

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, Report No. 28, of the Committee of the Whole (Working Session), which was adopted without amendment by the Council of the City of Vaughan on June 23, 2015.

4 TASK FORCE ON RESIDENTIAL CONDOMINIUMS – STATUS UPDATE

The Committee of the Whole (Working Session) recommends approval of the recommendation contained in the following report of the Commissioner of Public Works, the Commissioner of Finance & City Treasurer and the Commissioner of Planning, dated June 17, 2015:

Recommendation

The Commissioner of Public Works, the Commissioner of Finance & City Treasurer and the Commissioner of Planning, recommend:

1. That subject to the outcome of budget deliberations, waste collection service be provided to all residential condominiums commencing in 2018 and that staff be directed to make provision for this consistent level of service to all residential condominiums in the City in the specifications for the new waste collection contract anticipated to be in place January 1, 2018;
2. That staff be directed to develop a process for proactive review of implementation of traffic management and road operation optimization measures, to be undertaken on a regular basis, in areas of high density development;
3. That the earlier Council letters regarding concerns with current legislation governing condominium taxation matters be resent to the Province of Ontario;
4. That staff advise the Task Force on Residential Condominiums members of available educational resources for condominium owners or prospective buyers, as well as the newly announced Protecting Condominium Owners Act;
5. That the Task Force on Residential Condominiums be advised of the City Council position related to private landowner OMB appeals in Intensification Areas and of Councils request to the Province for reconsideration of their proposed changes to the parkland dedication requirements of the Planning Act which, if enacted would negatively impact the City's ability to acquire parkland in Intensification Areas; and
6. That this report be circulated to the members of the Task Force on Residential Condominiums.

Contribution to Sustainability

This report is consistent with the goals outlined in *Green Directions Vaughan*, specifically:

Goal 2: To ensure sustainable development and redevelopment; and

Goal 4: To create a vibrant community where citizens, businesses and visitors thrive.

Economic Impact

Should Council adopt the staff recommendations contained within each task force recommendation (TFR), there will be incremental economic impact resulting in tax rate increases. For each of the task force recommendations, the economic impact is discussed below. Please note that the economic impact is computed using the existing contract prices for 2015.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 2

TFR 1 Option 1: Should the City issue a rebate to residential condominium owners currently not receiving the waste collection service, the incremental annual cost would be \$245,000 equivalent to an approximate 0.1% city-wide tax rate increase.

TFR 1 Option 2: Should the City create a special tax rate for waste collection, the average tax rate decrease for tax-payers not paying for waste collection service would be approximately 5.7%, whereas, the average tax rate increase for tax-payers paying for waste collection service would range from 0.2% to 2.2% depending upon the scenario selected by Council. Incremental administration costs are not anticipated.

TFR 1 Option 3: Should the City implement a utility billing service for waste collection, operational costs will be fully recovered by users of the waste collection service. Additional costs to the City would include public consultation and implementation costs. Further analysis and review would be required to determine the total incremental cost to the City.

TFR 2: Should the City provide waste collection service to the residential condominiums currently not receiving the service, as part of the next waste contract planned for 2018, there would be an annual cost of \$126,000 and a city-wide tax rate increase of approximately 0.1%. These costs are based on the current contract prices for waste, and may be higher due to volume increases from growth and future contract price increases. Incremental administration costs are not anticipated.

TFR 3: Should the Province establish a special property tax category for residential condominiums, the tax burden would shift to all properties that are not considered residential condominiums. The tax rate impacts would be similar to TFR 1 Option 2.

TFR 4, 5, 6 & 8: There is no action required for these task force recommendations. Consequently, there is no incremental economic impact.

TFR 7, 9, 10 & 11: There is no incremental economic impact resulting from the staff recommendations.

Communications Plan

The members of the Task Force on Residential Condominiums would be advised of Council's direction regarding staff responses to the recommendations contained in the Task Force's Final Report.

Purpose

The purpose of this report is to provide a comprehensive review of the December 2013 "*Final Report - Task Force on Residential Condominiums Recommendations Regarding Opportunities for Changes within the City's Jurisdiction*" and to seek Council direction on further steps to address the Task Force Recommendations.

Background - Analysis and Options

In May of 2012 the City of Vaughan Council established a Task Force on Residential Condominiums for the purpose of considering the variety of issues important to residents living in condominiums (including but not limited to service levels, taxation, safety, and environmental sustainability).

The Task Force developed an extensive list of key issues that was developed through various deliberation and consultations with members of Condominium Boards, Condominium residents, City of Vaughan staff and external experts including Condominium management, and representatives from the Municipal Property Assessment Corporation (MPAC).

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 3

Item 30, Report No. 52 of the Committee of the Whole was adopted as amended by the Council of the City of Vaughan on December 10, 2013 and directed staff to provide a report to a future Committee of the Whole (Working Session) to address the recommendations contained in the Task Force on Residential Condominiums Final Report.

On September 9, 2014, an update on the Residential Condominium Task Force recommendations was provided to Council. Although several of the task force recommendations required additional research at the time, Council approved the following actions:

- *That the Province of Ontario be requested to amend legislation and any necessary regulation(s) related to the Municipal Property Tax Sales process to establish a process restricting the public sale or public auction of a condominium ancillary unit (locker or parking space) to just other owners of that condominium corporation; and*
- *That the Province of Ontario be requested to amend legislation and any necessary regulations(s) to create a new property tax class for residential condominiums; and*
- *That the letters regarding these requests be sent to the appropriate Provincial Ministries and/or organizations.*

Letters were sent, as per the above resolutions, however responses from the Province have not yet been received.

Further research on the remaining task force recommendations is presented in this report.

The following is a breakdown of the recommendations from the Task Force on Residential Condominiums, followed by staff research and analysis, and staff recommendation, where appropriate, based on staff research to-date related to each recommendation:

TASK FORCE RECOMMENDATION 1 (TFR 1):

That the City of Vaughan issue an annual tax credit to residential condominium owners, representing the value, as calculated by the City, of those services that such owners are not receiving from the City (e.g., waste collection, snow clearing, etc.).

TFR 1: RESEARCH AND ANALYSIS

Waste Collection – Jurisdictional Comparison:

Staff research has indicated that some municipalities in Ontario offer a rebate (essentially a grant program) to condominium residential units for waste collection.

1. **Dufferin County** offers a rebate for residential condominiums, through an application process. Eligibility requirements include:
 - Must participate in the County's waste diversion programs, including Blue Box and Green Bin programs, as well as other programs where applicable for special collection wastes.
 - Must make its intention to apply known no later than January 20th of the calendar year for which the rebate would apply
 - Must submit copies of invoices for the previous calendar year by January 20th

The rebate is paid to the residential condominium board, at the calculated rate of \$25 per unit or the actual cost of private collection, whichever is less.

2. **City of Cornwall** offers a rebate, which is applied to an individual residential tax account, or a cheque is issued to a condominium corporation

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 4

- 3. Region of Waterloo** offers rebates to all multi-residential units that do not received municipal collection services. Properties must submit an information form. Information is confirmed by Waste Collection and Diversion department and a list is sent to Finance to send out rebates (\$31 per unit)

Alternative to Rebate – Separate Tax Rate

The City of Kingston has a separate tax rate for waste, which is not charged to condominium properties, multi-residential or any of the non-residential (commercial and industrial) properties. If a condominium corporation wishes to obtain waste collection services from the City, they must submit an application to the City, and a fee of \$52.39 (adjusted by CPI each year) is charged to each residential condo unit annually. The specifics of this approach to paying for waste collection are included in the City of Kingston's Solid Waste Management By-law.

Alternative to Rebate – Separate Utility Billing

Another potential alternative to a rebate system would be a separate waste collection fee charged to the users of the service through a utility billing system. Staff research found that City of Toronto uses a similar approach where residents are charged a monthly user fee based on the size/quantity of garbage. Should Council be interested in pursuing this option, a public consultation process and an implementation plan would require some time to develop.

Waste Collection – Implementation Options:

Option 1: Establishing a program to issue rebates to condominiums would require additional administrative effort.

Issuing rebates would be an additional administrative service. The option of issuing rebates to a condominium corporation rather than individual condominium units would be less administratively cumbersome and costly. The average rebate paid in the examples noted above is from \$25 to \$31. At present, the City is providing waste collection services to approximately 6,000 residential condominiums at an annual cost of \$140,000 or \$23 per unit. However, the cost of implementing and administering the rebate program would be higher as the estimated incremental transaction costs would be approximately \$22 per rebate incremental transaction. Consequently, if rebates were provided to each unit, the total incremental costs would be \$245,000 for 2015, resulting in a city-wide tax rate increase of approximately 0.1%.

Option 2: Establishing a separate tax rate for waste collection, using the City of Kingston model which exempts condominiums and non-residential property classes, would shift all of the cost of waste collection to all properties in the residential property class that receive waste collection.

A separate tax rate approach would be less administratively cumbersome than a rebate program, as it would be calculated as part of the City's tax bill. For 2015, the cost of waste collection per average house with an assessment value of \$587,000 is \$73.10. This amount is based on an average rate, applied across the city, which is different from the cost of providing individual waste collection services. Implementation of a separate tax rate would result in a special levy charge of \$101.52 for tax-payers eligible for the waste collection service, leading to a 2.2% tax rate increase for tax-payers paying for the waste levy, and a 5.7% tax rate decrease for tax-payers not paying for the waste levy. In addition to the City of Kingston model, this approach was further explored to understand the impact on tax-payers under three different scenarios. The results of these scenarios are illustrated below:

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 5

| Scenario (Note 1) | Special levy | Increase for Tax-Payers with Special Service Levy | | Decrease for Tax-Payers without Special Service Levy | |
|---|--------------|---|------|--|--------|
| | | \$ | % | \$ | % |
| 1 Special service levy charged to all tax-payers except residential condos that do not receive collection, commercial, industrial, farm, managed forest and pipelines | \$ 101.52 | \$ 28.42 | 2.2% | \$ (73.10) | (5.7%) |
| 2 Special service levy charged to all tax-payers except residential condos that do not receive collection, commercial, industrial and pipelines | \$ 97.85 | \$ 24.75 | 1.9% | \$ (73.10) | (5.7%) |
| 3 Special service levy charged to all tax-payers except residential condos that do not receive collection | \$ 75.08 | \$ 1.98 | 0.2% | \$ (73.10) | (5.7%) |

Note 1: Special levy based on average house assessment of \$587K; percent changes calculated using 1% impact on the average home of \$12.79.

Option 3: Establishing a separate waste collection fee charged to the users of the service through a utility billing system.

Moving to a fee/utility based billing approach could also be considered, but would require public consultation and a detailed implementation plan. Using a full cost recovery approach, all costs of City's waste program, including ongoing administrative cost to maintain the utility billing system, would be recovered from the users of waste collection service. Additional costs to the City would include the cost of public consultation and initial implementation which would result in a tax increase for all tax-payers. Should Council want to pursue this option, further analysis and review would be required to determine the actual financial impact for the tax-payers.

Other Services (Snow Clearing, Street Cleaning, etc.)

Staff research has not found examples of the issuance of tax credits (rebates or grants) for other services, such as snow clearing, street cleaning, boulevard grass cutting, etc.

It would be challenging to assign the cost of these services on a per property basis because residential and non-residential properties contribute taxes to clear snow from all public streets, not just roads adjacent to their properties. While condominium owners do pay for the provision of maintenance service for Condominium Common Elements, such as internal condominium roads, sidewalks, boulevards, and play areas, these costs could be considered analogous to a private home owner's responsibility for the maintenance of elements of an individual residential property, such as a driveway, walkway and yard. As such, it is impractical to attempt any kind of an equitable distribution of the collective costs of maintenance of privately and public owned property element maintenance costs.

TFR 1: STAFF RECOMMENDATION

Based on the financial analysis, the implementation of any of the options under TFR 1 will result in a higher tax impact compared to the tax impact from the cost of providing waste collection service to condominiums not currently receiving the service as illustrated in TFR 2 below.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 6

Accordingly, staff recommends that as part of the new waste contract commencing in 2018, waste collection service be provided to all residential condominiums resulting in the restitution of equitable, consistent level of service for waste collection for residential units in the City of Vaughan, and that the financial implications of providing the service be included in future budget deliberations.

Staff do not recommend tax credits/rebates to condo owners for other services such as snow clearing, street cleaning, boulevard grass cutting, etc.

TASK FORCE RECOMMENDATION 2 (TFR 2) (Alternative to TFR 1):

That the city provides such services, recognizing that in some situations different equipment – sized to the widths of standard condominium roadways – will need to be utilized.

TFR 2: RESEARCH AND ANALYSIS

Waste Collection – Jurisdictional Comparison:

Research revealed the following examples of providing collection services to residential condominiums.

1. **Region of Peel** provides waste collection service to residential condominiums. Criteria include:
 - Condominiums must recycle
 - The site must have adequate storage room and truck access
 - The owners must buy or rent bins
 - No additional charge, above normal property taxes
2. **City of Markham** previously provided a rebate program to grandfathered condos but has now converted to providing waste collection services to residential condos. As a result, developers are required to design for three stream material storage and collection systems.
3. **Simcoe County** provides waste collection service to units on a private road or a multi-unit residence once an application has been submitted and the conditions set out in Simcoe's Waste Collection Design Standards have been met. The conditions include the requirement that the roadway is designed to accommodate collection vehicles, with minimum widths and turning radius etc.
4. **Region of Halton** does not provides waste collection service to private (condo) residential units, unless approved by Council. In addition, a number of specific site guidelines, as set out in the Development Design Guidelines for Source Separation of Solid Waste, are met.

Waste Collection – Implementation Option:

The City of Vaughan site plan/subdivision conditions require accommodation for vehicular waste collection for all new condominiums since 2007. With a few exceptions, this would make it possible for the City to assume the waste collection service for most residential condominium units and re-establish an equitable, consistent approach to all residential units in the City. At present, the City is providing waste collection services to approximately 6,000 residential condominiums at an annual cost of \$140,000 or \$23 per unit. The additional annual cost of providing waste collection service to approximately 5,410 condominium units that are currently not receiving the service is \$126,000 for 2015, resulting in a city-wide tax rate increase of approximately 0.1%. Incremental administration costs are not anticipated. This cost estimate is based on prices from current contract which was awarded in 2005. Based on the growth projections, the cost to provide municipal waste collection services to residential condominiums can increase to over \$1.1M by the year 2031.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 7

Staff have undertaken research to identify services provided on private property to condominium units in other municipalities. Again, waste collection emerges as a service that some Ontario municipalities provide to residential condos, or are considering providing. Frequently, there are criteria that must be met in order for the condos to receive the services, such as participation in blue bin and green bin programs, as well as mandatory design standards for the site plan to allow for equipment access.

Staff have been working on the specifications for a new performance-based waste collection contract and now are expecting to proceed with 2016 procurement of a contractor for the new contract for a contract service start in January, 2018. This timing permits a review of the City's stated Levels of Service for waste collection. In light of the fact that City assumption of the waste collection for condominiums appears to be the most cost-effective way for the City to re-establish consistency in service provision, staff recommend that should Council wish to move in that direction, staff be directed to work to include this consistent level of service in the new contract specifications for a 2018 start.

Other Services (Snow Clearing, Street Cleaning, etc.)

There are other municipal services that the City does not currently provide, such as snow clearing and street cleaning, to condos, nor has research found examples of other municipal services being provided to condominiums. The issues of infrastructure built at lower than municipal standards and liability for service provision on private property continue to arise. As discussed in the TFR 1 section above, the current inconsistencies present in residential waste collection practices in the City, do not manifest themselves with respect to these other services.

TFR 2: STAFF RECOMMENDATION

Staff recommend that the waste collection service be provided to all condominiums commencing in 2018 when the new waste contract is awarded and the financial implications of providing the service be included in future budget deliberations. This will result in a tax increase of 0.1% for all tax-payers starting in 2018.

Staff do not recommend the provision of additional services such as snow clearing, etc. to condos at this time.

TASK FORCE RECOMMENDATION 3 (TFR 3):

That the City of Vaughan request that the Province of Ontario establish a property tax category specific to condominium residences that would allow differential tax rates (from other forms of residential property) for condominiums.

TFR 3: RESEARCH AND ANALYSIS

As noted earlier in this report, on September 9, 2014, an update on the Residential Condominium Task Force recommendations was provided to Council. As a result, the following action was approved by Council:

- *That the Province of Ontario be requested to amend legislation and any necessary regulations(s) to create a new property tax class for residential condominiums;*

Letters were sent, as per the above resolutions, however responses from the Province have not yet been received.

However, as noted under recommendation #1, the City of Kingston has taken a slightly different approach and implemented a special waste tax rate just for the residential class, but has excluded condominium corporations (which are included in the residential class) from this special

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 8

tax rate, as well as all the other tax classes, including multi-residential, industrial and commercial properties. This is an unusual approach utilizing the tax rate system that staff have not seen replicated by other Ontario municipalities.

TFR 3: STAFF RECOMMENDATION

In the event that Council is interested in pursuing a separate tax rate approach for waste collection described under TFR 1 Option 2, no further action need be taken on this recommendation. However, if Council is interested in providing further reductions in taxes to condominiums, a separate property tax class allowing differential tax ratios and rates for condominiums would be the most efficient and effective way of providing the reduction. It must be noted, however, this cannot be completed without authority and consent from the Province and amending legislation.

TASK FORCE RECOMMENDATION 4 (TFR 4):

That the City develop a policy that would ensure parks and other related open spaces are built to reflect the density of population in intensified areas (i.e., where condominium apartments are by definition clustered).

TFR 4: RESEARCH AND ANALYSIS

The following is a summary of the information contained within the September 9, 2014 report to Council, as well as an additional information related to proposed changes to the Planning Act contained within Bill 73, which, if approved, would impact future park land conveyed and Cash In Lieu funding received by the City.

Summary of September 9, 2014 Report

The 2013 Active Together Master Plan (ATMP), approved in principle by Council in June 2013, represents a review and update to the 2008 ATMP, which was the City's first long range planning study for parks, recreation, and library facilities. The purpose of the ATMP is to identify current needs and future facility provision strategies, consistent with the City of Vaughan's commitment to providing safe, accessible, and community responsive parks and facilities that appeal to a wide range of interests and abilities.

Based on a series of guiding principles, a comprehensive needs assessment for parks, recreation, and library facilities was also prepared, including verification of the provision targets that were established in the 2008 ATMP. Section 6.2 of the ATMP - "How Facility and Parks Needs are Identified" recognizes that intensification is changing Vaughan's urban form:

"Most of these intensification areas will be characterized by dense populations, high-rise buildings, mixed land uses, and access to transit and alternative transportation choices. In these areas, the reliance on the public realm to provide respite, accommodate gatherings and protect community identity is heightened. In some cases, existing community infrastructure within these areas will not be sufficient to accommodate the thousands of new residents. Parks, recreation and library facilities and services are vital to community health and social development and appropriate access is a necessity."

The 2013 ATMP recommends that parkland requirements should be stated and evaluated using per capita measures where possible and that use of Cash-in-Lieu of Parkland funding to offset the cost of renewing and revitalizing existing parks intended to serve areas of intensification be considered. For areas of urban intensification, adequate parkland and open space facilities are required to meet increasing per capita needs. To assist in assessing and evaluating parkland development needs and funding strategies, in Q4 2015 Parks Development staff plan to initiate a

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 9

Parks Redevelopment Strategy which will include a review of parkland requirements for areas of urban intensification. In addition, through the development approvals process, staff continue to require the provision of parkland at the maximum allowable rates permitted by the Planning Act. Staff are also in the process of reviewing current policies related to Cash-In-Lieu of Parkland, Section 37 Contributions and Parkland Acquisition, along with the strategic parkland objectives of the ATMP, and will be developing revised policies and funding strategies to meet emerging needs.

In addition to the above strategic directions for parkland and facility provision in areas of urban intensification, the Province has initiated a review of parkland dedication requirements as part of the proposed amendments to the Planning Act in Bill 73 Smart Growth for Our Communities Act. In May 2015, Committee and Council considered a staff item (Committee of the Whole Report 20, Item 23 and Communication Item C2 for the May 19, 2015 Council Meeting) which identified the following implications associated with the proposed changes included in Bill 73 and their potential impact on the City's ability to provide parkland and recreation facilities in areas of urban intensification:

- Proposed new alternative rate of 1ha per 500 units (currently 1 ha per 300 units), which would reduce the City's ability to collect Cash-in-Lieu of Parkland (CIL) by approximately 40%. This could result in developers disputing the City's requirements to provide physical parkland since there is an incentive to provide the lower CIL cash payment at the alternative rate;
- Proposed reductions would reduce the City's ability to meet a provision target of 2.2ha per 1000 population as identified in the 2013 ATMP;
- Impacts of the new legislation would primarily be seen in areas of high density/urban intensification as identified in the City's VOP 2010, leading to a decrease in parkland through the development approvals process;
- The City's consideration to use CIL funding for improvement of existing parks in areas of high density development would be impacted with the proposed reduction in CIL revenue.

On May 19, 2015 Council approved the recommendation that the City of Vaughan does not support the proposed Planning Act amendment to change the Cash in Lieu alternative rate to 1ha per 500 units for the payment in lieu of parkland. Staff will continue to monitor the Province's process and advancement of the proposed Bill 73 and will include these considerations as part of the terms of reference for the undertaking of the Parks Redevelopment Strategy.

The increased urbanization of the provincial growth areas requires that existing suburban park and open space systems in the City of Vaughan be supplemented by parks that are more suitable for the unique urban context and provide appropriate functions, uses, amenities, visual form, ownership and accessibility to various users of a more densely populated urban environment. New residents in these intensification areas will have little or no private yards due to more dense residential form and will rely on publicly accessible parks and open space for passive and active recreational uses, socializing, walking, jogging, biking, exercising and enjoying nature and designed landscapes. Well defined and innovated policies to ensure parks and open spaces are developed to serve this diverse range of uses and users while also contributing to the placemaking of these newly urbanizing areas will be critical in successful and comprehensive planning of these intensified areas.

Bill 73 – Proposed Changes to the Planning Act

As reported by staff at the May 19, 2015 Council Meeting, the following are the anticipated impacts of Bill 73 respecting the calculation of Cash In Lieu of Parkland (CIL) and use of the alternative Parkland Dedication requirements:

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 10

1. The proposed amendments would require City By-Law 139-90 (A By-law that requires the conveyance of land for park or other public recreational purposes as a condition of development or redevelopment) to be amended to reflect the new proposed alternative rate of 1 Ha per 500 Units for the Payment in Lieu of parkland. This change would reduce the City's ability to collect CIL by approximately 40%. The collection of Parkland through dedication will remain unchanged, at a rate of 1 Ha per 300 Units. This change may lead to developers disputing the City's requirement to provide physical parkland, since there is an incentive to provide the lower CIL cash payment rate than the conveyance of parkland rate;
2. From a long term financial planning perspective, this legislative change will have a severe negative impact on the City's parkland acquisition strategy. It is difficult to estimate an exact financial impact on the parkland provision, however the range of magnitude could be as high as \$80 to \$100 Million until build out;
3. The Active Together Master Plan (ATMP), the City's strategic plan for Parks, Recreation and Libraries, recommends a City-wide active parkland provision target of 2.2ha/1000 population to ensure that a suitable level of service is provided to Vaughan residents and user groups. The proposed amendments would significantly reduce the City's ability to meet this provision target which would result in the current City-wide deficit of parkland increasing at a faster rate than proposed in the ATMP.
4. The reduction of CIL collections under the proposed new rate would negatively affect the City's ability to acquire tableland parkland City-wide, especially in areas that have been identified as being deficient in active parkland;
5. The impact of a reduced alternative rate of 1 Ha per 500 Units for the Payment of CIL of parkland would primarily be seen in new high density/intensification areas identified in the new VOP 2010, leading to a decrease in the taking of parkland and CIL through the development process;
6. The City's consideration to use CIL funding for improvement of existing parks in areas of high density development would be also be substantially impacted by the proposed reduction in CIL revenue. Additionally, the provision of parkland in new high density communities (VMC, VM CSP, Steeles and Yonge Corridor, etc....) may be reduced due to the fact that the CIL collected will not be sufficient to acquire parkland in these development areas;
7. The proposed amendments will require amendments to the City's Official Plan VOP2010 Parkland Dedication Policies 7.3.3. which were approved by both Vaughan City Council and the York Region Council, but are currently under appeal; and
8. Other sources of funding will be required to meet the City's parkland needs. In order to sustain the current levels of service, the City may need to consider use of property taxation or, alternatively, consider a reduced level of parkland service.

As a result of the anticipated impacts, Council approved the following staff recommendation on May 19, 2015.

"That the Ministry of Municipal Affairs and Housing, Provincial Planning Branch be advised that the City of Vaughan does not support the proposed Planning Act amendment to change the Cash In Lieu alternative rate to 1 Ha per 500 units for the payment in Lieu of parkland."

TFR 4: STAFF RECOMMENDATION

No further action is recommended at this time.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 11

TASK FORCE RECOMMENDATION 5 (TFR 5):

That City planners ensure an adequate amount of day-time, on-street parking spaces be provided in areas where condominium apartments are clustered.

Furthermore, that the City conduct a study of the impact of lower parking requirements for new condominium buildings on the area around where such new developments are located.

TFR 5: RESEARCH AND ANALYSIS

In 2008, the City undertook a parking study with the support of IBI Group on a City wide basis that proposed alternative parking standards for areas across the City. The IBI study has informed the review of development application proposals particularly in high density mixed use areas.

The City-wide parking standards review will be addressed through the City-Wide Zoning review of by-law 1-88 that is planned to commence in 2015 subject to Council approval.

To build on the findings of the IBI study and to create certainty for future intensification from 2012- to 2013, the City completed a new pilot parking standards zoning by-law for the Vaughan Metropolitan Centre (VMC). Council approved the by-law in 2013. The revised study includes new standards for mixed use development, new definitions and builds upon and clarifies the earlier parking study conducted by IBI Group.

TFR 5: STAFF RECOMMENDATION

No further action is recommended at this time.

TASK FORCE RECOMMENDATION 6 (TFR 6):

That City planners and traffic engineers conduct a study on the impact of intensification on local city roads in high-density areas, particularly where regional planners are not allowing direct access onto regional roads from these developments.

TFR 6: RESEARCH AND ANALYSIS

The Council endorsed Vaughan Official Plan and Secondary Plans for Intensification Areas include the Council endorsed road patterns. These road patterns are in some cases still subject to OMB appeals of the VOP 2010 and associated VOP Secondary Plans. At present a number of traffic studies being led by the City and the Region for Intensification Areas including the Vaughan Mills Centre Secondary Plan, the Maple GO Centre Secondary Plan, the Concord GO Centre Secondary Plan, and the Yonge Steeles Corridor Secondary Plan are either underway or completed. These studies are helping to inform planning for Intensification Areas within the City. As part of these studies, road geometrics, road classification and the potential impact of time limited parking (off peak hours) could be explored. Consideration of pay and display parking control systems could also be considered.

TFR 6: STAFF RECOMMENDATION

The requisite studies are underway. No further action is required at this time.

TASK FORCE RECOMMENDATION 7 (TFR 7):

In recognition of the actual versus the planned traffic situation in high density areas, once the area is built out, a comprehensive traffic and parking study be conducted by the City to assist in understanding the current issues and to provide for a plan to adjust traffic measures to reflect the real situation.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 12

TFR 7: RESEARCH AND ANALYSIS

From 2010-2013 the City conducted a Transportation Master Plan with support of a professional transportation firm AECOM, which informed the development of the Vaughan Official Plan and associated Secondary Plans. A number of these Secondary Plans are still subject to OMB appeals and matters such as the location and density of roads are matters that are being addressed through OMB appeals. The City position has been to uphold the grid and the road structure that is found in the Official Plan and the Council endorsed Secondary Plans for Intensification Areas.

Additional measures could include a license plate and/or parking study to measure the length of stay (i.e. parking turnover) to help determine viable parking control strategies. Consideration could also be given to the capture area and parking control measures that become less restrictive further from venues.

TFR 7: STAFF RECOMMENDATION

Staff be directed to develop a process for proactive review and implementation of traffic management and road operation optimization measures to be undertaken on a regular basis in areas of high-density development.

The study process needs to review types of road users (pedestrians, cyclists, transit etc.) and seasonal operations such as snow removal, garbage collection and appropriate measures within the new designs. Consideration should also be given to street illumination standards to provide improved visibility during night time hours.

Any new capital projects would have to be brought forward for Council approval during future budget deliberations.

TASK FORCE RECOMMENDATION 8 (TFR 8): *(further to Recommendation 3 above)*

That the powers that Section 37 of the Planning Act confers on the City be used so as to provide benefit to the residents in the immediate area of the development from which the funding is obtained.

TFR 8: RESEARCH AND ANALYSIS

Section 37 of the Planning Act permits the City to authorize increases in height and/or density through a site specific zoning by-law in return for community benefits such as specified facilities, services or other matters from the landowners, provided that there are enabling Official Plan policies in place.

The Council approved modifications to the VOP 2010 Section 37 Policy and proposed Implementation Guidelines, that were refined through input received at the Committee of the Whole (Working Session) of September 10, 2013, considered by Committee of the Whole on November 13, 2013, and approved by Council in December 2013 provide greater direction and a transparent, reproducible approach to the use of the Section 37 planning tool.

The VOP 2010 Policies 10.1.2.9 – 10.1.2.12, regarding “Bonusing for Increases in Height or Density (Section 37 of the Planning Act)”, and Secondary Plan policies related to Section 37 were approved by the OMB on September 30, 2014.

Parkland or parkland improvements that are over and above the City's standard levels of service are community benefits included in the approved Section 37 Policy. In addition, section 10.1.2.10 states:

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 13

“Community benefits which are the subject of Section 37 provisions will be determined based on local community needs, intensification issues in the area and the objectives of this Plan with priority given to provision of benefits in proximity to the proposed development.”

At the Council meeting of February 17, 2015, the Implementation Guidelines for Section 37 Policies (10.1.2.9 to 10.1.2.12) of the Vaughan Official Plan (VOP) 2010 were approved.

At this point in time the VOP policies and the Council-approved Section 37 Implementation Guidelines now serve as a separate Corporate Policy document that provides a step by step procedure for the review of Section 37 zoning by-law amendment applications.

TFR 8: STAFF RECOMMENDATION

The approved Section 37 Policy is consistent with the direction of the Residential Task Force recommendation. No further action is required at this time.

TASK FORCE RECOMMENDATION 9 (TFR 9):

That the City reconsider the maintenance of areas owned by condominiums that are effectively public space.

TFR 9: RESEARCH AND ANALYSIS

While there are a number of areas which as a result of intensification have resulted in public amenities being implemented as a condition of condominium development, resulting in public use of condominium common elements, these types of arrangements are the only feasible way to ensure that the City's residents have recourse to such amenities. The financial responsibilities to individual condominium owners must be clearly identified and should be understood at the time of condominium purchase. An early determination of what elements of a condominium might be accessible to the public can help to ensure staff identify these issues in their review of associated development approvals under relevant Acts including the Planning Act, Condominium Act and Building Code Act.

Consideration of municipal assumption of such public amenities continues to be problematic after the implementation of the initial development approvals. Often such infrastructure or amenities are not constructed or maintained to municipal standards. Furthermore, assumption/disposal of a Condominium Common Elements is problematic for the Condominium Corporation, as certain Condominium Act legislative and regulatory hurdles are significant (Typically, all individual owners in residential condominiums have invested in and own the Common Elements collectively, and all would have agree to an alternate or new arrangements).

TFR 9: STAFF RECOMMENDATION

Staff recommend that any potential public use of condominium developments be determined as part of the initial development approvals process for the condominium to enable a detailed staff review and assessment of such proposals and that assumption after Plan of Condominium be avoided.

Staff continues to not recommend assumption of the maintenance responsibilities for any Condominium Common Elements after the registration of a Plan of Condominium

TASK FORCE RECOMMENDATION 10 (TFR 10):

That the City of Vaughan formally requests that the Province of Ontario provide a resource centre or facility to assist the owners of residential condominiums on issues related to their responsibilities under the Condominium Act

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 14

TFR 10: RESEARCH AND ANALYSIS

Staff research indicates that there are good sources of varied and helpful information for condominium owners in Ontario, from non-government sources, including non-profit organizations, associations and universities:

Ontario Condominium Association – an Association specifically for Ontario condo owners
<http://www.ontariocondominiumownersassociation.com/>

Condo Owners Association – an Association with several Ontario Chapters
<http://www.coaontario.com/about-coa-1.html>

Condo Information Centre -- Sponsored by York University
<http://www.condoinformation.ca/about>

On May 27, 2015, the Province of Ontario announced a new bill, the Protecting Condominium Owners Act.

The bill calls for the creation of a new, non-profit Condominium Authority, a Condo Manager Licensing Authority and is intended to increase protections for condominium owners.

TFR 10: STAFF RECOMMENDATION

Staff recommend that the members of the Condominium Task Force be advised of the resources listed, as well as the newly announced Protecting Condominium Owners Act.

TASK FORCE RECOMMENDATION 11 (TFR 11):

That the City of Vaughan implement a policy such that condominium properties (including parking spaces and lockers) in respect of which taxes are in arrears not to be put up for sale/disposal by public auction (conducted by the City of Vaughan) without the City's Finance Department first contacting the condominium corporation's property management and /or board of directors to verify whether the said property(ies) may be offered to other unit owners prior to being offered to the public.

TFR 11: RESEARCH AND ANALYSIS

The Sale of Land for Tax Arrears, Part XI of the Municipal Act, and Regulation 181/03 set out very specific rules and procedures for undertaking a property tax sale. The process, which takes in excess of one year, must be followed precisely in order to come to a legitimate and defensible sale of property. The legislation does not permit the offering of the property to a special interest group such as other unit owners prior to conducting a sale by public tender or sale by public auction permitted under Regulation 181/03.

In order to address the concerns regarding non-resident access to the premises of the condominium, in the event of a sale to a non-resident, a regulation setting out a different sale process would have to be issued by the Province of Ontario which would permit municipalities to restrict the public sale or public auction to just the existing condominium owners.

On September 9, 2014, an update on the Residential Condominium Task Force staff noted that this is an issue that needs to be addressed by the Province of Ontario and as a result Council approved the following resolution:

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2015

Item 4, CW(WS) Report No. 28 – Page 15

That the Province of Ontario be requested to amend legislation and any necessary regulation(s) related to the Municipal Property Tax Sales process to establish a process restricting the public sale or public auction of a condominium ancillary unit (locker or parking space) to just other owners of that condominium corporation.

A letter requesting this change was sent to the Province of Ontario; however a response has not yet been received.

TFR 11: STAFF RECOMMENDATION

That a follow-up letter reiterating the specific concerns and reasons for this requested change to legislation be forwarded to the Province of Ontario.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with Vaughan Vision 2020 by demonstrating the following goals:

Service Excellence

- Promote Community Safety, Health & Wellness.
- Demonstrate Excellence in Service Delivery.

Regional Implications

The Regional Municipality of York is working closely in support of the City of Vaughan on numerous private landowner Ontario Municipal Board appeals of City of Vaughan Secondary Plan studies (e.g., Yonge Steeles Corridor Secondary Plan, Vaughan Mills Centre Secondary Plan) on issues raised by the Task Force on Residential Condominiums particularly with respect to the need to protect for a connected network of streets within Intensification Areas.

Conclusion

The City has conducted a detailed review and analysis of the Task Force recommendations and is recommending program adjustments to be considered as part of the 2016 budget deliberations. This report has been prepared in response to the issues and recommendations raised by the Task Force on Residential Condominiums and to update the Task Force on the status of City actions that address their recommendations.

Attachments

N/A

Report prepared by:

Barb Cribbett, Interim City Manager
Mishal Ali, Senior Financial Analyst

COMMITTEE OF THE WHOLE (WORKING SESSION) JUNE 17, 2015

TASK FORCE ON RESIDENTIAL CONDOMINIUMS – STATUS UPDATE

Recommendation

The Commissioner of Public Works, the Commissioner of Finance & City Treasurer and the Commissioner of Planning, recommend:

1. That subject to the outcome of budget deliberations, waste collection service be provided to all residential condominiums commencing in 2018 and that staff be directed to make provision for this consistent level of service to all residential condominiums in the City in the specifications for the new waste collection contract anticipated to be in place January 1, 2018;
2. That staff be directed to develop a process for proactive review of implementation of traffic management and road operation optimization measures, to be undertaken on a regular basis, in areas of high density development;
3. That the earlier Council letters regarding concerns with current legislation governing condominium taxation matters be resent to the Province of Ontario;
4. That staff advise the Task Force on Residential Condominiums members of available educational resources for condominium owners or prospective buyers, as well as the newly announced Protecting Condominium Owners Act;
5. That the Task Force on Residential Condominiums be advised of the City Council position related to private landowner OMB appeals in Intensification Areas and of Councils request to the Province for reconsideration of their proposed changes to the parkland dedication requirements of the Planning Act which, if enacted would negatively impact the City's ability to acquire parkland in Intensification Areas; and
6. That this report be circulated to the members of the Task Force on Residential Condominiums.

Contribution to Sustainability

This report is consistent with the goals outlined in *Green Directions Vaughan*, specifically:

Goal 2: To ensure sustainable development and redevelopment; and

Goal 4: To create a vibrant community where citizens, businesses and visitors thrive.

Economic Impact

Should Council adopt the staff recommendations contained within each task force recommendation (TFR), there will be incremental economic impact resulting in tax rate increases. For each of the task force recommendations, the economic impact is discussed below. Please note that the economic impact is computed using the existing contract prices for 2015.

TFR 1 Option 1: Should the City issue a rebate to residential condominium owners currently not receiving the waste collection service, the incremental annual cost would be \$245,000 equivalent to an approximate 0.1% city-wide tax rate increase.

TFR 1 Option 2: Should the City create a special tax rate for waste collection, the average tax rate decrease for tax-payers not paying for waste collection service would be approximately

5.7%, whereas, the average tax rate increase for tax-payers paying for waste collection service would range from 0.2% to 2.2% depending upon the scenario selected by Council. Incremental administration costs are not anticipated.

TFR 1 Option 3: Should the City implement a utility billing service for waste collection, operational costs will be fully recovered by users of the waste collection service. Additional costs to the City would include public consultation and implementation costs. Further analysis and review would be required to determine the total incremental cost to the City.

TFR 2: Should the City provide waste collection service to the residential condominiums currently not receiving the service, as part of the next waste contract planned for 2018, there would be an annual cost of \$126,000 and a city-wide tax rate increase of approximately 0.1%. These costs are based on the current contract prices for waste, and may be higher due to volume increases from growth and future contract price increases. Incremental administration costs are not anticipated.

TFR 3: Should the Province establish a special property tax category for residential condominiums, the tax burden would shift to all properties that are not considered residential condominiums. The tax rate impacts would be similar to TFR 1 Option 2.

TFR 4, 5, 6 & 8: There is no action required for these task force recommendations. Consequently, there is no incremental economic impact.

TFR 7, 9, 10 & 11: There is no incremental economic impact resulting from the staff recommendations.

Communications Plan

The members of the Task Force on Residential Condominiums would be advised of Council's direction regarding staff responses to the recommendations contained in the Task Force's Final Report.

Purpose

The purpose of this report is to provide a comprehensive review of the December 2013 "*Final Report - Task Force on Residential Condominiums Recommendations Regarding Opportunities for Changes within the City's Jurisdiction*" and to seek Council direction on further steps to address the Task Force Recommendations.

Background - Analysis and Options

In May of 2012 the City of Vaughan Council established a Task Force on Residential Condominiums for the purpose of considering the variety of issues important to residents living in condominiums (including but not limited to service levels, taxation, safety, and environmental sustainability).

The Task Force developed an extensive list of key issues that was developed through various deliberation and consultations with members of Condominium Boards, Condominium residents, City of Vaughan staff and external experts including Condominium management, and representatives from the Municipal Property Assessment Corporation (MPAC).

Item 30, Report No. 52 of the Committee of the Whole was adopted as amended by the Council of the City of Vaughan on December 10, 2013 and directed staff to provide a report to a future Committee of the Whole (Working Session) to address the recommendations contained in the Task Force on Residential Condominiums Final Report.

On September 9, 2014, an update on the Residential Condominium Task Force recommendations was provided to Council. Although several of the task force recommendations required additional research at the time, Council approved the following actions:

- *That the Province of Ontario be requested to amend legislation and any necessary regulation(s) related to the Municipal Property Tax Sales process to establish a process restricting the public sale or public auction of a condominium ancillary unit (locker or parking space) to just other owners of that condominium corporation; and*
- *That the Province of Ontario be requested to amend legislation and any necessary regulations(s) to create a new property tax class for residential condominiums; and*
- *That the letters regarding these requests be sent to the appropriate Provincial Ministries and/or organizations.*

Letters were sent, as per the above resolutions, however responses from the Province have not yet been received.

Further research on the remaining task force recommendations is presented in this report.

The following is a breakdown of the recommendations from the Task Force on Residential Condominiums, followed by staff research and analysis, and staff recommendation, where appropriate, based on staff research to-date related to each recommendation:

TASK FORCE RECOMMENDATION 1 (TFR 1):

That the City of Vaughan issue an annual tax credit to residential condominium owners, representing the value, as calculated by the City, of those services that such owners are not receiving from the City (e.g., waste collection, snow clearing, etc.).

TFR 1: RESEARCH AND ANALYSIS

Waste Collection – Jurisdictional Comparison:

Staff research has indicated that some municipalities in Ontario offer a rebate (essentially a grant program) to condominium residential units for waste collection.

1. **Dufferin County** offers a rebate for residential condominiums, through an application process. Eligibility requirements include:
 - Must participate in the County's waste diversion programs, including Blue Box and Green Bin programs, as well as other programs where applicable for special collection wastes.
 - Must make its intention to apply known no later than January 20th of the calendar year for which the rebate would apply
 - Must submit copies of invoices for the previous calendar year by January 20th

The rebate is paid to the residential condominium board, at the calculated rate of \$25 per unit or the actual cost of private collection, whichever is less.

2. **City of Cornwall** offers a rebate, which is applied to an individual residential tax account, or a cheque is issued to a condominium corporation
3. **Region of Waterloo** offers rebates to all multi-residential units that do not received municipal collection services. Properties must submit an information form. Information is confirmed by Waste Collection and Diversion department and a list is sent to Finance to send out rebates (\$31 per unit)

Alternative to Rebate – Separate Tax Rate

The City of Kingston has a separate tax rate for waste, which is not charged to condominium properties, multi-residential or any of the non-residential (commercial and industrial) properties. If a condominium corporation wishes to obtain waste collection services from the City, they must submit an application to the City, and a fee of \$52.39 (adjusted by CPI each year) is charged to each residential condo unit annually. The specifics of this approach to paying for waste collection are included in the City of Kingston's Solid Waste Management By-law.

Alternative to Rebate – Separate Utility Billing

Another potential alternative to a rebate system would be a separate waste collection fee charged to the users of the service through a utility billing system. Staff research found that City of Toronto uses a similar approach where residents are charged a monthly user fee based on the size/quantity of garbage. Should Council be interested in pursuing this option, a public consultation process and an implementation plan would require some time to develop.

Waste Collection – Implementation Options:

Option 1: Establishing a program to issue rebates to condominiums would require additional administrative effort.

Issuing rebates would be an additional administrative service. The option of issuing rebates to a condominium corporation rather than individual condominium units would be less administratively cumbersome and costly. The average rebate paid in the examples noted above is from \$25 to \$31. At present, the City is providing waste collection services to approximately 6,000 residential condominiums at an annual cost of \$140,000 or \$23 per unit. However, the cost of implementing and administering the rebate program would be higher as the estimated incremental transaction costs would be approximately \$22 per rebate incremental transaction. Consequently, if rebates were provided to each unit, the total incremental costs would be \$245,000 for 2015, resulting in a city-wide tax rate increase of approximately 0.1%.

Option 2: Establishing a separate tax rate for waste collection, using the City of Kingston model which exempts condominiums and non-residential property classes, would shift all of the cost of waste collection to all properties in the residential property class that receive waste collection.

A separate tax rate approach would be less administratively cumbersome than a rebate program, as it would be calculated as part of the City's tax bill. For 2015, the cost of waste collection per average house with an assessment value of \$587,000 is \$73.10. This amount is based on an average rate, applied across the city, which is different from the cost of providing individual waste collection services. Implementation of a separate tax rate would result in a special levy charge of \$101.52 for tax-payers eligible for the waste collection service, leading to a 2.2% tax rate increase for tax-payers paying for the waste levy, and a 5.7% tax rate decrease for tax-payers not paying for the waste levy. In addition to the City of Kingston model, this approach was further explored to understand the impact on tax-payers under three different scenarios. The results of these scenarios are illustrated below:

| Scenario (Note 1) | Special levy | Increase for Tax-Payers with Special Service Levy | | Decrease for Tax-Payers without Special Service Levy | |
|---|--------------|---|------|--|--------|
| | | \$ | % | \$ | % |
| 1 Special service levy charged to all tax-payers except residential condos that do not receive collection, commercial, industrial, farm, managed forest and pipelines | \$ 101.52 | \$ 28.42 | 2.2% | \$(73.10) | (5.7%) |
| 2 Special service levy charged to all tax-payers except residential condos that do not receive collection, commercial, industrial and pipelines | \$ 97.85 | \$ 24.75 | 1.9% | \$(73.10) | (5.7%) |
| 3 Special service levy charged to all tax-payers except residential condos that do not receive collection | \$ 75.08 | \$ 1.98 | 0.2% | \$(73.10) | (5.7%) |

Note 1: Special levy based on average house assessment of \$587K; percent changes calculated using 1% impact on the average home of \$12.79.

Option 3: Establishing a separate waste collection fee charged to the users of the service through a utility billing system.

Moving to a fee/utility based billing approach could also be considered, but would require public consultation and a detailed implementation plan. Using a full cost recovery approach, all costs of City's waste program, including ongoing administrative cost to maintain the utility billing system, would be recovered from the users of waste collection service. Additional costs to the City would include the cost of public consultation and initial implementation which would result in a tax increase for all tax-payers. Should Council want to pursue this option, further analysis and review would be required to determine the actual financial impact for the tax-payers.

Other Services (Snow Clearing, Street Cleaning, etc.)

Staff research has not found examples of the issuance of tax credits (rebates or grants) for other services, such as snow clearing, street cleaning, boulevard grass cutting, etc.

It would be challenging to assign the cost of these services on a per property basis because residential and non-residential properties contribute taxes to clear snow from all public streets, not just roads adjacent to their properties. While condominium owners do pay for the provision of maintenance service for Condominium Common Elements, such as internal condominium roads, sidewalks, boulevards, and play areas, these costs could be considered analogous to a private home owner's responsibility for the maintenance of elements of an individual residential property, such as a driveway, walkway and yard. As such, it is impractical to attempt any kind of an equitable distribution of the collective costs of maintenance of privately and public owned property element maintenance costs.

TFR 1: STAFF RECOMMENDATION

Based on the financial analysis, the implementation of any of the options under TFR 1 will result in a higher tax impact compared to the tax impact from the cost of providing waste collection service to condominiums not currently receiving the service as illustrated in TFR 2 below. Accordingly, staff recommends that as part of the new waste contract commencing in 2018,

waste collection service be provided to all residential condominiums resulting in the restitution of equitable, consistent level of service for waste collection for residential units in the City of Vaughan, and that the financial implications of providing the service be included in future budget deliberations.

Staff do not recommend tax credits/rebates to condo owners for other services such as snow clearing, street cleaning, boulevard grass cutting, etc.

TASK FORCE RECOMMENDATION 2 (TFR 2) (Alternative to TFR 1):

That the city provides such services, recognizing that in some situations different equipment – sized to the widths of standard condominium roadways – will need to be utilized.

TFR 2: RESEARCH AND ANALYSIS

Waste Collection – Jurisdictional Comparison:

Research revealed the following examples of providing collection services to residential condominiums.

1. **Region of Peel** provides waste collection service to residential condominiums. Criteria include:
 - Condominiums must recycle
 - The site must have adequate storage room and truck access
 - The owners must buy or rent bins
 - No additional charge, above normal property taxes
2. **City of Markham** previously provided a rebate program to grandfathered condos but has now converted to providing waste collection services to residential condos. As a result, developers are required to design for three stream material storage and collection systems.
3. **Simcoe County** provides waste collection service to units on a private road or a multi-unit residence once an application has been submitted and the conditions set out in Simcoe's Waste Collection Design Standards have been met. The conditions include the requirement that the roadway is designed to accommodate collection vehicles, with minimum widths and turning radius etc.
4. **Region of Halton** does not provides waste collection service to private (condo) residential units, unless approved by Council. In addition, a number of specific site guidelines, as set out in the Development Design Guidelines for Source Separation of Solid Waste, are met.

Waste Collection – Implementation Option:

The City of Vaughan site plan/subdivision conditions require accommodation for vehicular waste collection for all new condominiums since 2007. With a few exceptions, this would make it possible for the City to assume the waste collection service for most residential condominium units and re-establish an equitable, consistent approach to all residential units in the City. At present, the City is providing waste collection services to approximately 6,000 residential condominiums at an annual cost of \$140,000 or \$23 per unit. The additional annual cost of providing waste collection service to approximately 5,410 condominium units that are currently not receiving the service is \$126,000 for 2015, resulting in a city-wide tax rate increase of approximately 0.1%. Incremental administration costs are not anticipated. This cost estimate is based on prices from current contract which was awarded in 2005. Based on the growth projections, the cost to provide municipal waste collection services to residential condominiums can increase to over \$1.1M by the year 2031.

Staff have undertaken research to identify services provided on private property to condominium units in other municipalities. Again, waste collection emerges as a service that some Ontario municipalities provide to residential condos, or are considering providing. Frequently, there are criteria that must be met in order for the condos to receive the services, such as participation in blue bin and green bin programs, as well as mandatory design standards for the site plan to allow for equipment access.

Staff have been working on the specifications for a new performance-based waste collection contract and now are expecting to proceed with 2016 procurement of a contractor for the new contract for a contract service start in January, 2018. This timing permits a review of the City's stated Levels of Service for waste collection. In light of the fact that City assumption of the waste collection for condominiums appears to be the most cost-effective way for the City to re-establish consistency in service provision, staff recommend that should Council wish to move in that direction, staff be directed to work to include this consistent level of service in the new contract specifications for a 2018 start.

Other Services (Snow Clearing, Street Cleaning, etc.)

There are other municipal services that the City does not currently provide, such as snow clearing and street cleaning, to condos, nor has research found examples of other municipal services being provided to condominiums. The issues of infrastructure built at lower than municipal standards and liability for service provision on private property continue to arise. As discussed in the TFR 1 section above, the current inconsistencies present in residential waste collection practices in the City, do not manifest themselves with respect to these other services.

TFR 2: STAFF RECOMMENDATION

Staff recommend that the waste collection service be provided to all condominiums commencing in 2018 when the new waste contract is awarded and the financial implications of providing the service be included in future budget deliberations. This will result in a tax increase of 0.1% for all tax-payers starting in 2018.

Staff do not recommend the provision of additional services such as snow clearing, etc. to condos at this time.

TASK FORCE RECOMMENDATION 3 (TFR 3):

That the City of Vaughan request that the Province of Ontario establish a property tax category specific to condominium residences that would allow differential tax rates (from other forms of residential property) for condominiums.

TFR 3: RESEARCH AND ANALYSIS

As noted earlier in this report, on September 9, 2014, an update on the Residential Condominium Task Force recommendations was provided to Council. As a result, the following action was approved by Council:

- *That the Province of Ontario be requested to amend legislation and any necessary regulations(s) to create a new property tax class for residential condominiums;*

Letters were sent, as per the above resolutions, however responses from the Province have not yet been received.

However, as noted under recommendation #1, the City of Kingston has taken a slightly different approach and implemented a special waste tax rate just for the residential class, but has excluded condominium corporations (which are included in the residential class) from this special tax rate, as well as all the other tax classes, including multi-residential, industrial and commercial

properties. This is an unusual approach utilizing the tax rate system that staff have not seen replicated by other Ontario municipalities.

TFR 3: STAFF RECOMMENDATION

In the event that Council is interested in pursuing a separate tax rate approach for waste collection described under TFR 1 Option 2, no further action need be taken on this recommendation. However, if Council is interested in providing further reductions in taxes to condominiums, a separate property tax class allowing differential tax ratios and rates for condominiums would be the most efficient and effective way of providing the reduction. It must be noted, however, this cannot be completed without authority and consent from the Province and amending legislation.

TASK FORCE RECOMMENDATION 4 (TFR 4):

That the City develop a policy that would ensure parks and other related open spaces are built to reflect the density of population in intensified areas (i.e., where condominium apartments are by definition clustered).

TFR 4: RESEARCH AND ANALYSIS

The following is a summary of the information contained within the September 9, 2014 report to Council, as well as an additional information related to proposed changes to the Planning Act contained within Bill 73, which, if approved, would impact future park land conveyed and Cash In Lieu funding received by the City.

Summary of September 9, 2014 Report

The 2013 Active Together Master Plan (ATMP), approved in principle by Council in June 2013, represents a review and update to the 2008 ATMP, which was the City's first long range planning study for parks, recreation, and library facilities. The purpose of the ATMP is to identify current needs and future facility provision strategies, consistent with the City of Vaughan's commitment to providing safe, accessible, and community responsive parks and facilities that appeal to a wide range of interests and abilities.

Based on a series of guiding principles, a comprehensive needs assessment for parks, recreation, and library facilities was also prepared, including verification of the provision targets that were established in the 2008 ATMP. Section 6.2 of the ATMP - "How Facility and Parks Needs are Identified" recognizes that intensification is changing Vaughan's urban form:

"Most of these intensification areas will be characterized by dense populations, high-rise buildings, mixed land uses, and access to transit and alternative transportation choices. In these areas, the reliance on the public realm to provide respite, accommodate gatherings and protect community identity is heightened. In some cases, existing community infrastructure within these areas will not be sufficient to accommodate the thousands of new residents. Parks, recreation and library facilities and services are vital to community health and social development and appropriate access is a necessity."

The 2013 ATMP recommends that parkland requirements should be stated and evaluated using per capita measures where possible and that use of Cash-in-Lieu of Parkland funding to offset the cost of renewing and revitalizing existing parks intended to serve areas of intensification be considered. For areas of urban intensification, adequate parkland and open space facilities are required to meet increasing per capita needs. To assist in assessing and evaluating parkland development needs and funding strategies, in Q4 2015 Parks Development staff plan to initiate a Parks Redevelopment Strategy which will include a review of parkland requirements for areas of urban intensification. In addition, through the development approvals process, staff continue to require the provision of parkland at the maximum allowable rates permitted by the Planning Act. Staff are also in the process of reviewing current policies related to Cash-In-Lieu of Parkland,

Section 37 Contributions and Parkland Acquisition, along with the strategic parkland objectives of the ATMP, and will be developing revised policies and funding strategies to meet emerging needs.

In addition to the above strategic directions for parkland and facility provision in areas of urban intensification, the Province has initiated a review of parkland dedication requirements as part of the proposed amendments to the Planning Act in Bill 73 Smart Growth for Our Communities Act. In May 2015, Committee and Council considered a staff item (Committee of the Whole Report 20, Item 23 and Communication Item C2 for the May 19, 2015 Council Meeting) which identified the following implications associated with the proposed changes included in Bill 73 and their potential impact on the City's ability to provide parkland and recreation facilities in areas of urban intensification:

- Proposed new alternative rate of 1ha per 500 units (currently 1 ha per 300 units), which would reduce the City's ability to collect Cash-in-Lieu of Parkland (CIL) by approximately 40%. This could result in developers disputing the City's requirements to provide physical parkland since there is an incentive to provide the lower CIL cash payment at the alternative rate;
- Proposed reductions would reduce the City's ability to meet a provision target of 2.2ha per 1000 population as identified in the 2013 ATMP;
- Impacts of the new legislation would primarily be seen in areas of high density/urban intensification as identified in the City's VOP 2010, leading to a decrease in parkland through the development approvals process;
- The City's consideration to use CIL funding for improvement of existing parks in areas of high density development would be impacted with the proposed reduction in CIL revenue.

On May 19, 2015 Council approved the recommendation that the City of Vaughan does not support the proposed Planning Act amendment to change the Cash in Lieu alternative rate to 1ha per 500 units for the payment in lieu of parkland. Staff will continue to monitor the Province's process and advancement of the proposed Bill 73 and will include these considerations as part of the terms of reference for the undertaking of the Parks Redevelopment Strategy.

The increased urbanization of the provincial growth areas requires that existing suburban park and open space systems in the City of Vaughan be supplemented by parks that are more suitable for the unique urban context and provide appropriate functions, uses, amenities, visual form, ownership and accessibility to various users of a more densely populated urban environment. New residents in these intensification areas will have little or no private yards due to more dense residential form and will rely on publicly accessible parks and open space for passive and active recreational uses, socializing, walking, jogging, biking, exercising and enjoying nature and designed landscapes. Well defined and innovated policies to ensure parks and open spaces are developed to serve this diverse range of uses and users while also contributing to the placemaking of these newly urbanizing areas will be critical in successful and comprehensive planning of these intensified areas.

Bill 73 – Proposed Changes to the Planning Act

As reported by staff at the May 19, 2015 Council Meeting, the following are the anticipated impacts of Bill 73 respecting the calculation of Cash In Lieu of Parkland (CIL) and use of the alternative Parkland Dedication requirements:

1. The proposed amendments would require City By-Law 139-90 (A By-law that requires the conveyance of land for park or other public recreational purposes as a condition of development or redevelopment) to be amended to reflect the new proposed alternative rate of 1 Ha per 500 Units for the Payment in Lieu of parkland. This change would reduce the City's ability to collect CIL by approximately 40%. The collection of Parkland through dedication will remain unchanged, at a rate of 1 Ha per 300 Units. This change may lead to developers disputing the City's requirement to provide physical parkland, since there is an incentive to provide the lower CIL cash payment rate than the conveyance of parkland rate;

2. From a long term financial planning perspective, this legislative change will have a severe negative impact on the City's parkland acquisition strategy. It is difficult to estimate an exact financial impact on the parkland provision, however the range of magnitude could be as high as \$80 to \$100 Million until build out;
3. The Active Together Master Plan (ATMP), the City's strategic plan for Parks, Recreation and Libraries, recommends a City-wide active parkland provision target of 2.2ha/1000 population to ensure that a suitable level of service is provided to Vaughan residents and user groups. The proposed amendments would significantly reduce the City's ability to meet this provision target which would result in the current City-wide deficit of parkland increasing at a faster rate than proposed in the ATMP.
4. The reduction of CIL collections under the proposed new rate would negatively affect the City's ability to acquire tableland parkland City-wide, especially in areas that have been identified as being deficient in active parkland;
5. The impact of a reduced alternative rate of 1 Ha per 500 Units for the Payment of CIL of parkland would primarily be seen in new high density/intensification areas identified in the new VOP 2010, leading to a decrease in the taking of parkland and CIL through the development process;
6. The City's consideration to use CIL funding for improvement of existing parks in areas of high density development would be also be substantially impacted by the proposed reduction in CIL revenue. Additionally, the provision of parkland in new high density communities (VMC, VM CSP, Steeles and Yonge Corridor, etc....) may be reduced due to the fact that the CIL collected will not be sufficient to acquire parkland in these development areas;
7. The proposed amendments will require amendments to the City's Official Plan VOP2010 Parkland Dedication Policies 7.3.3. which were approved by both Vaughan City Council and the York Region Council, but are currently under appeal; and
8. Other sources of funding will be required to meet the City's parkland needs. In order to sustain the current levels of service, the City may need to consider use of property taxation or, alternatively, consider a reduced level of parkland service.

As a result of the anticipated impacts, Council approved the following staff recommendation on May 19, 2015.

"That the Ministry of Municipal Affairs and Housing, Provincial Planning Branch be advised that the City of Vaughan does not support the proposed Planning Act amendment to change the Cash In Lieu alternative rate to 1 Ha per 500 units for the payment in Lieu of parkland."

TFR 4: STAFF RECOMMENDATION

No further action is recommended at this time.

TASK FORCE RECOMMENDATION 5 (TFR 5):

That City planners ensure an adequate amount of day-time, on-street parking spaces be provided in areas where condominium apartments are clustered.

Furthermore, that the City conduct a study of the impact of lower parking requirements for new condominium buildings on the area around where such new developments are located.

TFR 5: RESEARCH AND ANALYSIS

In 2008, the City undertook a parking study with the support of IBI Group on a City wide basis that proposed alternative parking standards for areas across the City. The IBI study has informed the review of development application proposals particularly in high density mixed use areas.

The City-wide parking standards review will be addressed through the City-Wide Zoning review of by-law 1-88 that is planned to commence in 2015 subject to Council approval.

To build on the findings of the IBI study and to create certainty for future intensification from 2012- to 2013, the City completed a new pilot parking standards zoning by-law for the Vaughan Metropolitan Centre (VMC). Council approved the by-law in 2013. The revised study includes new standards for mixed use development, new definitions and builds upon and clarifies the earlier parking study conducted by IBI Group.

TFR 5: STAFF RECOMMENDATION

No further action is recommended at this time.

TASK FORCE RECOMMENDATION 6 (TFR 6):

That City planners and traffic engineers conduct a study on the impact of intensification on local city roads in high-density areas, particularly where regional planners are not allowing direct access onto regional roads from these developments.

TFR 6: RESEARCH AND ANALYSIS

The Council endorsed Vaughan Official Plan and Secondary Plans for Intensification Areas include the Council endorsed road patterns. These road patterns are in some cases still subject to OMB appeals of the VOP 2010 and associated VOP Secondary Plans. At present a number of traffic studies being led by the City and the Region for Intensification Areas including the Vaughan Mills Centre Secondary Plan, the Maple GO Centre Secondary Plan, the Concord GO Centre Secondary Plan, and the Yonge Steeles Corridor Secondary Plan are either underway or completed. These studies are helping to inform planning for Intensification Areas within the City. As part of these studies, road geometrics, road classification and the potential impact of time limited parking (off peak hours) could be explored. Consideration of pay and display parking control systems could also be considered.

TFR 6: STAFF RECOMMENDATION

The requisite studies are underway. No further action is required at this time.

TASK FORCE RECOMMENDATION 7 (TFR 7):

In recognition of the actual versus the planned traffic situation in high density areas, once the area is built out, a comprehensive traffic and parking study be conducted by the City to assist in understanding the current issues and to provide for a plan to adjust traffic measures to reflect the real situation.

TFR 7: RESEARCH AND ANALYSIS

From 2010-2013 the City conducted a Transportation Master Plan with support of a professional transportation firm AECOM, which informed the development of the Vaughan Official Plan and associated Secondary Plans. A number of these Secondary Plans are still subject to OMB appeals and matters such as the location and density of roads are matters that are being addressed through OMB appeals. The City position has been to uphold the grid and the road structure that is found in the Official Plan and the Council endorsed Secondary Plans for Intensification Areas.

Additional measures could include a license plate and/or parking study to measure the length of stay (i.e. parking turnover) to help determine viable parking control strategies. Consideration could also be given to the capture area and parking control measures that become less restrictive further from venues.

TFR 7: STAFF RECOMMENDATION

Staff be directed to develop a process for proactive review and implementation of traffic management and road operation optimization measures to be undertaken on a regular basis in areas of high-density development.

The study process needs to review types of road users (pedestrians, cyclists, transit etc.) and seasonal operations such as snow removal, garbage collection and appropriate measures within the new designs. Consideration should also be given to street illumination standards to provide improved visibility during night time hours.

Any new capital projects would have to be brought forward for Council approval during future budget deliberations.

TASK FORCE RECOMMENDATION 8 (TFR 8): *(further to Recommendation 3 above)*

That the powers that Section 37 of the Planning Act confers on the City be used so as to provide benefit to the residents in the immediate area of the development from which the funding is obtained.

TFR 8: RESEARCH AND ANALYSIS

Section 37 of the Planning Act permits the City to authorize increases in height and/or density through a site specific zoning by-law in return for community benefits such as specified facilities, services or other matters from the landowners, provided that there are enabling Official Plan policies in place.

The Council approved modifications to the VOP 2010 Section 37 Policy and proposed Implementation Guidelines, that were refined through input received at the Committee of the Whole (Working Session) of September 10, 2013, considered by Committee of the Whole on November 13, 2013, and approved by Council in December 2013 provide greater direction and a transparent, reproducible approach to the use of the Section 37 planning tool.

The VOP 2010 Policies 10.1.2.9 – 10.1.2.12, regarding “Bonusing for Increases in Height or Density (Section 37 of the Planning Act)”, and Secondary Plan policies related to Section 37 were approved by the OMB on September 30, 2014.

Parkland or parkland improvements that are over and above the City’s standard levels of service are community benefits included in the approved Section 37 Policy. In addition, section 10.1.2.10 states:

“Community benefits which are the subject of Section 37 provisions will be determined based on local community needs, intensification issues in the area and the objectives of this Plan with priority given to provision of benefits in proximity to the proposed development.”

At the Council meeting of February 17, 2015, the Implementation Guidelines for Section 37 Policies (10.1.2.9 to 10.1.2.12) of the Vaughan Official Plan (VOP) 2010 were approved.

At this point in time the VOP policies and the Council-approved Section 37 Implementation Guidelines now serve as a separate Corporate Policy document that provides a step by step procedure for the review of Section 37 zoning by-law amendment applications.

TFR 8: STAFF RECOMMENDATION

The approved Section 37 Policy is consistent with the direction of the Residential Task Force recommendation. No further action is required at this time.

TASK FORCE RECOMMENDATION 9 (TFR 9):

That the City reconsider the maintenance of areas owned by condominiums that are effectively public space.

TFR 9: RESEARCH AND ANALYSIS

While there are a number of areas which as a result of intensification have resulted in public amenities being implemented as a condition of condominium development, resulting in public use of condominium common elements, these types of arrangements are the only feasible way to ensure that the City's residents have recourse to such amenities. The financial responsibilities to individual condominium owners must be clearly identified and should be understood at the time of condominium purchase. An early determination of what elements of a condominium might be accessible to the public can help to ensure staff identify these issues in their review of associated development approvals under relevant Acts including the Planning Act, Condominium Act and Building Code Act.

Consideration of municipal assumption of such public amenities continues to be problematic after the implementation of the initial development approvals. Often such infrastructure or amenities are not constructed or maintained to municipal standards. Furthermore, assumption/disposal of a Condominium Common Elements is problematic for the Condominium Corporation, as certain Condominium Act legislative and regulatory hurdles are significant (Typically, all individual owners in residential condominiums have invested in and own the Common Elements collectively, and all would have agree to an alternate or new arrangements).

TFR 9: STAFF RECOMMENDATION

Staff recommend that any potential public use of condominium developments be determined as part of the initial development approvals process for the condominium to enable a detailed staff review and assessment of such proposals and that assumption after Plan of Condominium be avoided.

Staff continues to not recommend assumption of the maintenance responsibilities for any Condominium Common Elements after the registration of a Plan of Condominium

TASK FORCE RECOMMENDATION 10 (TFR 10):

That the City of Vaughan formally requests that the Province of Ontario provide a resource centre or facility to assist the owners of residential condominiums on issues related to their responsibilities under the Condominium Act

TFR 10: RESEARCH AND ANALYSIS

Staff research indicates that there are good sources of varied and helpful information for condominium owners in Ontario, from non-government sources, including non-profit organizations, associations and universities:

Ontario Condominium Association – an Association specifically for Ontario condo owners
<http://www.ontariocondominiumownersassociation.com/>

Condo Owners Association – an Association with several Ontario Chapters
<http://www.coaontario.com/about-coa-1.html>

On May 27, 2015, the Province of Ontario announced a new bill, the Protecting Condominium Owners Act.

The bill calls for the creation of a new, non-profit Condominium Authority, a Condo Manager Licensing Authority and is intended to increase protections for condominium owners.

TFR 10: STAFF RECOMMENDATION

Staff recommend that the members of the Condominium Task Force be advised of the resources listed, as well as the newly announced Protecting Condominium Owners Act.

TASK FORCE RECOMMENDATION 11 (TFR 11):

That the City of Vaughan implement a policy such that condominium properties (including parking spaces and lockers) in respect of which taxes are in arrears not to be put up for sale/disposal by public auction (conducted by the City of Vaughan) without the City's Finance Department first contacting the condominium corporation's property management and /or board of directors to verify whether the said property(ies) may be offered to other unit owners prior to being offered to the public.

TFR 11: RESEARCH AND ANALYSIS

The Sale of Land for Tax Arrears, Part XI of the Municipal Act, and Regulation 181/03 set out very specific rules and procedures for undertaking a property tax sale. The process, which takes in excess of one year, must be followed precisely in order to come to a legitimate and defensible sale of property. The legislation does not permit the offering of the property to a special interest group such as other unit owners prior to conducting a sale by public tender or sale by public auction permitted under Regulation 181/03.

In order to address the concerns regarding non-resident access to the premises of the condominium, in the event of a sale to a non-resident, a regulation setting out a different sale process would have to be issued by the Province of Ontario which would permit municipalities to restrict the public sale or public auction to just the existing condominium owners.

On September 9, 2014, an update on the Residential Condominium Task Force staff noted that this is an issue that needs to be addressed by the Province of Ontario and as a result Council approved the following resolution:

That the Province of Ontario be requested to amend legislation and any necessary regulation(s) related to the Municipal Property Tax Sales process to establish a process restricting the public sale or public auction of a condominium ancillary unit (locker or parking space) to just other owners of that condominium corporation.

A letter requesting this change was sent to the Province of Ontario; however a response has not yet been received.

TFR 11: STAFF RECOMMENDATION

That a follow-up letter reiterating the specific concerns and reasons for this requested change to legislation be forwarded to the Province of Ontario.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with Vaughan Vision 2020 by demonstrating the following goals:

Service Excellence

- Promote Community Safety, Health & Wellness.
- Demonstrate Excellence in Service Delivery.

Regional Implications

The Regional Municipality of York is working closely in support of the City of Vaughan on numerous private landowner Ontario Municipal Board appeals of City of Vaughan Secondary Plan studies (e.g., Yonge Steeles Corridor Secondary Plan, Vaughan Mills Centre Secondary Plan) on issues raised by the Task Force on Residential Condominiums particularly with respect to the need to protect for a connected network of streets within Intensification Areas.

Conclusion

The City has conducted a detailed review and analysis of the Task Force recommendations and is recommending program adjustments to be considered as part of the 2016 budget deliberations. This report has been prepared in response to the issues and recommendations raised by the Task Force on Residential Condominiums and to update the Task Force on the status of City actions that address their recommendations.

Attachments

N/A

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Respectfully submitted,

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John Henry
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