



Joe Cressy 周凱捷

City Councillor | Ward 10, Spadina-Fort York

February 24th, 2021

Dear neighbours,

Thank you for your ongoing engagement over the last two years regarding the development application for the Palace Arms, 950 King Street West.

Engagement from neighbours through every step of an application process is absolutely critical — and why your input is so important. Since the first public meeting in March 2019 I have heard directly from many of you, and I appreciate that subsequent meetings have been made more difficult during the COVID-19 pandemic having to take place by phone and virtually. Thank you for continuing to be a part of the process.

In my seven years as a City Councillor, this has been one of the most challenging development applications to come across my desk. The complexities of the affordable housing replacement, and the lack of a legally enforceable dwelling room replacement policy, has meant a tremendous amount of work to get to where we are today.

But as I've said from Day One — affordable housing replacement is my top priority, and I've been clear that I would not accept anything less than affordable housing replacement as improved, deeply affordable housing on site.

Protecting Affordable Housing

The original application that was submitted in 2018 included zero affordable housing replacement. After two public meetings, four neighbourhood stakeholder meetings, countless meetings with City staff, and even a working table comprised of rooming house policy and non-profit housing experts — we have been able to exceed full replacement of the square footage that exists on site today, as new, deeply affordable, self-contained units with equal access to building amenities and facilities.

But that work began years before this application was even made.

When the City learned of the potential sale and redevelopment of the property in 2016, it was made clear that should any application for redevelopment be pursued, the City would seek the replacement of affordable housing that currently exists on site as a condition of any approval. [In 2016 City Council approved a motion affirming this position.](#)

This 2016 motion contributed towards the development of the [City's new Dwelling Room Replacement Policy](#), which was approved by City Council in 2019. Unfortunately, the policy has been appealed to the provincial Local Planning Appeal Tribunal (LPAT), therefore it does not currently have legal force. In other words, the City of Toronto cannot legally require full replacement of existing dwelling room affordable housing. Nor can the City require it at the developer's expense. However, legally required or not, I have been clear to the developer and City Planning staff since the beginning that I could not support any application that didn't include full affordable housing replacement.

Under the City's Dwelling Room Replacement Policy, this would mean a full replacement of the 12,000 square feet currently on site as new affordable housing.

I am glad to be able to report that not only did we achieve full replacement of the 12,000 square feet currently on site, we continued to push hard, and by identifying funds from other development sites that I had allocated to affordable housing, we achieved an additional 3,000 square feet — bringing us to a total of 15,000 square feet of new affordable housing. That's 25% more than what exists today.

With City Council's pre-approval of housing benefits for all the future tenants in the new affordable units, the rent paid by tenants will be tied to income, and thus deeply affordable to people on social assistance. In other words, these units will be rent-geared-to-income (RGI) and truly affordable.

Working with non-profit affordable housing providers, housing experts, and City staff, the next step is to design the best program model for the affordable space, including designing and laying out the exact number of units.

For the existing tenants of the Palace Arms, the affordable housing replacement includes their right to return, and securing units in the redevelopment at similar rents to what they are currently paying, receiving a monthly Rent-Gap Payment from the date that they move out and until the new affordable units are ready for moving back in; compensation including moving costs, and having access to Housing Support Services to help tenants locate, secure and move into alternative housing during construction.

None of these vital supports for existing tenants are an automatic legal requirement. They could only be secured through our persistent efforts over the past two years.

This is a first in the City of Toronto, and a significant achievement.

What does all this mean? Frankly, despite not being able to legally require full replacement of all dwelling rooms at the developer's expense, we fought hard to meet the spirit of the Dwelling Room Replacement Policy. We were able to achieve an increase in affordable housing space, an improvement in the quality of this housing — from rooms with shared washrooms and kitchens to fully self-contained units — and truly deeply affordable units that people on social assistance can afford.

Additional Changes

Since the initial application was submitted for the Palace Arms in May 2018, there have been some changes to the proposal in response to feedback from the public, City Planning staff, and myself. The December 2020 update to the proposal, which was shown at the second online public meeting, included a reduced height, fewer parking spaces, a new approach to heritage conservation, an increased amount of affordable housing, and a change from condominium to purpose-built rental.

	Original proposal May 2018	Final proposal February 2021
Height (m) Including rooftop mechanicals	58.5	49.95
Storeys	17	14
Condo units	189	0
Rental units	28	191
Parking spaces	74	14
Affordable housing	n/a/	15,000 sq ft (100% replacement plus 25% more)
Affordability	n/a	Deep affordability (90% AMR plus housing benefits as rent-geared-to-income)

Today at [Toronto and East York Community Council](#) (TEYCC), I also moved a number of amendments that will be required for approval of the application;

- Securing the 15,000 square feet of affordable housing, which is 25% greater than full replacement of the existing affordable space,
- Pre-approving housing benefits for all the future tenants in the new affordable units, meaning that the rent will be deeply affordable,
- Asking City staff to report on eligible funding programs from other government partners that may permit even more expansion of the amount of affordable housing in the new building,
- Establishing a working group of affordable housing providers, housing experts, and City staff to look at the best program model for the affordable space and to design and lay out the units,
- Requiring a detailed review of the design of street-level retail and live/work units in the context of the post-pandemic recovery,
- Requiring continued work on detailed design of north facing windows and privacy measures to reduce overlook of neighbouring properties,
- Directing City Planning staff to begin the process of updating the local plans and by-laws, some of which date back to the 1980s.

Built Form — Heritage, Height, and Precedents

I approach all redevelopment proposals with the firm belief that as we grow as a city, we must manage development to ensure we are creating equitable, liveable, sustainable communities – places where all are welcome. While Provincial legislation places some limits on the tools and powers for cities to manage development, as a city and a community we have a shared responsibility to work hard together to make sure each new building is a positive addition to its block, the neighbourhood, and the wider city.

Heritage

The application integrates the heritage building into the new construction. The south and west faces of the building will be conserved and restored, along with a depth of 4.5 metres (15 feet) for three-dimensional conservation. All new construction would be set back at least 4.5 metres from the roof line, along with a greater 7 metre step back from the turret midpoint.

Heritage Preservation Services pushes for heritage retention strategies such as this, which conserve and restore the three-dimensional heritage fabric as perceived from the public realm, and where the new construction does not embed or cantilever over the old building.

Height and Precedent

The height has been reduced from 58.5 metres since the original proposal to 49.95 metres (including the rooftop mechanical penthouse in both cases). I know that the shorter height is still a concern for some.

With the reduced height achieved since the original proposal, we can avoid setting a new precedent for height in the neighbourhood because there are existing taller buildings along King West both to the east and west.

These concessions on the height have been hard won because we have to work within Provincial planning legislation that directs population growth into our downtown communities, and the Local Planning Appeal Tribunal (LPAT) can step in to overrule City Council's decisions.

Traffic

From the very first public meeting on the proposal, I heard concerns about traffic congestion and difficulty finding parking on neighbourhood streets. With the latest changes to the proposal, the amount of on-site parking will be reduced to 14 spaces. This means virtually no additional residential vehicle traffic in the public lane or on King Street because residents will be very unlikely to own private vehicles. There will be ample and secure bicycle parking within the building instead, and improvements to the King Street Transit Priority Corridor have helped more people to choose to leave their cars at home.

Community Council will remove the new building from the local on-street permit parking zone, which means any residents in the building who own a personal vehicle will have to find a private off-street parking space for it. We want to encourage people to choose green, healthy, efficient ways of travelling. Our streets are not getting any wider, so we have to use them more effectively to move people rather than cars.

Next Steps

Today at TEYCC the [staff recommendations](#), along with my amendments were approved. But this doesn't mean that the work is over.

As mentioned above on the affordable housing, work will continue in consultation with non-profit housing providers to design the affordable units, and the best program model for their operation.

I have also required that a Construction Management Plan and Construction Liaison Committee be formed to help address construction concerns and reduce the impact on the local community.

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Change is hard when it comes to development proposals that are in our own backyard, which is deeply personal, and the concerns coming from that perspective are valid.

I recognize that many – though not all – in my community disagree with the height that was approved as recommended by City staff. It's always difficult to be offside with community members, but my bottom line is that I am not prepared to lose affordable housing we've secured over a lower height.

I'm also not prepared to risk losing the affordable housing we've gained – along with all the other changes to the building – over a fight at the Provincial LPAT.

Our downtown neighbourhoods have been changing and growing rapidly for many years, and they are going to continue to grow for the foreseeable future. This is a reality we have to work hard to manage due to population growth in the Greater Toronto Area, and Provincial policies that direct new housing away from farmland and into existing urban areas.

As a result, one of my top priorities has always been to ensure we are making the investments to keep up with growth and ensure our neighbourhoods are more equitable, liveable, and sustainable. This means building new community centres, creating new parks, making walking and cycling a safe choice, and giving public transit priority on our streets.

It also means prioritizing and seriously addressing the affordable housing and homelessness crisis by protecting the affordable housing that exists today, and building more homes for the diverse needs of people who are at risk of being excluded from our downtown neighbourhoods. The full spectrum of housing affordability, from supportive housing with wrap-around services for people transitioning out of homelessness, to conventional rental units for essential workers, are vital to the equitable future of every neighbourhood.

I understand that the pandemic has presented new challenges for participating in these discussions, and I thank you for taking the time to engage with me and my office throughout this process.

The gains we have been able to achieve on affordable housing would not have been possible without the work of so many. I would like to thank everyone who was a part of making it happen, including our local community who championed affordable housing since the beginning.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe Cressy', with a long, sweeping underline.

Joe Cressy