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MEMORANDUM

To: City of Vaughan
From: Hemson Consulting
Date: March 10, 2026
Re: Review of 2022 Community Benefits Charge Strategy

This memorandum has been prepared for the City of Vaughan to fulfill the legislative five-year review requirement, assessing whether revisions to the City's current Community Benefits Charges (CBC) By-law 201-2022 are necessary. Additionally, this document is intended for public release to meet the consultation requirements outlined in section 37 of the *Planning Act* for CBC by-law reviews. The memorandum should be read in conjunction with the City of Vaughan 2022 CBC Strategy (June 21 2022).

A. INTRODUCTION & BACKGROUND

i. Purpose of 2026 Review of the City's CBC Strategy

Under the requirements of section 37 of the *Planning Act*, a municipality shall complete a regular review of the Community Benefits Charges (CBC) by-law (within five years after the by-law is passed) to determine the need for revision of the by-law. The legislation requires several steps to complete the review:

- **Step 1:** Complete a review of the CBC by-law (section 37(54)).
- **Step 2:** In undertaking the review of the CBC by-law, the municipality shall consult with persons and public bodies as the municipality considers appropriate (section 37(55)).
- **Step 3:** After conducting the review, council will decide as to whether a revision to the by-law is required (section 37(56)).
- **Step 4:** Within 20 days of passing a resolution, council shall give notice on the municipality's website as to whether a revision to the by-law is required.

If council does not complete a review within five years of the by-law passing, the by-law shall be deemed to have expired.

A review of the City's 2022 CBC Strategy is being undertaken to align with the City's ongoing 2026 Development Charges (DC) Background Study.

ii. What is a Community Benefits Charge?

A CBC is a funding tool authorized under the *Planning Act* (the Act) that allows municipalities to impose a charge against higher density development to pay for development-related capital costs. The CBC provisions replace former section 37 height and density bonusing provisions in the Act, subject to transition rules.

Municipalities can use CBCs to pay for “facilities, services, and other matters attributable to the anticipated development and redevelopment to which the community benefits charge by-law would relate.” As such, they can be used together with DCs and parkland and other public recreation amenities contributions by developers under section 42 of the Act. Provided they are used to fund development-related costs that are not also funded by DCs and section 42 contributions, the scope of CBCs is quite broad.

iii. Legislative Context

This City of Vaughan 2022 CBC Strategy was presented as part of the process to lead to the approval of a new CBC by-law in compliance with the Act. The Strategy was prepared in accordance with the Act and associated *Ontario Regulations 509/20* (O.Reg. 509/20), including the amendments that came into force on September 18, 2020.

In accordance with the requirements of the legislation, the City of Vaughan Council held a public meeting to present the City's 2022 CBC Strategy and associated by-law which ultimately led to the passage of CBC By-law 201-2022 on September 14th, 2022. City Council will consider passing a resolution determining as to whether a revision to the current CBC By-law is needed on a date following the consultation period with appropriate external stakeholders. The development industry has been consulted with during the DC review process thus far on this matter and the CBC topic will be included as part of the DC Public Meeting being held on April 14, 2026.

iv. CBCs Levied on Higher Density Development

A CBC can only be levied against mid- to high-density development, limited by the Act to buildings that are:

- five or more storeys, **and**
- contain 10 or more residential units.

Note that a mixed-use development, a building that contains both residential and non-residential uses, can be subject to a CBC if it meets the above criteria. O.Reg. 509/20 provides for several exemptions from the payment of a CBC, namely:

- long-term care & retirement homes;
- colleges, universities and post-secondary Indigenous Institutes;
- Royal Canadian Legion buildings or structures;
- hospices for end of life care; and
- non-profit housing.

v. CBC Strategy

Subsection 37(32) of the Act prescribes that the maximum permitted CBC that can be levied against any development is 4 per cent (4%) of land value on the day before issuance of the building permit. Several key steps must be undertaken to levy CBCs. They include preparing a CBC Strategy prior to passing a CBC by-law. Through the Strategy, the City must:

- prepare a development (growth) forecast;
- determine the increased infrastructure need arising from development;
- estimate the capital costs of providing the necessary infrastructure;
- determine the share of these costs attributed to CBC development, by identifying and deducting:
 - excess capacity;
 - benefit to existing development; and
 - grants, subsidies or other contributions.

The City's 2022 CBC Strategy was prepared in accordance with the requirements of the legislation as described above.

B. KEY ASSUMPTIONS FOR REVIEW OF 2022 CBC STRATEGY

The review of the City's 2022 CBC Strategy includes modifications to the assumptions to align with the City's 2026 DC Background Study. These modifications include:

- **Development forecast:** The anticipated amount of development over the 10-year planning horizon aligns the quantum of growth identified in the 2026 DC Background Study for the period from 2026 to 2035.
- **CBC Revenues:** Anticipated revenue generated from CBC eligible developments aligned with recent completions and updated land values in the City that informs the DC Background Study.
- **Capital Cost Estimates:** Capital costs have been updated to reflect the current capital project list for the City based on the 2022 CBC Strategy and the 2026 DC Background Study.

i. Development Forecast

The development forecast assumptions used in the 2022 CBC Strategy have been updated to reflect the anticipated development in the 2026 DC Background Study (see Appendix A for additional details). In total, the City is expected to construct 10,030 apartments over the 2026-2035 planning horizon. Of this amount, approximately 90% are assumed to be related to CBC eligible developments (see Table 1).

Table 1: Forecast of City-wide Units Subject to CBCs

Year	Total
Total 2026-2035	9,027

Of the 10,030 units approximately, 90% or (9,027 units) are anticipated to be subject to CBCs. Table 2 below shows the updated CBC eligible shares of projects which benefit residential and non-residential developments.

Table 2: City-wide Forecast of Persons in Unit Starts, 2026-2035

	Single/Semi	Row	Apartment	Total
Units Subject to CBC	0	0	9,027	9,027
All Units	7,070	4,070	10,030	21,169
PPU Assumptions	3.70	3.25	2.25	
Persons in Units Subject to CBCs	0	0	20,310	20,310
Persons in All Units	26,157	13,226	22,567	61,950
% of Persons in Units Subject to CBCs				33%

ii. Anticipated CBC Revenues

A high-level estimate of CBC revenues, over the 10-year period, is \$17.4 million, based on the 4% legislated cap (see Table 3). The average land values per unit have been adjusted to

reflect current values in the City based on recent assessments. The estimated average land value per unit across the City is \$1,930.

Table 3: Estimated CBC Revenue Forecast, 2026-2035

Description	Average Land Value per Unit	Number of Units	Total
CBC Revenue Estimate	\$1,930	9,027	\$17,421,595

C. CBC CAPITAL PROGRAM

The total gross capital program identified for recovery from CBCs is \$526.3 million. The capital program includes the following:

- **Public Art & Culture (\$174.6 million):** Public art installations in the VMC and secondary plan areas, and a cultural and performing space/facility in the VMC
- **Community Facilities & Amenities (\$340.9 million)**
 - **Facilities, Heritage & Beautification (\$308.8 million):** Debt associated with the VMC YMCA/Community Centre, new park development, new playing fields and playgrounds and new trail development.
 - **Library Facilities (\$32.2 million):** Debt associated with the VMC Library, Maple Library expansion, Dufferin Clark library expansion (reading garden addition) and the expansion of Bathurst Clark Resource Library.
- **Parking (\$3.4 million):** VMC car share program implementation, VMC long term secure bicycle parking, VMC bicycle parking utilization study, VMC on street EV parking stations implementation and other parking related works
- **Civic Administration/Studies (\$0.1 million):** CBC studies and implementation
- **Edgeley Pond & Black Creek Channel Works (\$7.3 million):** Local costs associated with Black Creek and Edgeley Pond

The entire gross capital cost is not eligible to be funded by CBCs and a series of legislated deductions have been made including consideration for excess capacity, replacement or benefit to existing shares and shares to be funded from other growth-funding tools.

As no grants and subsidies have been identified, there is no deduction to the gross program and the net municipal cost remains at \$526.3 million. No replacement or benefit to existing shares are identified. Approximately \$150.7 million is identified for recovery through development charges - this allocation is consistent with the City's 2026 DC Background Study released for public consultation (March 10th 2026)¹. Of the remaining \$375.6 million, \$144.3 million is considered to relate to developments that are five or more storeys and contain 10 or more residential units, and as such, eligible for recovery from CBCs. The remaining amount of approximately \$231.3 million may be considered for funding from future development charge studies, CBCs or for funding from other sources.

The capital facilities set out herein are a snapshot of what the City currently needs to fund to maintain those service levels during the ten-year planning period. As projects are completed, the City will continue with additional capital projects to provide the same or similar service levels, and therefore the capital facilities listed will continue to evolve. The capital program is summarized in Table 4.

Table 4: Summary of CBC Capital Program (\$000s)

Service	Net Cost	Replacement & BTE	Total Development-Related Cost	2026 DC Study Share*	Remaining Development Related	Total CBC Related Costs
Public Art & Culture	\$174,595.6	\$0.0	\$174,595.6	\$0.0	\$174,595.6	\$73,772.7
Community Facilities & Amenities	\$340,947.0	\$0.0	\$340,947.0	\$150,688.0	\$190,259.0	\$62,375.9
Parking	\$3,370.0	\$0.0	\$3,370.0	\$0.0	\$3,370.0	\$739.3
Civic Administration/Studies	\$100.0	\$0.0	\$100.0	\$0.0	\$100.0	\$100.0
Edgeley Pond & Black Creek Channel	\$7,297.9	\$0.0	\$7,297.9	\$0.0	\$7,297.9	\$7,297.9
Total	\$526,310.6	\$0.0	\$526,310.6	\$150,688.0	\$375,622.6	\$144,285.7

*Note: Related to the in-period (2026-2035) development charge recoverable shares identified from the 2026 DC Study

i. CBC Capital Needs Still Exceed the Anticipated Revenue Forecast

The estimated CBC eligible costs of the development-related capital program total \$144.3 million over the 10-year period 2026-2035 (see Table 5). A high-level estimate of CBC revenues, over the same 10-year period, is \$17.4 million, based on the 4% legislated cap (see Table 3 above). As such, the CBC eligible costs exceed the anticipated 10-year revenue potential by a significant margin, supporting the application of a CBC charge that is based on the 4% cap. Details on the proposed CBC capital program are provided in the following section.

¹ Should the DC related capital program change from the version released for public consultation, this CBC memorandum, and associated CBC Capital Program, will be adjusted accordingly.

TABLE 5
CBC DEVELOPMENT-RELATED CAPITAL PROGRAM

Project Description	Timing	Gross Project Cost	Grants / Subsidies / Other Recoveries	Net Cost	BTE (%)	Replacement & BTE (\$)	Total Development Related Costs	DC Share (%)	2026 DC Study Share (\$)*	Remaining Development Related	CBC Share (%)	Total CBC Related Costs
1.0 PUBLIC ART & CULTURE												
1.0.1 Public Art Installations - VMC	Various	\$11,412,000	\$0	\$11,412,000	0%	\$0	\$11,412,000		\$0	\$11,412,000	100%	\$11,412,000
1.0.2 Public Art Installations - Secondary Plan Areas	Various	\$13,183,606	\$0	\$13,183,606	0%	\$0	\$13,183,606		\$0	\$13,183,606	100%	\$13,183,606
1.0.3 VMC Cultural and Performing Space/Facility	Various	\$150,000,000	\$0	\$150,000,000	0%	\$0	\$150,000,000		\$0	\$150,000,000	33%	\$49,177,057
TOTAL PUBLIC ART & CULTURE		\$174,595,606	\$0	\$174,595,606		\$0	\$174,595,606		\$0	\$174,595,606		\$73,772,663
2.0 COMMUNITY FACILITIES & AMENITIES												
Facilities, Heritage & Beautification												
2.0.1 VMC YMCA/CC - Annual IO Debt Repayment - Principal Payment Only	2035	\$41,459,310	\$0	\$41,459,310	0%	\$0	\$41,459,310	55.30%	\$22,925,007	\$18,534,303	33%	\$6,076,416
2.0.2 New Park Development	Various	\$153,429,921	\$0	\$153,429,921	0%	\$0	\$153,429,921	33.72%	\$51,742,470	\$101,687,450	33%	\$33,337,931
2.0.3 New Playing Fields and Playgrounds	Various	\$83,105,611	\$0	\$83,105,611	0%	\$0	\$83,105,611	56.50%	\$46,955,629	\$36,149,982	33%	\$11,851,665
2.0.4 New Trail Development	Various	\$30,800,000	\$0	\$30,800,000	0%	\$0	\$30,800,000	56.01%	\$17,250,000	\$13,550,000	33%	\$4,442,328
Library Facilities												
2.1.1 VMC Library - Annual IO Debt Repayment - Principal Only	2034	\$5,875,008	\$0	\$5,875,008	0%	\$0	\$5,875,008	42.33%	\$2,487,014	\$3,387,994	33%	\$1,110,744
2.1.2 Maple Library Expansion	2028	\$4,090,567	\$0	\$4,090,567	0%	\$0	\$4,090,567	0.00%	\$0	\$4,090,567	33%	\$1,341,080
2.1.3 Dufferin Clark Library Expansion - Reading Garden Addition	2028	\$4,090,567	\$0	\$4,090,567	0%	\$0	\$4,090,567	0.00%	\$0	\$4,090,567	33%	\$1,341,080
2.1.4 Expansion of Bathurst Clark Resource Library	2030	\$18,096,052	\$0	\$18,096,052	0%	\$0	\$18,096,052	51.55%	\$9,327,873	\$8,768,179	33%	\$2,874,622
TOTAL COMMUNITY FACILITIES & AMENITIES		\$340,947,034	\$0	\$340,947,034		\$0	\$340,947,034		\$150,687,994	\$190,259,040		\$62,375,865
3.0 PARKING												
3.0.1 VMC Car Share Program Implementation (2 year pilot)	2026	\$120,000	\$0	\$120,000	0%	\$0	\$120,000	0%	\$0	\$120,000	22%	\$26,324
3.0.2 VMC Long Term Secure Bicycle Parking - Mobility Hub (20 Bike Lockers)	2026	\$200,000	\$0	\$200,000	0%	\$0	\$200,000	0%	\$0	\$200,000	22%	\$43,873
3.0.3 VMC Bicycle Parking Utilization Study	2026	\$50,000	\$0	\$50,000	0%	\$0	\$50,000	0%	\$0	\$50,000	22%	\$10,968
3.0.4 VMC On Street EV Parking Stations Implementation (2 Stations)	2027	\$200,000	\$0	\$200,000	0%	\$0	\$200,000	0%	\$0	\$200,000	22%	\$43,873
3.0.5 Parking Related Works	Various	\$2,800,000	\$0	\$2,800,000	0%	\$0	\$2,800,000	0%	\$0	\$2,800,000	22%	\$614,215
TOTAL PARKING		\$3,370,000	\$0	\$3,370,000		\$0	\$3,370,000		\$0	\$3,370,000		\$739,252
4.0 CIVIC ADMINISTRATION/STUDIES												
4.0.1 CBC Studies & Implementation	Various	\$100,000	\$0	\$100,000	0%	\$0	\$100,000	0.00%	\$0	\$100,000	100%	\$100,000
TOTAL CIVIC ADMINISTRATION/STUDIES		\$100,000	\$0	\$100,000		\$0	\$100,000		\$0	\$100,000		\$100,000
5.0 EDGELEY POND & BLACK CREEK CHANNEL WORKS												
5.0.1 Local Costs associated with the Black Creek and Edgeley Pond	Various	\$7,297,936	\$0	\$7,297,936	0%	\$0	\$7,297,936	0.00%	\$0	\$7,297,936	100%	\$7,297,936
TOTAL EDGELEY POND & BLACK CREEK CHANNEL WORKS		\$7,297,936	\$0	\$7,297,936		\$0	\$7,297,936		\$0	\$7,297,936		\$7,297,936
TOTAL CBC CAPITAL PROGRAM		\$526,310,576	\$0	\$526,310,576		\$0	\$526,310,576		\$150,687,994	\$375,622,582		\$144,285,717

* Note: Related to the in-period (2026-2035) Development Charges recoverable shares identified from the 2026 DC Study.

D. APPLICATION OF CBCS

It is proposed that the City of Vaughan should continue levy CBCs as a per cent of land value of the development prior to the issuance of a building permit, or the first permit if the development requires multiple permits. The charges will be applied on a City-wide basis to all eligible developments notwithstanding statutory exemptions in subsection 37 (4) (e) of the Act and the City's CBC By-law.

E. CONCLUSIONS AND RECOMMENDATION FOR COUNCIL RESOLUTION

Under the requirements of section 37 of the *Planning Act*, a municipality shall complete a regular review of the CBC By-law (within five years after the by-law is passed) to determine the need for revision of the by-law. Once the review is completed, City Council can decide whether the current enacted CBC By-law requires any changes through an amendment.

Based on the analysis contained in this report, it is recommended that no change be made to the City's current enacted CBC By-law. No implementation or administrative policies and practices are being changed through this review process, and as discussed above, the CBC capital needs adjusted through this review continue to exceed the estimated CBC revenues over the 10-year period. Therefore, no changes to the City's current CBC By-law 201-2022 are required.