

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 23, 2018

Item 3, Report No. 5, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on May 23, 2018.

3 PROPERTY MATTER REQUEST FOR PARKLAND DEDICATION RELIEF FOR THE AFFORDABLE HOUSING DEVELOPMENT AT 275 WOODBIDGE AVENUE

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager, Planning and Growth management, dated May 7, 2018:

Recommendations

1. That Council direct staff to refund the amount of \$1,184,000, representing a portion of the cash-in-lieu of parkland payment paid by Housing York Inc., for its development of a 162-unit affordable housing building located at 275 Woodbridge Avenue.
2. That the Mayor and the City Clerk be authorized to execute all documentation required to complete any refund of the authorized Cash-in-Lieu of Parkland payment; and
3. That Council direct staff to review the City's Cash-in-Lieu By-Law and related policies, including the impact of expanding the exemptions, and report findings back to a future Council meeting.

(A copy of the attachments referred to in the following report have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

Item:



Finance, Administration and Audit Committee Report

DATE: Monday, May 07, 2018

WARD(S): 2

TITLE: PROPERTY MATTER

**REQUEST FOR PARKLAND DEDICATION RELIEF FOR
THE AFFORDABLE HOUSING DEVELOPMENT AT
275 WOODBRIDGE AVENUE**

FROM:

Claudia Storto, City Solicitor

Jason Schmidt-Shoukri, Deputy City Manager, Planning and Growth Management

ACTION: DECISION

Purpose

To seek Council's direction with respect to Housing York Inc.'s request for a refund of a cash-in-lieu of parkland ("CIL") payment in the amount of \$1,377,000 made to the City of Vaughan by Housing York Inc. on August 28, 2017, in connection with its 162-unit affordable housing development at 275 Woodbridge Avenue (known as the "Woodbridge Lane" development).

Report Highlights

- Housing York Inc. is constructing a 162-unit affordable rental apartment building on approximately 1.93 acres known as "Woodbridge Lane". In August 2017, Housing York Inc. paid \$1,377,000 to the City as a CIL payment for the development. Housing York Inc. has requested a reimbursement of its CIL payment.
- In response to Housing York Inc.'s request, the City considered three options: issuing no refund, a partial refund of \$1,184,000 or a full refund of \$1,377,000 of the CIL payment.
- Staff recommend a partial refund of \$1,184,000 of the CIL payment as this project meets other City objectives with respect to affordable housing needs. This approach would also be consistent with the application of CIL requirements on similar past Housing York Inc. projects. A partial refund would decrease the balance in the City's CIL Recreation Land Reserve, however it would not be considered significant enough to alter strategies for future parkland acquisition.

Recommendations

1. That Council direct staff to refund the amount of \$1,184,000, representing a portion of the cash-in-lieu of parkland payment paid by Housing York Inc., for its development of a 162-unit affordable housing building located at 275 Woodbridge Avenue.
2. That the Mayor and the City Clerk be authorized to execute all documentation required to complete any refund of the authorized Cash-in-Lieu of Parkland payment; and

That Council direct staff to review the City's Cash-in-Lieu By-Law and related policies, including the impact of expanding the exemptions, and report findings back to a future Council meeting.

Background

Redevelopment of 64 Abell Avenue and 259 and 275 Woodbridge Avenue

The Regional Municipality of York through Housing York Inc., its non-profit housing corporation, is redeveloping three properties (64 Abell Avenue, 259 Woodbridge Avenue and 275 Woodbridge Avenue) into a new affordable housing building. The new building is being developed in place of investing in the buildings currently existing on the lands, which have neared the end of their useful life and would need substantial upgrades and investment to best meet health and safety standards, and the long-term needs of the community.

The new building will be a 162-unit affordable rental apartment building on approximately 1.93 acres and is named "Woodbridge Lane". The property is located on the south side of Woodbridge Avenue, east of Kipling Avenue, west of the Canadian Pacific Railway line, as shown on Attachment #1.

The new building will offer affordable housing for families, individuals and seniors. The building will complement the local community and increase economic activity on Woodbridge Avenue.

Payment of CIL for Woodbridge Lane was made on August 28, 2017

As part of the development process, the City collected a CIL payment for the development in accordance with By-law #205-2012. The CIL payment was calculated based on a fixed rate of \$8,500 per unit x 162 units totaling \$1,377,000. At that time, Region staff requested that the City waive the CIL requirement, stating that Housing York Inc. is an entity of the Region and exempt from municipal and regional development charges. City staff advised that there were no provisions in the By-law that exempted the Region from CIL payments. To facilitate the timely construction of the building, the Region paid this fee to the City on August 28, 2017.

In October 2017, the Housing York Inc. Board approved a recommendation to seek reimbursement of the CIL fee paid.

Treatment by Other Municipalities of Parkland Dedication Exemptions and York Region Affordable Housing Development Applications

Staff reviewed the by-laws and policies of eight local municipalities as they relate to parkland dedication requirements and exemptions. Four local municipalities – the City of Markham, the Town of Newmarket, the Town of Richmond Hill and the Township of King – provide reductions and/or exemptions from parkland and/or cash-in-lieu of parkland requirements. There are multiple categories of exemptions; those most relevant to Housing York Inc.'s request are as follows:

- o Public service facilities;
- o Affordable housing, in accordance with how it is defined in the Provincial Policy Statement, 2005;
- o Nursing homes, as defined by the Long-Term Care Homes Act, 2007; and
- o Not-for-profit palliative care facilities.

The Towns of East Gwillimbury, Whitchurch-Stouffville, Georgina and Aurora do not provide for any exemptions for parkland dedication and/or cash-in-lieu of parkland requirements.

The Regional Municipality of York exempts all of its nine area municipalities from development charges for public use developments.

The City's existing Cash-in-Lieu By-law 139-90 was enacted in 1990. Given the length of time that has passed, staff seek authorization to conduct a comprehensive review of the By-law and policies and will consider exemptions applied by other municipalities. Staff will bring forward recommendations to a future Committee for its consideration. In the interim, the request from Housing York Inc. is considered a unique situation and merits review in the context of Housing York Inc. being an entity of the City's upper-tier municipality.

On February 12, 2018, the City received a formal request from the Housing York Inc. to refund the CIL payment. City staff met with York Region Housing staff and requested examples of how other municipalities have applied CIL payments for similar affordable housing development applications.

On March 13, 2018, York Region Housing staff provided the following summary by municipality:

Town of Georgina

2014 - Lakeside Residences (97 Units) – Parkland fees levied (Developer owned land at time of permit)

Township of King

2011 – Kingview Court Expansion (39 Units) – No Record of Parkland Fees Imposed

City of Markham

2021 – Unionville Seniors Affordable Housing (264 Units + Community Centre/Seniors Hub) – Currently under consideration

Town of Newmarket

2004 – Armitage Gardens (58 Units) – No parkland fees levied

2008 – Tom Taylor Place (50 Units) – No parkland fees levied

2015 – Belinda's Place (37 Units) – No parkland fees levied

Town of Richmond Hill

2016 – Richmond Hill Hub (202 Units + Youth Hub) – Parkland fees reduced and \$1 million contribution to development

2013 - MacKenzie Green (140 Units) – Parkland fees reduced (Developer owned land at time of permit)

City of Vaughan

2017 – Woodbridge Lane (162 Units) – CIL payment \$1,377,000 based on fixed rate per unit. Currently under Consideration for reduction/refund

2012 - Mapleglen Residences (84 Units) – CIL payment \$50,400 based on 5% of the value of the property

2006 – Blue Willow Terrace (60 Units) – No Record of Parkland Fees Imposed

CIL contributions support acquisition of parkland in the City

The Active Together Master Plan ("ATMP"), the City's strategic plan for parks, recreation and libraries, identifies a growing shortfall of active parkland provision at the City-wide level, with the deficiency of active parkland projected to continue based on a provision target of 2.2 ha/1000 persons.

The Woodbridge Community is currently well-serviced from a parks perspective with an overall parkland provision rate of 2.63 ha/1000 persons. However, at a more localized level, and in consideration of planned urban intensification within certain areas of Woodbridge, including the Kipling Avenue area, a significant deficiency in parkland exists, requiring the City to maximize CIL contributions where possible.

Notwithstanding the above, the Parks Development Department can support a corporate decision to reduce the amount of CIL contributions associated with this application, as outlined in this report, in consideration of this project meeting other City objectives with respect to affordable housing needs, and to be consistent with the application of CIL requirements on similar past Housing York Inc. projects.

Previous Reports/Authority

Name Proposal and Parkland Relief Request for the Redevelopment at 275 Woodbridge Avenue in the City of Vaughan

<https://www.york.ca/wps/wcm/connect/yorkpublic/1681a654-84d7-4b5e-be39-97eef25d4f08/oct+5+name.pdf?MOD=AJPERES>

Analysis and Options

On August 28, 2017, Housing York Inc. made a CIL payment of \$1,377,000 for the Woodbridge Lane project in accordance with City By-law # 205-2012, which applies a fixed unit rate of \$8,500 for high-density land.

In response to Housing York Inc.'s request for reimbursement of the CIL of parkland payment that was made on the Woodbridge Lane project, there are three options for Council's consideration:

Option 1: Reimburse the full CIL payment of \$1,377,000 to Housing York Inc.

This option would provide maximum relief to Housing York Inc. It would result in the most significant impact to the City's Cash-in-Lieu Recreation Land Reserve by decreasing the balance by \$1,377,000.

Option 2: Revise the CIL of parkland payment to \$193,000, based on 5% of the value of the land and refund \$1,184,000 to Housing York Inc. (Staff Recommended Option)

Staff recommend this option as this would be consistent with the methodology that was used to calculate CIL for a previous Housing York Inc. development. In 2012, Housing York Inc. constructed the Mapleglen Residences (84 Units) on the Vaughan City Hall Campus. The building consists of affordable housing rental units for low-income seniors. A CIL amount of \$50,400 was paid on this development based on 5% of the value of the property, for the approximate one-acre parcel of land on which the building was constructed.

If the CIL payment for the Woodbridge Lane project was based on 5% of the value of the land being developed, it would amount to approximately \$193,000. This is based on an estimated per acre land value of \$2 million, multiplied by a total area of 1.93 acres, multiplied by 5%. The difference between this value and what was calculated based on the fixed unit rate would result in a refund to Housing York Inc. of approximately \$1.184 million.

This option would provide significant relief to Housing York Inc. It would result in a decrease the balance in the City's Cash-in-Lieu Recreation Land Reserve by \$1,184,000.

Option 3: No reimbursement of the CIL payment of \$1,377,000

This option would deny Housing York Inc.'s request for a refund in part or in whole of the CIL payment. This option results in no financial impact to the Cash-in-Lieu Recreation Land Reserve.

Financial Impact

Funds collected by the City from CIL payments are deposited into the City's Cash-in-Lieu Recreation Land Reserve. The funds are used to acquire active and/or passive parkland for future park development.

The current balance in the CIL Recreation Land Reserve is approximately \$60 million. As outlined in the background section of this report, deficiencies in active parkland exist at the City-wide level.

As outlined in the Analysis and Options section of this report, the full or partial refund of the CIL payment made by Housing York Inc. would negatively impact the balance in the CIL Recreation Land Reserve. Although funding in the reserve should be maximized, the impact on the reserve balance should relief be granted in this case would not be significant enough to alter strategies for future parkland acquisition.

The financial impact will be subject to Council's preferred option.

Broader Regional Impacts/Considerations

York Region has invested \$35 million into the Woodbridge Lane affordable housing project. The federal and provincial governments have invested more than \$11 million into the Woodbridge Lane project.

Conclusion

Housing York Inc. is constructing a 162-unit affordable rental apartment building and has requested reimbursement of the CIL fee paid.

Staff support a corporate decision to reduce the amount of CIL Parkland contributions associated with this application, in consideration of this project meeting other City objectives with respect to affordable housing needs, and would be consistent with the application of CIL requirements on similar past Housing York Inc. projects.

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

Attachments

1. Location Map

Prepared by

Paul Salerno, Senior Manager, Real Estate, Ext 8473

Jamie Bronsema, Director, Parks Development, Ext 8858

Rita Selvaggi, Interim Director, Financial Planning & Development Finance, Ext. 8438

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Recommendations

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If the CIL payment for the Woodbridge Lane project was based on 5% of the value of the land being developed, it would amount to approximately \$193,000. This is based on an estimated per acre land value of \$2 million, multiplied by a total area of 1.93 acres, multiplied by 5%. The difference between this value and what was calculated based on the fixed unit rate would result in a refund to Housing York Inc. of approximately \$1.184 million.

This option would provide significant relief to Housing York Inc. It would result in a decrease the balance in the City's Cash-in-Lieu Recreation Land Reserve by \$1,184,000.

Option 3: No reimbursement of the CIL payment of \$1,377,000

This option would deny Housing York Inc.'s request for a refund in part or in whole of the CIL payment. This option results in no financial impact to the Cash-in-Lieu Recreation Land Reserve.

Financial Impact

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The current balance in the CIL Recreation Land Reserve is approximately \$60 million. As outlined in the background section of this report, deficiencies in active parkland exist at the City-wide level.

As outlined in the Analysis and Options section of this report, the full or partial refund of the CIL payment made by Housing York Inc. would negatively impact the balance in the CIL Recreation Land Reserve. Although funding in the reserve should be maximized, the impact on the reserve balance should relief be granted in this case would not be significant enough to alter strategies for future parkland acquisition.

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Broader Regional Impacts/Considerations

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Conclusion

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

Attachments

1. Location Map

Prepared by

Paul Salerno, Senior Manager, Real Estate, Ext 8473

Jamie Bronsema, Director, Parks Development, Ext 8858

Rita Selvaggi, Interim Director, Financial Planning & Development Finance, Ext. 8438

LOCATION MAP



THE CITY OF VAUGHAN

BY-LAW

BY-LAW NUMBER 066-2018

A By-law to authorize the Mayor and Clerk to execute all documentation required to refund Housing York Inc. a portion of the cash-in-lieu of parkland payment.

NOW THEREFORE the Council of The Corporation of the City of Vaughan Enacts as FOLLOWS:

1. That staff be authorized to refund the amount of \$1,184,000, representing a portion of the cash-in-lieu of parkland payment paid by Housing York Inc., for its development of a 162-unit affordable housing building located at 275 Woodbridge Avenue.
2. That the Mayor and the City Clerk be authorized to execute all documentation required to complete any refund of the authorized Cash-in-Lieu of Parkland payment.

Enacted by City of Vaughan Council this 23rd day of May, 2018.

Hon. Maurizio Bevilacqua, Mayor

Todd Coles, City Clerk

Authorized by Item No. 3 of Report No. 5
of the Finance, Administration and Audit Committee
Adopted by Vaughan City Council on
May 23, 2018.