

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 30, 2018

Item 5, Report No. 1, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on January 30, 2018.

5 CASH-IN-LIEU OF PARKLAND DEDICATION – BY-LAW UPDATE

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the City Solicitor, dated January 22, 2018:

Purpose

This report is being provided to:

1. Seek Council authorization to amend By-Law 205-2012 (the “Cash-in-Lieu By-Law”) to reflect the requirements of *Bill 73, The Smart Growth for Our Communities Act, 2015* (“Bill 73”), with respect to the alternative parkland dedication rate under the *Planning Act* permitting payments in lieu of land.
2. Seek Council authorization to review the City’s Cash-in-Lieu By-Law and related policies, including updates to the high-density fixed unit rate and the industrial waiver policy, and report findings back to a future Committee meeting.

Recommendations

1. That staff be authorized to revise the City’s Cash-in-Lieu By-Law to reflect the new maximum rate of 1 hectare per 500 dwelling units when municipalities take payment in lieu of parkland dedication, as required by Bill 73;
2. That the Mayor and the City Clerk be authorized to execute all documentation required to implement the revision set out above; and
3. That staff to be directed to review the City’s Cash-in-Lieu By-Law and associated policies, and report findings back to a future Committee meeting.

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Report Highlights

- Bill 73 changes the alternative parkland dedication rate under the *Planning Act* for payment in lieu payments.
- The new maximum rate permitted by the Province for when municipalities take payment in lieu of parkland is 1 hectare per 500 dwelling units rather than the previous rate of 1 hectare per 300 dwelling units.
- The alternative parkland dedication rate under the *Planning Act* for when land is conveyed to the municipality remains at the current rate of 1 hectare per 300 dwelling units.
- There is no change recommended to the current fixed unit rate used by the City. This will be the subject of a future report to Council.
- Staff will review the high-density fixed unit rate along with the industrial waiver policy and report back to a future Committee meeting.

Background

Bill 73

On December 3, 2015, the Ontario government passed Bill 73 to reform the *Planning Act* and the *Development Charges Act, 1997*. The *Planning Act* allows municipalities to impose, as a condition of approval of a residential plan of subdivision, that land be conveyed for park purposes or that payment in lieu be paid at the rate of 5% of the land area or an alternative rate, which was previously one hectare for each 300 units. Bill 73 reduced the alternative rate for residential development to one hectare for each 500 dwelling units. The City's by-law is being updated to reflect this requirement.

High-Density Fixed Unit Rate

In June 1991, Council authorized that, for the purpose of estimating land that would be required to be conveyed on the basis of 1 hectare for 300 units, a fixed unit rate was to be applied for high-density residential development. Municipalities generally collect cash-in-lieu based on either a fixed rate per unit or on the basis of a percentage of market value of the development site. These methods recognize that collecting cash-in-lieu based on market value is cost prohibitive to development. In December 2012, Council enacted the Cash-in-Lieu By-Law, which set the City's cash-in-lieu payment rate for high-density residential development at \$8,500 per unit. Given changes in market conditions since that time, staff seek authorization to review this fixed rate, which review will consider the fixed rates being applied by other municipalities and will include consultation with major land owners and organizations such as the Building Industry and Land Development Association (BILD). Staff will bring forward recommendations to a future Committee meeting for its consideration.

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Industrial Waiver Policy

In March 1992, Council passed a resolution providing "that the City of Vaughan waive the cash-in-lieu of parkland fee that is collected at the building permit stage for industrial/commercial development." Council waived this cash-in-lieu fee to encourage industrial and commercial development in the City. In April 1998, staff determined that this waiver was no longer necessary for promoting development of a commercial nature, and Council adopted staff's recommendation to eliminate the waiver for commercial development and continue to provide an incentive for industrial development. Given the rate of the City's growth and development since that time and the limited amount of industrial zoned lands remaining, staff seek authorization to review this waiver policy, which will include consultation with industry and the relevant policies and by-laws of other municipalities. Staff will report findings to a future Committee meeting.

Previous Reports/Authority

By-Law Number 205-2012

https://www.vaughan.ca/cityhall/by_laws/Bylaws/205-2012.pdf

Item 34, Report No. 27, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on June 28, 2016.

https://www.vaughan.ca/council/minutes_agendas/Extracts/27cw0621_16ex_34.pdf

Item 27, Report No. 25, of the Committee of the Whole, which was adopted, as amended, by the Council of the City of Vaughan on April 14, 1998.

Analysis and Options

The Cash-in-Lieu By-Law will be amended to reflect the requirements of Bill 73 with respect to the alternative parkland dedication rate under the *Planning Act*.

Staff are currently reviewing the high-density fixed unit rate and the industrial waiver policy, which reviews will include consultation with industry and the relevant policies and by-laws of other municipalities, and will provide an analysis, options and recommendations for Council's consideration.

Financial Impact

While the revision to the Cash-in-Lieu By-Law results in a lower maximum unit rate for high-density residential developments, the City currently uses a fixed unit rate for such developments, which is lower than the value of the new maximum rate. As such, there is no financial impact to the City.

Broader Regional Impacts/Considerations

None.

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Conclusion

The recommended amendment to the Cash-in-Lieu By-Law reflects the new maximum rate of 1 hectare per 500 dwelling units when municipalities take payment in lieu of parkland dedication, as required by Bill 73.

Staff are currently reviewing the high-density fixed unit rate and the industrial waiver policy and will be the subject of a future report to Committee.

For more information, please contact: Paul Salerno, Senior Manager of Real Estate ext. 8473

Attachments

N/A

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