



SPECIAL COUNCIL MEETING – SEPTEMBER 14, 2022
COMMUNICATIONS

Rpt. No. Item No. Committee

Distributed September 9, 2022

C1.	Memorandum from the Deputy City Manager of Corporate Services and City Treasurer, dated September 14, 2022.	30	3	Committee of the Whole By-Law 201-2022
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DATE: September 14, 2022

TO: Mayor and Members of Council

FROM: Michael Coroneos, Deputy City Manager of Corporate Services and City Treasurer

RE: **COMMUNICATION – Special Council**
Item #3, Report #30
Community Benefits Charge By-Law

Recommendation

1. THAT Council receive and approve the Community Benefits Charge (“CBC”) By-law dated June 21, 2022 with minor revisions.

Background

On June 6, 2019, *Bill 108, More Homes, More Choice Act*, 2019 received royal assent and outlined several changes to the *Development Charges Act (“DCA”)* and the *Planning Act*, R.S.O., 1990 (“***Planning Act***”). These changes were further amended by *Bill 138, Plan to Build Ontario Together Act*, 2019 and by *Bill 197, COVID-19 Economic Recovery Act*, 2020. These bills received royal assent on December 10, 2019 and July 21, 2020 respectively.

In addition to changes to the DCA, *Bill 108* included changes to municipal authority whereby *Section 37 of the Planning Act*, height and density bonusing was repealed and replaced with a CBC that is to be applied to new mid to high-density developments. This charge would be used to fund the initial round of capital cost for projects (or shares of projects) that are not already funded through development charges or for services that are growth-related but ineligible for DC funding. The spending of CBCs is guided through the capital plan included in the strategy and removes the requirement for negotiations regarding the use of the funds.

The CBC Strategy

The CBC Strategy was prepared and approved by Council on June 28, 2022 and is intended to support the collection of a CBC charge to fund a wide range of capital costs, of any public service, that are related to the needs associated to new growth if these costs are not already recovered from development charges and parkland provisions. The CBC can be used to fund services provided for under a DC by-law, and for

parkland acquisitions, as long as there is no duplication of recovery of the same capital costs under another growth funding tool.

CBCs can only be levied against medium and high-density residential developments and may not exceed 4% of the land value of the proposed development.

A CBC can also only be levied if the development meets the two following criteria:

- Five or more storeys; and
- Contains 10 or more residential dwelling units

A mixed-use development can also be subject to a CBC charge if the development meets the above criteria.

Through the development of the CBC Strategy it was determined that the CBC would be charged at 4% of the land value as the cost of identified capital projects exceeded the maximum anticipated revenue collections.

Revisions were made to the CBC By-law based on feedback from external stakeholders

Throughout the process of developing the CBC Strategy and the CBC By-law, staff engaged with members of the development industry. Since the approval of the CBC Strategy it was determined through further dialogue with the industry that a revision to the CBC by-law was required in order to avoid charging the CBC by-law on existing development within a site that would not be demolished or converted as a part of the redevelopment. To avoid this scenario, an additional section was added to the by-law as follows:

2(7) The value of the *gross floor area* for the following shall be excluded from the value of the land used to determine the community benefit charge payable:

- a) any pre-existing gross floor area on the land which is the subject of the *development* or *redevelopment* which is neither demolished nor converted from non-residential uses to residential uses

Staff are recommending the approval of the CBC By-law inclusive of the change above.

For more information, contact Brianne Clace, Project Manager of Development Finance ext. 8284

Respectfully submitted by

Michael
Coroneos

Digitally signed by Michael
Coroneos
Date: 2022.09.06 13:39:12 -04'00'

Michael Coroneos
Deputy City Manager of Corporate Services
City Treasurer and Chief Financial Officer