

April 17, 2023

City of Vaughan
2141 Major Mackenzie Drive, Vaughan, ON L6A 1T1
Attention: City Clerk

RE: Committee of the Whole – April 18, 2023
Development Services Fee Structure Review, Development Planning, Development
Engineering and Building Standards Fees (the “Vaughan 23 Fee Review”)

We are writing in our capacity as Development Manager for various project landowners in the City of Vaughan with respect to your Vaughan 23 Fee Review process.

We thank you for your invitation to participate, comment and help facilitate the continuous improvement of the municipality in aiming to bring its Vaughan 23 Fee Review up to date with the future needs of this dynamically evolving and fast growing community. Please accept this submission as a preliminary set of hi-level comments in respect of your Vaughan 23 Fee Review process.

While the City should be applauded for proposing to eliminate the inappropriate “VMC Surcharge” that has been unfortunately paid by thousands of homeowners since 2017, there are more improvements to the fee structures that can be made especially since the statements made on the top of page 6 of the staff report are questionable to new home owners and office users in Vaughan before they even come to Vaughan. Accordingly, this matter should be deferred pending a proper in person consultation with the market participants speaking for those who cannot be heard as they are not yet resident or occupying offices in Vaughan.

EXECUTIVE SUMMARY

1. Opportunity: A proper and more fulsome dialogue with industry, new home and office product manufacturing participants, in person, should be provided prior to approval of this report and recommendations therein. As future taxpayers are not consulted, the only voice is the non-taxpaying participants representing your future taxpayers. Having an in person, discussion is paramount to proper consultation on this topic to ensure all voices are heard, considered and suggestions implemented, and to ensure the PPS and Places to Grow ‘cost considerations’, service level delivery, and other requirements are complied with legally.

Solution 1: Given that there has been no in person discussion and dialogue with the new home and office development industry, especially vis a vis service delivery and process standardization, this matter should be deferred pending a more wholesome ‘dialogue’ with your staff and consultants in person. Despite a brief ‘zooming’ meeting was held March 17, on the ‘telephone’, and not in person, and the City’s Watson report came out ‘after’ such meeting (April 11) with zero time for the industry to review and have effective dialogue with staff and the City



regarding proposed changes being considered today (April 18). 7 days is hardly enough time for any consultation before Committee can approve it for implementation. Note that not all office manufacturers are members of BILD so distribution may need to be wider if the City really desires to hear why office building is a challenge that needs to be addressed.ⁱ

Solution 2: Compliance with PPS, Places to Grow and Bill 23 is mandatory. The PPS explicitly states, in the context of the housing 'crises'ⁱⁱ announced by the Ministry of Housing, all Planning Decisions must recognize the 'costs' implications on new home owners, specifically:

"Planning must recognize the cost effective development standards to minimize costs" ... and the "Long term prosperity of Ontarians" must be met.

If anything, new homes and offices near major infrastructure in a concentrated place, should per Watson 2008 have 'reduced' costs and charges; see Bottomly reports and Watson reports from April 2008, Region Finance Committee.ⁱⁱⁱ There is no reason why the Vaughan products should not have the 'lowest' planning, development and other fees in the Country but to date they are nearly the highest in the top 5 of all jurisdictions on 'fees per unit'. Consideration should be had, as has been deputed earlier, to change all product charges to a 'per square' foot basis, not a 'per unit' basis; that study should be done in consultation with the development manufacturer representatives to make sure this is cost effective on new home and office users or office development will struggle in Vaughan to come forward due to high start up costs.

We need to meet in person and get 'standards' that are cost effective in place asap. Several meetings have been had with the City requesting 'standardized' site plan agreements, standardized subdivision agreements, standardized strata park agreements, and none of them have been established. Therefore before any new fee regime is approved, this process for PPS compliance must be met to be legally effective on any new proposed fee card. This is pertinent for improved 'service delivery' which is related to 'fees' and costs that office users and homeowners pay.

Again, the City should be applauded for reducing the inappropriate "VMC Surcharge", which is akin to a 'negative' area specific tax on certain users, however and in person dialogue following the recent release of the City Watson report should be had to take into consideration the PPS requirements and further changes that can be made to ensure that the new residential and office products have the lowest cost bases in consideration for their proposed proximity to funded and in place major infrastructure.

We would be delighted to have in person continued dialogue on this matter, and provide more detail on the points herein; it would be prudent before any final report proposing material policy changes is presented to Council for approval.

Yours truly,



Marco Filice, Senior Vice President, For and on behalf of various project landowners in Vaughan
cc. Members of Council

Attachments - Appendix 1 – Watson Bottomley Confirmation of Reduced Costs to be Passed on to New Home and Office Manufacturers in Centres & Corridors, now picked up by City of Vaughan Post Bill 23 Absorption of Planning Requirements

See also source information at: <https://www.yorkalliancegroup.ca/york2022dcdeputation/>

Appendix 1 – Watson Bottomley Confirmation of Reduced Costs to be Passed on to New Home and Office Manufacturers in Centres & Corridors, now picked up by City of Vaughan Post Bill 23 Absorption of Planning Requirements

Figure Region A – Paul Bottomley and Mr. Watson Report DC Reductions for Apartment Recommendation in 2008, April 30



Comparative Analysis of Growth Scenarios

Presentation to Planning and
Economic Development
Committee

(Committee Report No. D2)

Paul Bottomley
April 30, 2008

3. Primary Fiscal Differences Between the Scenarios

2. Capital Costs – differences largely absorbed by development charges, but lower DCs may translate into lower house prices.

- Regional Roads – reduced vehicle km involves intensification-related capital savings of approximately \$176 million for “No Boundary Expansion” in comparison with 30% and a \$44 million savings difference between 40% and 30%.
- Water and Wastewater – 30%/40%/50% same capital cost. “No Boundary Expansion” involves capital savings of approx. \$50 million.
- Schools – more population in apartments = fewer pupils = reduced bus and school needs in York, but no difference in tax burden.
- Area Municipal –intensification of centres should produce savings re Fire, Parks, Waste Management and local Sewer/Water infrastructure

ⁱ See Resolution of Council in 2012 motioned by then Mayor Bevilacqua, where in Council approved a review of Office Development fees and costs to improve office development in the City. That resolution work should be reviewed in concert with this fees proposal in person with the office manufacturers' representatives.

ⁱⁱ The Ministry of Housing re-affirmed the deficient supply state of the 'Housing Crisis' again in 2019 (fn):
""After years of neglect by the former government, there is now a housing crisis in Ontario and the dream of ownership is out of reach for too many..."" <https://news.ontario.ca/en/release/52060/ontarios-government-for-the-people-to-make-home-ownership-affordable-for-more-ontario-families> Minister Clark confirms on May 2, 2019 that we are in "a Housing Crisis", reiterating the acknowledgement of the crisis first alarmed in 2018 but implementing tools to address the concerns which require the lower tier municipalities to 'implement' the plans issued by the Province many years ago. See presentations by York Region issued to BILD at the York Chapter meeting of the Region MCR, Water/Wastewater and Transportation Master Update dated January 29, 2021, presented by Paul Freeman, York Region Chief Planner. Source file available upon request. Specifically, see page 42 of the Power Point Presentation entitled "MCR Update Presented to the BILD York Region Chapter, January 29, 2021 from York Region", where Paul Freeman specifically provides an empirical update stating: **York Region is 94,000 behind in population when compared to the required Growth Plan forecast.** If the industry builds only 40,000 units per year in the GTA, then for York Region to 'catchup' there needs to be a tripling or quadrupling of the provision of units in the next 10 years just to 'meet' the Growth Plan forecast.

ⁱⁱⁱ See Appendix 1 herein and also source information at:

<https://www.yorkalliancegroup.ca/york2022dcdeputation/>

To achieve this goal of the Province, the municipality has to maximize the number of people and jobs in areas where transit and other infrastructure is funded or available so that the city can maximize its 'ROLA'. The ROLA for a ground typology home system is reported in the April, 2008 York Region Finance Committee report (see Watson Report April 8, 2008) which states, the city loses \$89 for each home that is produced but generates a net positive or \$271 for each apartment that is produced. This is because the city can fit more population per area of costed infrastructure, thus maximizing its investment return. Therefore, in order to ensure optimum riders on VIVA and the Subway, infrastructure that all property owners in Vaughan pay for, and to minimize operating overages, the city must maximize densities to ensure maximum attainable ridership opportunities. This further reduces the capital programs usually otherwise reserved for road expansions (i.e. from 4 lanes to 6 lanes) which keeps government imposed taxes and charges in check, and which further keeps the supply cost of new homes from 'escalating' on an exponential level. In their report, Watson also corroborated this theory by recommending that Development Charges and other fees for products that generate savings in capital/operating should be reduced. This recommendation was not accepted by Regional Council, which is comprised of the various lower tier municipal elected representatives. See also York Region Development Charges Public Consultation Deputation by M. Filice on May 26, 2022 at Regional Council and correspondence filed thereto, including letters by legal counsel on March 23, 2022 <https://www.yorkalliancegroup.ca/york2022dcdeputation/>

A handwritten signature in blue ink, appearing to be 'Fro', is written in the bottom right corner of the page. The signature is slanted upwards from left to right.