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1.0 INTRODUCTION

This Housing Issues report has been prepared in support of an application by 11 Yorkville Partners Inc. (the "Owners"), to amend the former City of Toronto Zoning By-law 438-86, as amended, and City of Toronto Zoning By-law 569-2013, as amended, with respect to land located on the south side of Yorkville Avenue, west of Yonge Street, municipally known as 11-25 Yorkville Avenue and 16 & 18 Cumberland Street (the "subject site", see **Figure 1**). The Housing Issues Report examines the existing and rental replacement units for 11, 17, 19 and 21 Yorkville Avenue. The Cumberland Street properties were exclusively used as commercial/office spaces and did not contain residential rental units.

The proposed development contemplates a 62-storey (213 metres, including mechanical penthouse) residential, mixed-use development and a 2-storey commercial building on the subject site. The proposal will have an overall gross floor area of approximately 47,727.91 square metres, resulting in a density of 16.22 times the area of the lot. A total of 716 residential units will be provided, which will include the 81 replacement rental units that will replace what currently exists on the subject site.

Section 111 of the *City of Toronto Act* gives the City authority to protect rental housing in the city. In accordance with the provisions in that Section, the City of Toronto prohibits the demolition and conversion of any rental housing (on properties that contain six or more related units) unless a permit has been issued under Chapter 667 of the Municipal Code.

There are additional housing policies in the City of Toronto Official Plan (the "Official Plan") which apply to this proposed development. In particular Policy 3.2.1(6) applies when more than six rental units will be removed, as part of a new development.

On behalf of 11 Yorkville Partners Inc., we are pleased to submit this Housing Issues Report, which addresses Section 111 of the *City of Toronto Act* and the Toronto Official Plan housing policies, as they apply to the proposed redevelopment of the subject site. In our opinion, the Proposal meets the applicable requirements.

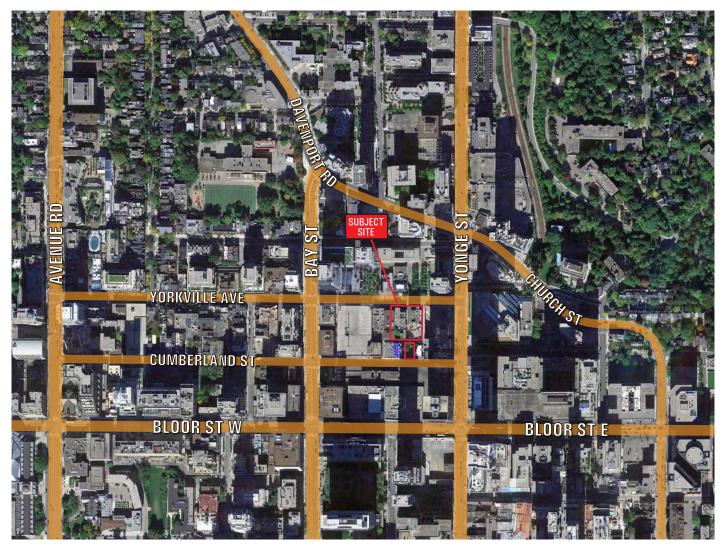


Figure 1 - Aerial Photo

2.0 SUBJECT SITE

The subject site is comprised of an assembly of properties, generally located on the south side of Yorkville Avenue and the north side of Cumberland Street, just west of Yonge Street, and is municipally known as 11-25 Yorkville Avenue and 16-18 Cumberland Street. The assembled site is bisected by a public laneway, resulting in two parcels that are each generally rectangular in shape. The subject site and its surroundings is described in greater detail in our Planning and Urban Design Rationale report.

The existing mixed-use buildings containing rental units occupy the north parcel of the subject site fronting Yorkville Avenue, and each have separate residential entrances off Yorkville Avenue. A total of 81 residential rental units are provided in 4 buildings, as summarized in Table 1 below.

As noted in Section 2.1 of our Planning and Urban Design Rationale report, the 11 Yorkville building was built with purpose-built residential apartment units located above grade. However, the existing residential rental units in 17, 19 and 21 Yorkville Avenue were created after these buildings were originally built, through renovations and alterations over the years. As a result, the existing rental units in these buildings exemplify unconventional unit sizes and layouts.

Table 1 – 11, 17, 19 & 21 Yorkville Avenue, Unit Typology

Unit Type	11 Yorkville Avenue	17 Yorkville Avenue	19 Yorkville Avenue	21 Yorkville Avenue
Bachelor	54	0	0	0
1-bedroom	16	1	2	6
2-bedroom	1	0	0	0
3-bedroom	0	1	0	0
TOTAL	71	2	2	6

Parking is currently provided for residents of 11 Yorkville Avenue, however, tenants pay for the spaces separately. Currently, 4 parking spaces are being rented out to tenants residing at 11 Yorkville Avenue, Parking is not available for the tenants within 17, 19 and 21 Yorkville Avenue.

3.0 PROPOSAL

The proposal consists of two buildings on the subject site: the north parcel (i.e. north of the public laneway) proposes a 62-storey residential/ mixed-use development that includes the rental replacement units; and a 2-storey commercial building on the south parcel fronting Cumberland Street. The 62-storey mixed-use building will have a total gross floor area of approximately 51,545.61 square metres and a total of 716 units, of which, 81 will be rental replacement units.

Within the mixed-use building, the first two levels (and concourse level) of the podium will contain retail and service commercial uses (approximately 381.7.7 square metres of retail gross floor area). Above the base building, the tower is comprised of residential uses, with a total of 716 units, of which, 81 are rental replacement units. The proposed unit mix includes 61 bachelor units, 365 one-bedroom, 218 two-bedroom and 72 three-bedroom units. Approximately 40 percent of the units have two or more bedrooms and are suitable for larger households. As previously mentioned, the existing 81 rental units will be replaced in the proposed mixed-use building either as the same unit type or larger. It is proposed that the rental replacement units will be located on Floors 5 to 8. Greater detail on the rental replacement strategy is discussed in Section 6.0 below.

Access to the condominium and rental replacement units will be from a residential lobby located in the ground floor of the podium. Entrances to the lobby are located off the public lane to the east, as well as through the urban room fronting onto Yorkville Avenue. An elevator shaft, located within the core of the building, provides access to the residential units above. Both the proposed condominium units and rental replacement units will utilize the same elevators.

Indoor amenity space is proposed on the 3rd and 4th floors. The indoor amenity space on the 3rd floor will provide access to outdoor amenity space in the form of a roof terrace on top of the 2-storey base building. Programming of the amenity floors has not yet been determined, and will be refined in more detail through Site Plan. The rental replacement units will have access to the proposed indoor and outdoor amenities included in the new development.

With respect to parking, a total of 235 vehicular parking spaces are proposed in a four-level underground parking garage. A total of 716 bicycle parking spaces have been included in the development, all of which are located in secured rooms within the ground floor, concourse, and underground garage.

Further details regarding the proposed development scheme, including the proposed landscape and amenity enhancements, is included in the Planning and Urban Design Rationale.

4.0 RELEVANT PLANNING PROCESS AND APPLICATIONS

In our opinion, the proposed development conforms with the City of Toronto Official Plan and, in particular, the proposed use, height and density are permitted by the applicable *Mixed Use Areas designation*. However, while generally conforming to the provisions of Site and Area Specific Policy (SASP) 211, the subject site is not located in either the Height Peak or Height Ridges identified in SASP; accordingly, an Official Plan Amendment is required in order to permit a tall building outside of the Height Peak or Height Ridges.

The proposal requires an amendment to City of Toronto Zoning By-law 438-86, as amended, and to the new City-wide Zoning By-law 569-2013, in order to increase the permitted height and density, as well as to revise other development regulations as necessary to accommodate the proposal.

Also, the subject proposal requires a Request for Rental Demolition and Conversion application under Section 111 of the *City of Toronto Act* to be filed, which is being submitted.

5.0 APPLICABLE POLICY AND REGULATORY CONTEXT

This Housing Issues Report outlines the applicable housing policy that applies to the proposal. Further policy detail is included in Section 4.0 of our Planning and Urban Design Rationale.

5.1 Provincial Policies

The 2014 PPS provides overall policy direction on matters of provincial interest relating to land use planning and development. The PPS is intended to promote efficient development and land use patterns to support strong communities, to protect the environment and public health and safety, and promote a strong economy. With respect to housing, Policy 1.4.3 of the PPS requires provision to be made for an appropriate range and mix of housing types and densities to meet projected requirements of current and future residents by, among other matters, permitting and facilitating all forms of residential intensification and redevelopment, promoting densities for new housing which efficiently use land, resources, infrastructure and public service facilities and support the use of alternative transportation modes and public transit.

The Growth Plan for the Greater Golden Horseshoe (the "Growth Plan") came into effect on July 1, 2017 and any municipal decisions made after this date will need to conform with this new plan. The subject site is within a "strategic growth area" pursuant to the Growth Plan (i.e. a focus for accommodating intensification and higher-density mixed uses in a more compact built form), given that it is located within both the Downtown Toronto "urban growth centre", and a "major transit station area". "Strategic growth areas" include urban growth centres, major transit station areas, and other major opportunities that may include infill, redevelopment, brownfield sites, the expansion or conversion of existing buildings, or greyfields.

Section 2.2.6 of the new Growth Plan sets out the housing policies. Policy 2.2.6(1) directs municipalities to develop housing strategies that support the achievement of minimum intensification and density targets by identifying a diverse range and mix of housing options and densities, and establishing targets for affordable ownership housing and *affordable* rental housing (defined terms). Policy 2.2.6(2) provides that notwithstanding Policy 1.4.1 of the PPS, municipalities will support the achievement of complete communities by planning to accommodate forecasted growth, achieving the minimum intensification and density targets, considering a range and mix of housing options and densities, and planning to diversify overall housing stock across the municipality. In accordance with Policy 2.2.6(3), municipalities are to consider using available tools to require that multi-unit residential developments incorporate a mix of unit sizes to accommodate a diverse range of household sizes and incomes.

5.2 Toronto Official Plan

With respect to the City of Toronto Official Plan, the Subject Site is designated *Mixed Use* on Land Use Map 18.

The Mixed Use Areas designation permits a broad range of commercial, residential and institutional uses in single use or mixed-use buildings, as well as parks and open spaces and utilities. The Plan envisions that development in Mixed Use Areas will create a balance of high quality commercial, residential, institutional and open space uses that reduces automobile dependency and meets the needs of the local community and will provide for new jobs and homes for Toronto's growing population on underutilized lands in the Downtown and elsewhere.

Section 3.2.1 of the Official Plan contains the applicable housing policies.

- Policy 3.2.1(1) provides that a full range of housing in terms of form, tenure and affordability will be provided to meet the current and future needs of residents.
- Policy 3.2.1(2) indicates that the existing housing stock will be maintained and replenished and that new housing supply will be encouraged through intensification and infill that is consistent with the Official Plan.
- Policy 3.2.1(3) provides that investment in new rental housing, particularly affordable rental housing will be encouraged by a coordinated effort from all levels of government through implementation of a range of strategies.
- Policy 3.2.1(6) provides conditions of approval for new development that would remove all or part of a private building or related group of buildings and would result in the loss of six or more rental housing units. These conditions include:
 - All of the rental housing units have rents that exceed mid-range rents at the time of the application; or
 - The replacement and maintenance of at least the same number, size and type of rental housing units, with rents similar to those in effect at the time the redevelopment application is made;
 - for a period of at least 10 years, rents for replacement units will be the rent at first occupancy increased annually by not more than the Provincial Rent Increase Guideline or a similar guideline as Council may approve from time to time; and
 - an acceptable tenant relocation and assistance plan addressing the right to return to occupy one of the replacement units at similar rents, the provision of alternative accommodation at similar rents, and other assistance to lessen hardship.

As discussed in detail in Section 6.0 below, it is our opinion that the Proposal conforms to the applicable Official Plan housing policies.

6.0 ANALYSIS AND OPINION

The proposal is supportive of the policy directions set out in the Provincial Policy Statement 2014, the Growth Plan for the Greater Golden 2017 and the City of Toronto Official Plan, by providing a range of housing types through intensification on an underutilized site within Downtown Toronto that is within walking distance of two subway stations.

The revised proposal is in keeping with Section 3.2.1 of the Official Plan. As per Policy 3.2.1(1), the revised proposal contributes to a full range of housing in terms of both form and tenure. In conformity with Policy 3.2.1(2), the proposal ensures that the existing housing stock will be maintained, and the overall housing stock will be replenished through intensification and infill on site that is currently underutilized. Further analysis on the proposal's conformity with Policy 3.2.1(6) is set out below.

The development will add a significant number of high-quality units to the City's stock, in a walkable neighbourhood, with outstanding transit accessibility. The proposal provides a range of unit types and sizes. Of which, approximately 10 percent of the proposed units will be three-bedroom units, therefore contributing to the rental unit options in *Downtown* locations for families. The units will have access to amenity space, as well as access to nearby retail opportunities and amenities.

As indicated above, Policy 3.2.1(6)(b) requires the provision of rental replacement units and a tenant relocation and assistance plan in instances where new development is proposed that would result in the loss of six or more existing rental units <u>unless</u> either:

- all the rents at the time of application exceed "mid-range rents"; or
- the "supply and availability of rental housing in the City has returned to a healthy state and is able to meet the housing requirements of current and future residents".

As not all rents exceed mid-range rent and as the City has determined that the supply and availability of rental housing remains insufficient, the applicant is proposing to provide rental replacement housing as part of the redevelopment of the subject site, as well as develop a tenant relocation and assistance plan as set out below.

6.1 Rental Replacement Proposal

It is our opinion that the proposal is consistent with the intent of the rental replacement policy in that it maintains and enhances the supply of rental housing in the City. Pursuant to Policy 3.2.1(6)(b)(i), the rental replacement policies require the replacement of the existing rental units with "at least the same number, size and type" of rental housing units. In considering the intent of this policy, it is observed that there is no definition of either "size" of "type". However, based on a full reading of the Official Plan and an understanding of how the policy has been applied in the past, the terms should be understood as follows:

"Size" refers to the actual square footage of the units, but with reasonable allowances to take into consideration modern design efficiencies.

"Type" refers to the number of bedrooms, rather than to building form. In the definition of "affordable rents", the Plan refers to "unit types (number of bedrooms)".

Policy 3.2.1(6)(b)(ii) would establish certain requirements in terms of rents for the rental units. It would require the rents for the replacement units to be "similar to those in effect at the time the redevelopment application is made" and that, for a period of at least 10 years, the rents to be increased annually "by no more than the Provincial Rent Increase Guideline or a similar guideline as Council may approved from time to time" and a one-time increase of 4% for new construction.

The Owner is committed to replacing all existing units currently being rented for residential purposes that are going to be demolished. Based on the March 2018 rent rolls (submitted under a separate cover), 81 rental replacement units would be required. It is intended that through the Section 37 and 111 Agreements, these replacement units would be secured as rental for 20 years and maintained at similar rent levels in a range of unit types that closely approximate the existing rental units for 10 years. Any replacement unit vacated and re-rented within the 10 years of the date of initial occupancy would have an initial rent equal to the greater of the last rent charged for that unit or the then-current rent threshold.

6.2 Analysis of Unit Number, Size and

The replacement units are proposed to be located on the fifth through eighth floors of the new building and have generally been provided as the same unit type, and in many instances have been replaced with a larger unit type. Many of the existing residential units will be replaced with a larger unit type, as the current functionality of the space is not entirely efficient. It is proposed that some of the existing bachelor units will be replaced with one-bedroom units, and many of the one-bedroom units will be replaced with two-bedroom and three-bedroom units. In our opinion, it is a desirable condition to increase the number of bedrooms available to returning tenants, while providing a broader mix of unit types, including a number of familysized units. A summary has been included in **Table 2** below.

Table 2 - Comparison of Existing and Proposed Rental Replacement Units, Unit Type

Unit Type	Existing	Proposed Replacement
Bachelor	54	Forty-six (46): Bachelor Units Eight (8): 1-bedroom Units
1-bedroom	25	Nineteen (19): 1-bedroom Units Three (3): 2-bedroom Units Three (3): 3-bedroom Units
2-bedroom	1	One (1): 2-bedroom Unit
3-bedroom	1	One (1): 3-bedroom Unit

As illustrated by **Table 3** below, while the overall floor area will generally be maintained (approximately 99.76%), recognizing the unique nature of the existing buildings at 17, 19 and 21 Yorkville Avenue, in that there is an atypical relationship between unit type and unit size (i.e. unconventional unit layouts due to the conversion of commercial space into residential units), some of the replacement units are proposed to be smaller than the existing units. In our opinion, this is appropriate given that these unconventional unit layouts and sizes are not replicable in a modern redevelopment project.

Table 3 - Comparison of Existing and Proposed Rental Replacement Units, Size

Unit Type	Ex	isting	Proposed
Unit Type	# of Units	Average Size	Average Size
Bachelor	54	371.3 sq. ft.	449.87 sq. ft.
1-bedroom	25	775.2 sq. ft.	653.48 sq. ft.
2-bedroom	1	911.0 sq. ft.	823.0 sq. ft.
3-bedroom	1	2,150.0 sq. ft.	937.0 sq. ft.

Total Units	81	81		
Total Size	42,490.00 sq. ft.	42,390.00 sq. ft.		
Deficit	0.24 % (100 sq. ft.)			

As a result, it is our opinion that the proposed rental replacement proposal meets the requirements set out in Section 111 of the City of Toronto Act and Chapter 667 of the Municipal Code, as well as the intent of the housing policies set out in the Official Plan, specifically Policy 3.2.1.6(b). As such, does not require an Official Plan Amendment.

Moreover, there are additional spaces that the returning tenant will have access to, which they currently do not, including, common indoor and outdoor amenity spaces. Through the redevelopment of the site, there will be an increase in programmable amenity space.

6.3 Analysis of Unit Affordability

The Official Plan defines "affordable rents" as housing where the total monthly shelter cost (gross monthly rent including utilities but excluding parking and cable television charges) is at or below one times the average City of Toronto rent, by unit type, as reported annually by the Canada Mortgage and Housing Corporation. "Mid-range rents" is housing where the total monthly shelter costs exceed affordable rents but fall below one and one-half times the average City of Toronto rent. "High-end rent" is housing above this threshold. The applicable 2018 rent limits by relevant unit type are included in **Table 4**.

Table 4 – 2018 Average Rent Thresholds

Unit Type	Affordable Rent	Mid-Range Rent
Bachelor	\$1,019.00	\$1,528.50
1-bedroom apartment	\$1,202.00	\$1,803.00
2-bedroom apartment	\$1,426.00	\$2,139.00
3-bedroom apartment	\$1,595.00	\$2,392.50

The current unit affordability analysis is provided under a separate cover. The analysis is based on the March 2018 rent rolls, and has also been provided under a separate cover. Additional amenities such as parking and locker storage are paid separately, and as such, this cost has not been added to the gross monthly rent. In terms of utilities, all hydro, water and heat costs are currently incorporated into the monthly rent paid by the tenants.

Within 11 Yorkville Avenue, 10 of the rental units were vacant during the month the rents were analyzed. In order to determine the affordability of these units, the analysis was based on the rent paid during the last month of occupancy. After determining the tenant's last month of occupancy, the rent was analyzed based on the Average Rent Threshold year that the rent was paid. In total, 9 of the vacant rental units in 11 Yorkville Avenue were last occupied in 2017 and as such, the 2017 affordability thresholds were applied to those units.

A summary of the affordability analysis is set out in Tables 5a, 5b, 5c and **5d** below. In total, there are 5 affordable units and 76 mid-range units within the existing buildings. As Policy 3.2.1(6)(a) applies for the subject site, all 81 rental units within the subject site will be retained for rental tenure.

Table 5a — Summary of Rents in 11 Yorkville Avenue

Heit Trees	Affordable Units		Mid-Range Units		High End Units	
Unit Type	Vacant	Occupied	Vacant	Occupied	Vacant	Occupied
Bachelor	1	4	8	41	0	0
1-bedroom	0	0	1	15	0	0
2-bedroom	0	0	0	1	0	0
3-bedroom	0	0	0	0	0	0
TOTAL	1	4	9	57	0	0

Table 5b — Summary of Rents in 17 Yorkville Avenue

Unit Type	Affordable Units		Mid-Range Units		High End Units	
	Vacant	Occupied	Vacant	Occupied	Vacant	Occupied
Bachelor	0	0	0	0	0	0
1-bedroom	0	0	1*	0	0	0
2-bedroom	0	0	0	0	0	0
3-bedroom	0	0	1*	0	0	0
TOTAL	0	0	2	0	0	0

Table 5c — Summary of Rents in 19 Yorkville Avenue

Unit Type	Affordable Units		Mid-Range Units		High End Units	
	Vacant	Occupied	Vacant	Occupied	Vacant	Occupied
Bachelor	0	0	0	0	0	0
1-bedroom	0	0	1*	1	0	0
2-bedroom	0	0	0	0	0	0
3-bedroom	0	0	0	0	0	0
TOTAL	0	0	1	1	0	0

Table 5d — Summary of Rents in 21 Yorkville Avenue

Unit Type	Affordable Units		Mid-Range Units		High End Units	
	Vacant	Occupied	Vacant	Occupied	Vacant	Occupied
Bachelor	0	0	0	0	0	0
1-bedroom	0	0	6*	0	0	0
2-bedroom	0	0	0	0	0	0
3-bedroom	0	0	0	0	0	0
TOTAL	0	0	6	0	0	0

^{*} indicates units that were vacant upon the Owner's purchase of the buildings, and were without historic rental information

6.4 Affordability Analysis for **Unknown Vacant Units with** Unknown Rents

As illustrated in the **Tables 5b, 5c** and **5d**, there are 9 vacant rental units, which the last rent paid is not known. In this regard, all of the rental units in the 17 and 21 Yorkville Avenue buildings, as well as a unit within the 19 Yorkville Avenue building and two units in the 11 Yorkville building were vacant upon the Owner's purchase of the properties. Historic lease data was not available for these units, as a result, their affordability was determined based on an evaluation of the relationship between unit type and size, and an analysis of the rents for known units in 11 Yorkville Avenue and the occupied unit in 19 Yorkville Avenue.

As illustrated by the unit surveys for 17, 19 and 21 Yorkville Avenue, which are contained within a separate cover, the relationship between unit type, unit size and affordability would indicate that it is reasonable to classify these vacant units as mid-range. It is our opinion that since these vacant units are generally large 1-bedroom units with an average of over 1,200 square feet, they would be rented at a minimum mid-range affordability level. Another consideration is analysis of affordability classification in the units in 11 Yorkville and the one occupied unit in 19 Yorkville. Approximately 90 percent of the known units were rented at a mid-range affordability level.

Based on the foregoing, it is our opinion that classifying these unknown units as mid-range is reasonable.

6.5 Tenant Relocation and Assistance

Policy 3.2.1(6)(b) also requires an acceptable tenant relocation and assistance plan, addressing the right to return to occupy one of the replacement units at "similar rents", the provision of alternative accommodation at "similar rents" and "other assistance to lessen hardship". No specific terms are set out for the tenant relocation and assistance plan and it is understood that such terms are intended to be negotiated on a development-by-development basis.

The Residential Tenancies Act, 2006 requires that, if notice of termination of a tenancy is given for the purpose of termination where the landlord requires possession of the rental unit in order to demolish it, the date of termination shall be at least 120 days from the day on which the notice is given. If a tenancy is terminated for the purpose of the demolition, the Act requires that the landlord shall either:

- compensate a tenant in an amount equal to three (3) months rent; OR
- offer the tenant another rental unit acceptable to the tenant.

The owner intends that a tenant relocation and assistance plan be negotiated with the City. Elements of the tenant relocation and assistance plan could include:

- · an extended tenant notice period beyond the existing Residential Tenancies Act requirement;
- a construction management and phasing plan;
- a communications strategy, including notification to existing tenants of project milestones and contact information for project management and construction questions/concerns;
- tenant relocation assistance, including a right to return to the replacement rental units:
- tenant compensation, including additional compensation to tenants who either choose to move into a new unit or who choose to find new housing on their own; and
- additional assistance for special needs tenants.

7.0 CONCLUSION

It is our opinion that the proposed rental replacement proposal meets the intent of the housing policies of the Official Plan, in particular, Policy 3.2.1.6(b). In this regard, the proposed development will replace the existing rental units with the same number of units with rents at similar rent levels (i.e. affordable or mid-range) and at least with the same mix of unit types, if not larger. The Owner will have ongoing discussions with the City and its tenants in order to secure an appropriate tenant relocation and assistance plan. Therefore, it is our opinion that an Official Plan Amendment is not required.

Based on the foregoing, it is our opinion that the application for rental housing demolition and conversion in accordance with Chapter 667 of the Municipal Code is appropriate and desirable and is consistent with Section 111 of the City of Toronto Act and, accordingly, should be approved.