward: 9 - Davenport

Rental Housing Demolition Application Number: 21 151447 STE 09 RH

Related Planning Application Number: 21 151444 STE 09 OZ

SUMMARY

This report recommends approval of a Rental Housing Demolition application which proposes to demolish 56 rental dwelling units, located at 221, 225 and 227 Sterling Road. The units will be replaced with 58 rental units, including 47 units designed for live-work uses, as part of the new development on the site. The proposal includes a Tenant Assistance Plan that addresses the right of existing tenants to return to replacement rental units at similar rents and provides financial compensation to mitigate hardship.

The proposed development on the site at 221, 225 and 227 Sterling Road is the subject of a related Zoning By-law Amendment application 21 151444 STE 09 OZ which was appealed to the Ontario Land Tribunal (OLT). The OLT issued a written decision on November 21, 2023, approving the Zoning By-law amendment in principle, with the final Order being withheld until all outstanding matters, including the rental housing matters and necessary agreements with the City, are secured. The OLT approval permits the development of 3 residential buildings with heights of 27, 24 and 21-storey (Buildings A, B, and C) containing a total of 851 dwelling units, including 58 replacement rental units. The rental replacement units are proposed to be replaced in Buildings B and C which will be constructed as the first phase of a two-phase development.

This report also recommends approval of the Residential Demolition Permit under Chapter 363 of the Toronto Municipal Code, subject to conditions.

RECOMMENDATIONS

The Director, Strategic Initiatives, Policy and Analysis recommends that:

1. City Council approve the Rental Housing Demolition application File Number 21 151447 STE 09 RH in accordance with Chapter 667 of the Toronto Municipal Code and

pursuant to Section 111 of the City of Toronto Act, 2006 to permit the demolition of 56 existing rental dwelling units located at 221, 225 and 227 Sterling Road, subject to the following conditions:

- a. The owner shall provide and maintain 58 replacement rental dwelling units on the subject site for a period of at least 20 years beginning from the date that each replacement rental dwelling unit is first occupied and, during which time, no application may be submitted to the City for condominium registration, or for any other conversion to a non-rental housing purpose, or for demolition without providing for replacement;
- b. The replacement rental dwelling units required by Recommendation 1.a above shall collectively have a total gross floor area of at least 4,436 square metres and be comprised of 38 studio units, 12 one-bedroom units, 7 two-bedroom units, and 1 three-bedroom unit, as generally illustrated in the plans submitted to City Planning dated February 20, 2026. Any revision to these plans shall be to the satisfaction of the Chief Planner and Executive Director, City Planning;
- c. The owner shall, as part of the 58 replacement rental dwelling units required in Recommendation 1.a above, provide at least 21 studio units, 8 one-bedroom units, 1 two-bedroom unit, and 1 three-bedroom unit at affordable rents, defined as gross monthly rent no greater than one times the average City of Toronto rent by unit type, as reported annually by the Canada Mortgage and Housing Corporation and 13 studio units, 4 one-bedroom units, and 6 two-bedroom units at mid-range rents, defined as gross monthly rent that exceeds Affordable Rent but is no greater than 1.5 times the average City of Toronto rent by unit type, all for a period of at least 10 years beginning from the date of first occupancy of each unit. The rents of the remaining 4 replacement rental dwelling units shall be unrestricted;
- d. The owner shall provide a Tenant Assistance Plan for eligible tenants of the existing rental units proposed to be demolished to the satisfaction of the Chief Planner and Executive Director, City Planning;
- e. The owner shall provide tenants of all 58 replacement rental dwelling units with access to, and use of, all indoor and outdoor amenities in the proposed 24- and 21-storey buildings at no extra charge. Access to, and use of, these amenities shall be on the same terms and conditions as any other resident of the building without the need to pre-book or pay a fee, unless specifically required as a customary practice for private bookings;
- f. The owner shall provide central air conditioning in each replacement rental dwelling unit at no extra charge;
- g. The owner shall provide and maintain two common laundry rooms on the second floor of the proposed buildings, as generally illustrated in the plans submitted to City Planning dated February 20, 2026. Any revision to these plans shall be to the satisfaction of the Chief Planner and Executive Director, City Planning;

h. The owner shall provide tenants of all replacement rental dwelling units with access to bicycle and visitor parking on the same terms and conditions as any other resident of the proposed development;

i. The replacement rental dwelling units required in Recommendation 1.a above shall be made ready and available for occupancy no later than the date by which 70% of the new dwelling units in the first phase of the proposed development, exclusive of the replacement rental dwelling units, are made available and ready for occupancy, subject to any revisions to the satisfaction of the Chief Planner and Executive Director, City Planning; and

j. The owner shall enter into, and register on title to the lands, an agreement pursuant to Section 111 of the City of Toronto Act, 2006 to secure the conditions outlined in Recommendations 1.a through 1.i above all to the satisfaction of the City Solicitor and the Chief Planner and Executive Director, City Planning.

2. City Council authorize the Chief Planner and Executive Director, City Planning, to issue Preliminary Approval of the Rental Housing Demolition Permit under Chapter 667 of the Toronto Municipal Code pursuant to Section 111 of the City of Toronto Act, 2006 for the demolition of the 56 existing rental dwelling units located at 221, 225 and 227 Sterling Road after all the following have occurred:

a. All conditions in Recommendation 1 above have been fully secured;

b. Zoning By-law Amendments for application 21 151444 STE 09 OZ have come into full force and effect;

c. The issuance of the Notice of Approval Conditions for site plan approval by the Executive Director, Development Review or their designate, pursuant to Section 114 of the City of Toronto Act, 2006, or as otherwise determined by the Chief Planner and Executive Director, City Planning;

d. The issuance of excavation and shoring permits (conditional or full permit) for the approved development on the site; and

e. The owner has confirmed, in writing, that all existing rental dwelling units proposed to be demolished are vacant.

3. City Council authorize the Chief Building Official and Executive Director, Toronto Building to issue a Rental Housing Demolition Permit under Chapter 667 of the Toronto Municipal Code after the Chief Planner and Executive Director, City Planning, or their designate, has given Preliminary Approval referred to in Recommendation 2 above.

4. City Council authorize the Chief Building Official and Executive Director, Toronto Building to issue a Residential Demolition Permit under Section 33 of the Planning Act and Chapter 363 of the Toronto Municipal Code for 21 151444 STE 09 OZ after the Chief Planner and Executive Director, City Planning has given Preliminary Approval referred to in Recommendation 2 above, which may be included in the Rental Housing

Demolition Permit under Chapter 667 pursuant to section 6.2 of Chapter 363, on condition that:

- a. The owner removes all debris and rubble from the site immediately after demolition;
- b. The owner erects solid construction hoarding to the satisfaction of the Chief Building Official and Executive Director, Toronto Building;
- c. The owner erects the proposed building on the site no later than three (3) years from the date that the demolition of the existing rental dwelling units commences, subject to the timeframe being extended at the discretion of the Chief Planner and Executive Director, City Planning; and
- d. Should the owner fail to complete the proposed building within the time specified in Recommendation 4.c above, the City Clerk shall be entitled to enter on the collector's roll, as with municipal property taxes, an amount equal to the sum of twenty thousand dollars (\$20,000.00) per dwelling unit for which a demolition permit is issued, and that such amount shall, until payment, be a lien or charge upon the land for which the Residential Demolition Permit is issued.

5. City Council authorize the appropriate City officials to take such actions as are necessary to implement City Council's decision, including execution of the Section 111 Agreement and any other related agreements.

FINANCIAL IMPACT

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

DECISION HISTORY

On September 9, 2021, Toronto and East York Community Council adopted a Preliminary Report on the Zoning By-law Amendment and Draft Plan of Subdivision applications along with an associated Rental Housing Demolition application, for the lands at 221, 225, and 227 Sterling Road, and directed staff to conduct a community consultation meeting with an expanded notification area. Community Council's decision can be found here:

<https://secure.toronto.ca/council/agenda-item.do?item=2021.TE27.21>

On May 30, 2022, the owner of the properties at 221, 225 and 227 Sterling Road appealed the City's failure to make a decision on the Zoning By-law Amendment and Draft Plan of Subdivision applications to the OLT.

On December 14 and 15, 2022, City Council directed the City Solicitor and appropriate City staff to attend the OLT in opposition to the appeals regarding the Zoning By-law

Amendment and Draft Plan of Subdivision applications for the lands at 221, 225, and 227 Sterling Road, and to continue discussions with the applicant in an attempt to resolve the issues outlined in the report (November 14, 2022) from the Acting Director, Community Planning, Toronto and East York District. City Council's decision can be found here: <https://secure.toronto.ca/council/agenda-item.do?item=2023.TE1.2>

On May 10, 11 and 12, 2023, City Council adopted the recommendations of a Request for Directions Report from the City Solicitor and endorsed a settlement offer to permit a revised development proposal. City Council's decision can be found here: <https://secure.toronto.ca/council/agenda-item.do?item=2023.CC6.4>

On November 21, 2023, the OLT issued a Decision and Interim Order to approve, in principle, the Zoning By-law Amendment application for 221, 225 and 227 Sterling Road, subject to conditions including the approval of the Rental Housing Demolition application by City Council and, that the Owner has entered into, and registered on title to the lands, one or more agreements, including an agreement pursuant to s.111 of the City of Toronto Act, 2006.

THE SITE

Description

The site has an area of approximately 8,237 square meters and is located south of Bloor Street West and west of the Metrolinx Barrie GO rail corridor on the east side of Sterling Road. The site can be accessed by a private driveway that extends south of Ruttan Street or by Sterling Road (see Attachment 1: Location Map).

Existing Rental Housing

The buildings at 221, 225 and 227 Sterling Road currently contain a total of 56 rental dwelling units. The rental units are located at the Sterling Studio Lofts which are a combination of three one-to-two storey historically industrial, factory-style buildings that have become a combination of residential, commercial and live-work units. The majority of the units are currently occupied. Unit types were determined through site visits with City staff and a third-party surveyor which measured units and made determinations on unit types. Where mezzanine loft spaces in units met Ontario Building Code standards, as determined by the third-party surveyor, they were included in the replacement rental unit gross floor area. The breakdown by unit type and rent classification of the building at the time of application is outlined in Table 1 below.

Table 1: Existing Rental Dwelling Units and Rent Classifications

Unit Type	Affordable	Mid-range	Above Mid-range	Total
Studio	21	13	4	38
One-bedroom	6	4	0	10
Two-bedroom	1	6	0	7
Three-bedroom	1	0	0	1
Total	29	23	4	56

THE APPLICATION

Description

The Rental Housing Demolition application proposes the demolition of 56 rental dwelling units within the existing buildings at 221, 225, and 227 Sterling Road. A related Zoning By-law Amendment application has been approved in principle by the OLT permitting the development of three residential towers with heights of 27, 24 and 21 storeys (Buildings A, B and C). The proposed development will contain 851 residential units (including 58 replacement rental units, of which 47 will be live-work units). Parking for the existing buildings is allocated at the discretion of the owner and on a first-come, first-served basis with no specific assignments. There are no storage lockers currently provided on site. Parking and storage lockers are not proposed to be made available for the replacement units.

Replacement Rental Units

The total gross floor area of the 58 replacement rental units is 4,436 square metres, which is 103% of the gross floor area of the existing rental units proposed to be demolished.

The proposed replacement rental units will have the same unit type and rent classification as the existing rental dwelling units, as outlined in Table 2 below. A very large three-bedroom replacement unit will be smaller than the existing unit size. As a result, two additional one-bedroom replacement rental dwelling units were created through the reduction in size and will be provided at affordable rents.

Table 2: Replacement Rental Dwelling Units and Rent Classifications

Unit Type	Affordable	Mid-range	Above Mid-range	Total
Studio	21	13	4	38
One-bedroom	8	4	0	12
Two-bedroom	1	6	0	7
Three-bedroom	1	0	0	1
Total	31	23	4	58

Tenant Assistance Plan

A Tenant Assistance Plan that addresses tenants' right to return to a replacement unit and assistance to lessen hardship will be provided to all eligible tenants residing in the existing rental dwelling units. Tenant assistance is provided to tenants upon move out after they receive a formal eviction notice.

All tenants, regardless of when they moved in, will receive the following:

- at least six months' notice before having to vacate their existing dwelling unit;
- compensation equal to three months' rent, pursuant to the Residential Tenancies Act (RTA); and

- additional compensation for tenants with special needs, as determined by the Chief Planner.

Eligible tenants—those tenants who moved in prior the Rental Housing Demolition application being submitted—will receive the following additional assistance:

- the right to return to a rental replacement unit of the same type, at similar rent;
- rent gap assistance to assist tenants in paying market rents for the period between when they move out and can return, estimated at 36 months;
- additional rent gap assistance if tenants cannot return as scheduled;
- move-out and move-back moving allowances; and
- services of a rental leasing agent to help tenants find and apply to suitable interim housing.

Reasons for Application

This application to redevelop the site involves the demolition of rental housing. Since the site contains six or more residential units, of which at least one unit is rental housing, an application is required under Chapter 667 of the City's Municipal Code, the Rental Housing Demolition and Conversion By-law. The By-law requires that an applicant obtain a permit from the City allowing the demolition of the existing rental housing units. The City may impose conditions that must be satisfied before a demolition permit is issued.

A Rental Housing Demolition application was submitted on May 7, 2021. Staff conducted two site visits on September 1, 2021 and November 1, 2021, and two Tenant Meetings on November 27, 2024 and February 25, 2026, details of which are summarized in the Public Engagement section of this report.

The related rezoning application (21 151444 STE 09 OZ) was submitted on May 7, 2021. The related Site Plan application was submitted on November 7, 2024.

POLICY AND REGULATION CONSIDERATIONS

Provincial Land-Use Policies

All decisions of Council in respect of the exercise of any authority that affects a planning matter shall be consistent with the Provincial Planning Statement (2024), and shall conform to provincial plans.

Official Plan

The Official Plan outlines the City's policies and objectives for land use planning and development. Section 3.2.1 of the Official Plan contains the City's policies pertaining to the provision, maintenance and replacement of housing.

Policy 3.2.1.6 requires that new development that would result in the loss of six or more rental dwelling units replace at least the same number, size and type of rental units as

exist on the site and maintain rents similar to those in effect at the time of application. The policy also requires the applicant to develop an acceptable tenant assistance plan, addressing the right to return to the replacement units at similar rents and other assistance to lessen hardship.

The City's [Rental Housing Demolition and Replacement Handbook](#) outlines how Policy 3.2.1.6 is typically implemented.

PUBLIC ENGAGEMENT

Tenant Meeting

Two in-person meetings were held on November 27, 2024 and February 25, 2026, to review the City's housing policies, the impact of the proposed demolition on existing tenants, and the proposed Tenant Assistance Plan. The meeting on November 27, 2024, was attended by 60 tenants, and the meeting on February 25, 2026, was attended by 39 tenants, representatives of the applicant, City Planning and Development Review staff, and a representative of the local councillor's office. Tenants also submitted written correspondence with additional comments.

Tenants asked questions and expressed concerns about:

- Construction timeline and when tenants will be required to vacate their existing rental units;
- Methodology of unit measurement and unit type classification;
- The proposed replacement rental unit sizes, and what was included in replacement rental unit gross floor area;
- Availability of parking, storage lockers and access to amenities in the new building;
- Replacement rental unit assignments and the process for returning to a replacement rental unit;
- What financial compensation would be provided under the City-approved Tenant Assistance Plan, if it includes utility adjustments, and how it would be administered to tenants; and
- Whether the City has contingencies in place for construction delays.

COMMENTS

Provincial Planning Statement and Provincial Plans

Staff's review of this application has had regard for the relevant matters of provincial interest set out in the Planning Act. Staff has reviewed the current proposal for consistency with the PPS (2024). Staff find the proposal consistent with the PPS (2024).

Replacement Rental Housing

Staff are satisfied with the proposed approach to replacing the rental dwelling units proposed to be demolished, which includes replacement of all 56 existing rental dwelling units by their respective bedroom type, and affordability classification. The application was submitted before December 14, 2021, when the income-based Official Plan definition of affordable rent came into force and effect. As a result, the previous affordability classifications based on Average Market Rent apply to this application. Two additional affordable replacement units were created through the reduction in size of a very large three-bedroom unit from 218 square metres to 113 square metres which still exceeds the minimum Growing Up Guidelines size for a three-bedroom unit. The reduction to sizes outlined by the Growing Up Guidelines is in accordance with the City's [Rental Housing Demolition and Replacement Handbook](#)

The proposed replacement plan accounts for the unique typology of the existing rental dwelling units including counting mezzanine loft spaces in the replacement gross floor area where they met Ontario Building Code standards, and designating the first two floors of Buildings B and C containing 47 units as live-work units so tenants can continue to operate home businesses in their replacement rental unit.

The replacement rental units will be provided with central air conditioning, which represents an improvement over the existing rental housing units. The replacement units will also have access to a common laundry room. Tenants of the replacement rental units will also have access to bicycle parking, visitor parking, and all indoor and outdoor amenities, on the same terms and conditions as any other resident of the building.

The replacement units will be maintained as rental housing for at least 20 years, beginning on the date the replacement rental units are first occupied, and tenants that occupy one of the replacement rental units during the initial 10-year period will have rents that will only increase by the annual provincial guideline until their tenancies end, irrespective of whether the Guideline applies to the proposed development under the RTA.

The replacement rental units and associated conditions address the replacement requirements of Official Plan policy 3.2.1.6 and are consistent with the City's implementation approach as outlined in the Rental Housing Demolition and Replacement Handbook.

Tenant Assistance Plan

The Tenant Assistance Plan is consistent with the City's current practices as outlined in the [Rental Housing Demolition and Replacement Handbook](#). The Tenant Assistance Plan will support tenants to access and afford suitable housing within the neighbourhood until the new building and replacement rental units are available for occupancy. The replacement proposal includes a direct unit assignment approach which addresses the unique layouts and sizes of the existing rental dwelling units as well as the ability for some tenants to return to units that support live-work use.

The rental replacement matters and tenant assistance plan will be secured through an agreement pursuant to Section 111 of the City of Toronto Act, 2006, to the satisfaction of the Chief Planner and Executive Director, City Planning.

CONTACT

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SIGNATURE

Corwin Cambray, MCIP, RPP
Director, Strategic Initiatives, Policy and Analysis
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ATTACHMENTS

Attachment 1: Location Map

Attachment 1: Location Map - 221, 225 and 227 Sterling Road

