

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 9, 2014

Item 55, Report No. 36, of the Committee the Whole, , which was adopted, as amended, by the Council of the City of Vaughan on September 9, 2014, as follows:

By approving the recommendation contained in the report of the Interim City Manager, dated September 2, 2014, subject to adding the following in accordance with the recommendation contained in Communication C13 from the Interim City Manager, dated September 5, 2014:

- 2. 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;***
- 3. 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***
- 4. That the letters regarding these requests be sent to the appropriate Provincial Ministries and/or organizations.***

55

TASK FORCE ON RESIDENTIAL CONDOMINIUMS – STATUS UPDATE

The Committee of the Whole recommends that consideration of this matter be deferred to the Council meeting of September 9, 2014.

Recommendation

The Interim City Manager recommends:

1. That a report with recommended responses to the Task Force on Residential Condominiums be brought to a Committee of the Whole (Working Session) in the first quarter of 2015.

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

There are no economic impacts associated with this status update report, as no service level changes or tax credits are being recommended at this time, however, depending upon the recommendations brought forward by staff in 2015, and Council's decisions, there may be cost implications to the City.

Communications Plan

The members of the Task Force on Residential Condominiums will be advised of the upcoming report with recommended responses to the recommendations contained in the Task Force's Final Report early in 2015.

CITY OF VAUGHAN

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Item 55, CW Report No. 36 – Page 2

Purpose

The purpose of this report is to provide an update on staff research related to the recommendations contained in the document entitled “*Final Report - Task Force on Residential Condominiums Recommendations Regarding Opportunities for Changes within the City’s Jurisdiction*” that was submitted for consideration to the Committee of the Whole on January 14, 2014.

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 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.

The following is a breakdown of the recommendations from the Task Force, followed by status update on staff research to-date related to each recommendation:

Recommendation 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.).

Update:

This recommendation seems to be counter intuitive to the Province of Ontario’s fundamental premise of the property tax system (See Update to Recommendation #3). The most prominent similar example is the education component of the property tax bill, which has been raised consistently over the years particularly by seniors (who no longer have children in schools) who feel they should no longer have to pay the education tax.

Calculating and implementing a tax credit system would be a complicated and resource intensive approach, particularly for services such as snow clearing. It is not as simple as calculating what portion of a tax bill relates to snow clearing, as property owners are not just paying for snow clearing immediately adjacent to their properties, but also contribute to collector and arterial roadway snow clearing, which allows residents to get to work, shopping and generally move throughout the City.

Further work by staff is required to provide a final response to this recommendation.

Recommendation 2: (alternative to Recommendation 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.

CITY OF VAUGHAN

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Item 55, CW Report No. 36 – Page 3

Update:

Both the winter control programs and waste management services are largely contracted out to external parties, therefore decisions by the City to change equipment specifications would have to be included in future tender bids and subsequent contract awards. Additional analysis is required in order to determine the feasibility and cost impacts to the City of proposing the new or additional equipment in future tenders.

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In November 2012, Council received a report "Provision of Service to Multi-Unit Residential Condominium Buildings Currently Required to Provide Private Waste Collection Services". This report indicated that, at the time, the City was providing waste collection to a limited number of grandfathered multi-unit buildings. The report detailed the costs associated with the grandfathered service and identified challenges in expanding this grandfathered service to all existing and future multi-unit residential condominiums.

As noted above, additional analysis and review is required in order for staff to provide final recommendations in early 2015.

Recommendation 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.

Update:

In 2010 the City of Markham underwent a similar process to the City of Vaughan's Condominium Task Force, and the Council of the City of Markham also passed a resolution requesting the Province of Ontario to amend legislation and establish a property tax class for condominiums. The resolution was forwarded to the Province of Ontario for a response.

The Province of Ontario's response to the City of Markham was to reference the Property Assessment and Classification Review submitted by Marcel Beaubien, MPP in 2002, shortly after the complete revamping of the Ontario Property Tax system in 1998. The 93 page report dealt with a number of specific property tax issues, one of which was residential condominiums. The following excerpt describes the Province's position on a special tax rate for residential condominiums.

RESIDENTIAL CONDOMINIUMS

Representatives from several condominium corporations have requested that a separate property class be created for residential condominiums. It was submitted that a lower tax rate for high-rise accommodation is justified because multi-unit dwellings pose much less of a drain on municipal services than single-family dwellings.

As noted above under the discussion of the multi-residential property class, condominiums are included in the residential property class. The condominium owners who made a submission during the consultations are seeking to be taxed at a rate below the residential rate.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 9, 2014

Item 55, CW Report No. 36 – Page 4

Recommendation:

- *It is recommended that residential condominiums remain in the residential property class.*

Discussion:

The fundamental premise of our property tax system is that properties should be taxed on the basis of their market value, not on the basis of the relative use that property owners make of local services.

The City of Vaughan can forward a request to the Province of Ontario requesting a special property tax category for residential condominiums, but given the Province's response to the same request from the City of Markham in 2010, staff are not confident the City of Vaughan will receive a different answer.

Recommendation 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).

Update:

The 2013 Active Together Master Plan (ATMP), which was 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 this 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 Active Together Master Plan (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 2015 Parks Development staff will be initiating 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

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 9, 2014

Item 55, CW Report No. 36 – Page 5

permitted by the Planning Act. Staff are also in the process of reviewing/finalizing 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.

Recommendation 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.

Update:

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.

Recommendation 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.

Update:

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 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 Secondary Plan, Vaughan Mills 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.

Recommendation 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.

Update:

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.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 9, 2014

Item 55, CW Report No. 36 – Page 6

Recommendation 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.

Update:

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 the 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 proposed Section 37 Policy is consistent with the direction of the Residential Task Force recommendation. Parkland, parkland improvements or parkland improvements that are over and above the City's standard levels of service are community benefits included in the proposed 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."

The original version of 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 is under appeal and the OMB has jurisdiction to modify these policies.

At this point in time the VOP policies and the proposed Implementation Guidelines will 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. The Guidelines will be the subject of a future report to Council seeking their final approval once the Ontario Municipal Board has approved the relevant modified VOP 2010 Policy. In the interim staff will work to include Section 37 considerations in staff reports where high density developments are proposed that do not conform to the Vaughan Official Plan and or relevant zoning by-laws.

Recommendation 9:

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

Update:

The implications of this recommendation may be quite broad. Staff require additional time to complete the data gathering and analysis of this recommendation.

Recommendation 10:

That the City of Vaughan formally request 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 SEPTEMBER 9, 2014

Item 55, CW Report No. 36 – Page 7

Update:

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>

Recommendation 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.

Update:

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 condominium 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.

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 Region of York is a stakeholder in the process in that Section 5.4.15 of the Regional Official Plan requires local municipalities to adopt policies and related zoning by-law provisions to provide community benefits in Regional Centres and Corridors in exchange for additional height and density. This policy of the York Region Official Plan is in effect except for one site specific appeal. The proposed policy is consistent with the requirements of the Region of York Official Plan.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 9, 2014

Item 55, CW Report No. 36 – Page 8

Conclusion

This report provides an update on the status of staff work and research relating to the recommendations of the Condominium Task Force. The work will be completed in the upcoming months, and a final report with recommendations will be provided to Council early in 2015.

Attachments

N/A

Report prepared by:

Barbara Cribbitt CPA, CMA
Interim City Manager

memorandum

C	<u>13</u>
Item #	<u>55</u>
Report No.	<u>36 (CW)</u>
Council -	<u>September 9/14</u>

DATE: SEPTEMBER 5, 2014

TO: HONOURABLE MAYOR & MEMBERS OF COUNCIL

FROM: BARBARA CRIBBETT, INTERIM CITY MANAGER

**RE: COMMUNICATION – COMMITTEE OF THE WHOLE – SEPTEMBER 2, 2014
ITEM No. 55**

Recommendation

The Interim City Manager, in consultation with the Commissioner of Finance & City Treasurer, recommends the following additional recommendations to Item #55, Committee of the Whole Agenda Report for September 2, 2014, relating to the Task Force on Residential Condominiums – Status Update:

2. 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
3. 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
4. That the letters regarding these requests be sent to the appropriate Provincial Ministries and/or organizations.

Background

The Task Force on Residential Condominiums - Status Update is intended to provide an update on staff research related to the recommendations submitted by the Task Force on Residential Condominiums to Council in January 2014, however, pending the final analysis and report to Council in the first quarter of 2015, there are intermediary actions that can be taken that may further inform the upcoming 2015 report.

The Task Force's Recommendation #11 states:

"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."

As noted in the report, the Municipal Property Tax Sale process is set out in legislation (Municipal Act Part XI) and regulation (O. Reg. 181/03) but in its current form, there is an issue with the requirement to offer an ancillary unit within the residential condominium to parties that are not current owners of residential units within the condominium. Staff believe this is an issue that needs to be addressed by the Province of Ontario, and recommend that a letter be sent to the Province requesting a review and possible amending legislation and/or new regulation on this topic.

The Task Force also recommended that the City 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. As noted in the report, the Province's position relating to a separate tax class for residential condominiums has continued to rely on a 2002 Property Assessment and Classification Review submitted by Marcel Beaubien, MPP. Given the 12 years that have passed since that review, a request to reconsider this position may be timely, therefore staff recommend that a letter be forwarded to the Province of Ontario from the City of Vaughan requesting the creation of a new property tax class for residential condominiums.

Conclusion

The additional recommendations, proposed as intermediary actions, may result in responses from the Province of Ontario that may further inform the upcoming 2015 report discussed in the item.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Barbara Cribbett', followed by a long horizontal line extending to the right.

Barbara Cribbett CPA, CMA
Interim City Manager

COMMITTEE OF THE WHOLE SEPTEMBER 2, 2014

TASK FORCE ON RESIDENTIAL CONDOMINIUMS – STATUS UPDATE

Recommendation

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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.

Update:

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.

Recommendation 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.

Update:

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 the 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 proposed Section 37 Policy is consistent with the direction of the Residential Task Force recommendation. Parkland, parkland improvements or parkland improvements that are over and above the City's standard levels of service are community benefits included in the proposed 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.”

The original version of 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 is under appeal and the OMB has jurisdiction to modify these policies.

At this point in time the VOP policies and the proposed Implementation Guidelines will 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. The Guidelines will be the subject of a future report to Council seeking their final approval once the Ontario Municipal Board has approved the relevant modified VOP 2010 Policy. In the interim staff will work to include Section 37 considerations in staff reports where high density developments are proposed that do not conform to the Vaughan Official Plan and or relevant zoning by-laws.

Recommendation 9:

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

Update:

The implications of this recommendation may be quite broad. Staff require additional time to complete the data gathering and analysis of this recommendation.

Recommendation 10:

That the City of Vaughan formally request 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

Update:

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>

Recommendation 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.

Update:

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 condominium 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.

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 Region of York is a stakeholder in the process in that Section 5.4.15 of the Regional Official Plan requires local municipalities to adopt policies and related zoning by-law provisions to provide community benefits in Regional Centres and Corridors in exchange for additional height and density. This policy of the York Region Official Plan is in effect except for one site specific appeal. The proposed policy is consistent with the requirements of the Region of York Official Plan.

Conclusion

This report provides an update on the status of staff work and research relating to the recommendations of the Condominium Task Force. The work will be completed in the upcoming months, and a final report with recommendations will be provided to Council early in 2015.

Attachments

N/A

Report prepared by:

Barbara Cribbitt CPA, CMA
Interim City Manager

Respectfully submitted,

Barbara Cribbitt CPC, CMA
Interim City Manager