

VMC Sub-committee Report

DATE: Wednesday, November 27, 2024

WARD: 4

TITLE: VMC DEVELOPMENT ACTIVITY UPDATE – NOVEMBER 2024

FROM:

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ACTION: FOR INFORMATION

Purpose

To provide a status update on development activities in the Vaughan Metropolitan Centre ('VMC').

Report Highlights

- Development activity in the VMC has shown signs of growth in 2024. An increase in interest and in the processing of new development applications, along with existing applications, demonstrate that growth trends continue to exceed the 2031 planning horizon targets as set out in the VMC Secondary Plan ('VMCSP').
- With growth significantly surpassing initial projections for Vaughan's downtown, ongoing efforts are focused on ensuring a balance between population growth and the provision of necessary physical and social infrastructure, including public services, green spaces, and amenities for future VMC residents.
- Summary of residential development includes:
 - 6,528 completed residential units housing 12,925 residents.
 - 6,016 residential units under construction, expected to accommodate an additional 11,912 residents.

Report Highlights (Continued)

- 12,923 residential units approved by Council, anticipated to house 25,588 future residents.
- 28,237 proposed residential units, potentially housing 55,909 residents, currently under active development applications being reviewed.
- The developments that are either occupied, under construction, or approved indicate a total of over 50,425 residents across 25,467 units, greatly exceeding the population target for the 2031 planning horizon.
- Office and retail development:
 - Currently, about 157,181 m² (~1,691,892 ft²) of new office space has been built or approved, representing 113% of the 2031 office space target.
 - Five (5) development applications currently under review are proposing 79,750 m² (~858,426 ft²) of office space thus bringing the built, approved, and new applications to represent 170% of the 2031 office target.
 - To date, about 82,602 m² (~889,121 ft²) of retail space is occupied, under construction, approved by Council, or subject to Council approval, representing 119% of the 2031 retail target.
- In spring of 2024, the Ontario government announced a new joint elementary school in the VMC which will accommodate an elementary school operated by the York Catholic District School Board ('YCDSB') and another by the York Region District School Board ('YRDSB'), along with a childcare center.
- In June 2024, the City and QuadReal Property Group (QuadReal) signed a Memorandum of Understanding to outline the planning for a state-of-the-art performing and cultural arts centre in the VMC.

Recommendation

1. THAT the VMC Development Activity Update – November 2024 report be received for information.

Background

The VMC is envisioned as Vaughan's emerging downtown and central business district, aimed at becoming the city's financial and cultural hub. It is designed to foster a vibrant public realm while promoting sustainable design practices. The goal is to create a dynamic and well-balanced community featuring variety in built form and a mix of uses that support transit and pedestrian accessibility.

To achieve a critical mass conducive to a successful downtown and to meet the minimum density target of 200 people and jobs per hectare established by the Provincial *Growth Plan for the Greater Golden Horseshoe* (the 'Growth Plan'), the VMC Secondary Plan ('VMCSP') set a target of 25,000 residents and 11,500 jobs by 2031. The current VMCSP offers a robust vision and policy foundation that has guided development since its partial approval by the Ontario Land Tribunal ('OLT', formerly the Ontario Municipal Board and Local Planning Appeal Tribunal) in 2015. Since then, interest in VMC development has surpassed expectations, with residential density growth exceeding initial forecasts that did not account for such rapid intensification.

The City continues to update the VMCSP to align with provincial and regional policy updates and establish a renewed policy framework that supports the development of a complete and balanced community, with adequate municipal services and social infrastructure extending to 2051 and beyond. On June 26, 2024, staff was directed by the VMC Sub-Committee to proceed with making the required changes to the VMC Secondary Plan to set parameters for minimum heights and densities without prescribed maximums. Under this direction, the VMCSP update is now focusing on responding to the significant growth pressures that could threaten the realization of Council's vision for a balanced downtown.

The VMCSP Update is being coordinated with other relevant studies, including the VMC Parks and Wayfinding Master Plan ('PWMP'), the VMC Transportation Master Plan Update, and the VMC Functional Servicing Strategy Report. The findings from these studies will contribute to the VMCSP Update.

Previous Reports/Authority

[VMC Development Activity Update – March 5, 2019](#)

[VMC Development Activity Update – November 10, 2020](#)

[VMC Development Activity Update – November 2, 2021](#)

[VMC Development Activity Update – September 20, 2022](#)

[VMC Development Activity Update – April 11, 2023](#)

[VMC Development Activity Update – October 4, 2023](#)

[VMC Secondary Plan Update – Phase 1 - March 2, 2021](#)

[VMC Secondary Plan Update – Phase 2 - Approach – June 8, 2021](#)

[VMC Secondary Plan Update – Phase 2 Land Use Options – June 21, 2022](#)

[VMC Secondary Plan Update – Phase 4 Recommendations – October 4, 2023](#)

Analysis and Options

Development activity decreased in 2023 which resulted in a slowdown on new development applications. However, renewed interest in development in the VMC has resulted in an increase in new applications in 2024 which, along with other applications currently being reviewed, has reestablished a trend that continues to far exceed the original targets outlined in the VMCSPP.

Current projections indicate that more than 55 high-rise buildings have been completed or approved in the VMC, reflecting a density that is 150% greater than that established in the Secondary Plan.

The details of residential development are as follows:

- 6,528 completed and occupied units, representing approximately 12,925 residents.
- 6,016 units under construction, accommodating about 11,912 future residents.
- 12,923 units approved by Council, expected to house around 25,588 future residents.
- 28,237 proposed units, with the potential for about 55,909 future residents currently being reviewed.

The total of occupied, under construction, or approved developments amounts to over 50,425 residents across 25,467 units, far exceeding the 2031 planning horizon target.

Additionally, other applications are in progress in areas surrounding the VMC, particularly in two areas under consideration for expansion as part of the ongoing VMC Secondary Plan Update. However, these developments are not included in the statistics presented in this report due to their location outside the established VMC boundaries.

As growth is significantly outpacing the initial targets for Vaughan's downtown, efforts remain focused on maintaining a healthy balance between population growth and the necessary physical and social infrastructure, including public services, green spaces, and amenities to serve the future VMC population.

Land Uses, Services and Community Balance

The development landscape in the VMC continues to be heavily dominated by residential uses, posing a risk to the original goal of creating a complete, balanced, and diverse community. The intensity of development is surpassing the VMCSPP's maximum density targets by an average factor of 1.6.

While the rapid pace of development in the VMC is notable, the dominance of residential projects could jeopardize the vision of a vibrant and diverse downtown. This rapid growth necessitates a corresponding increase in non-residential uses, social services, facilities, and infrastructure to adequately support both current and future residents.

In response to these challenges, City staff are working on various VMC plans and studies to reassess the development context and align future efforts with the current growth trends, and best practice city-building principles.

Challenges in Building Diversity

The current built form in the VMC predominantly consists of high-rise residential towers on podiums, while other essential building types, such as low-rise and mid-rise structures, are lagging behind. Efforts are ongoing to encourage a broader range of building typologies to address the “missing middle” in the housing supply. This will become more difficult with the removal of height and density caps.

Currently, 99% of the housing supply in the VMC comprises apartment units, with townhouses making up the remainder. There is a concerning trend toward smaller units, with the majority being 1-bedroom (61%), followed by 2-bedrooms (35%), and only 4% being 3-bedrooms.

While the VMC has successfully introduced its first purpose-built rental building, there is a continuing emphasis on providing equitable and attainable housing, with additional rental developments currently under review.

Importance of Balanced Development

Vaughan’s downtown growth has benefited from its strategic location and infrastructure investments, but this growth also brings challenges. As previously mentioned in this report, residential growth is fast outpacing non-residential development, creating an imbalance between population and job creation. Additionally, the unprecedented pace and scale of growth also threatens the provision of necessary physical and social infrastructure, including parks, schools, and community services, to adequately serve the growing population.

To uphold Council’s vision for a lively and prosperous downtown, community services, facilities, and infrastructure must be developed in conjunction with ongoing residential growth.

Development of School Sites

In spring of 2024, the Ontario government announced that it would allocate \$47.2 million for the construction of a new joint elementary school in the VMC. The joint facility will accommodate an elementary school operated by the York Catholic District School Board (YCDSB) and another by the York Region District School Board (YRDSB), along with a childcare center. The new school will provide 1,134 student spaces and 49 licensed childcare spaces, supporting education and fostering community engagement by attracting families, and contributing to growing a diverse population and a vibrant local culture in the VMC.

The demand for future school sites to accommodate the increasing residential population may necessitate the development of additional schools in the near future. As such, the City continues to collaborate with the School Boards and landowners to identify other suitable school sites and urban school typologies in the VMC. To address this, the City is set to start a Schools in Podiums Feasibility Study in 2025 to explore the potential of developing schools in mixed-use building podiums. The study will look into mitigating economic and logistical challenges in delivering schools in intensification areas by exploring innovative strategies involving potential public/private initiatives.

Office Development Trends

Since early 2020, there has been a marked decline in proposed office uses in mixed-use developments in the GTA, largely influenced by the shift to remote work due to COVID-19. Currently, 157,181 m² (1,691,892 ft²) of new office space has been built or approved in the VMC, representing 113% of the 2031 office space target. Five (5) development applications currently under review are proposing 79,750 m² (~858,426 ft²) of office space). If approved, this would exceed the original 2031 total targets by 170% but, as residential growth far outpaces non-residential development, this will not be enough to align with the balance of land-use and population per jobs targets that were originally established by the Growth Plan and the VMCSPP.

Currently, the resident-to-jobs ratio stands at 6:1, based on completed, under-construction and approved developments, this is significantly higher than the original 2.6:1 ratio envisioned in the VMCSPP. This ratio could rise based on current trends in on-going applications currently being reviewed. If this trend persists, it may jeopardize Council's goal of a vibrant central business district. Achieving a significant office presence is vital for realizing the vision of a world-class downtown.

To address this imbalance, an Office Feasibility Assessment was conducted by Parcel Economics on April 14, 2023, to evaluate market demand for office space in the VMC. The assessment identified various policy mechanisms to enhance the feasibility of office development in the current post-pandemic environment. This study is currently being updated through the VMCS Update.

Retail Development Update

Retail is crucial for a vibrant and sustainable downtown. While retail development often follows the establishment of a strong residential base, early planning for retail spaces is essential to create a complete community.

As of the middle of Q4 2024, approximately 13,690 m² (~147,358 ft²) of retail space has been completed and occupied, with nearly 13,917 m² (~149,801 ft²) currently under construction. Additionally, about 20,616 m² (~221,912 ft²) has received Council approval. 34,379 m² (~370,050 ft²) of retail space is proposed, pending approval. If all applications are successful and implemented, 82,602 m² (~889,121 ft²) of retail space representing 119% of the 2031 retail target could be reached.

The VMCS Update will assess whether the emerging balance of uses aligns with the vision of a well-rounded community.

Arts and Culture

With the downtown poised to become a civic hub, the aspiration is to create a complete and balanced community that is supportive of the City's diversity in arts and culture. The continued advancement of culture and the arts in the VMC will benefit from the development of spaces for arts and cultural education, creation, and performances. In June 2024, the City and QuadReal Property Group (QuadReal) signed a Memorandum of Understanding to outline the planning for a state-of-the-art performing and cultural arts centre in the VMC. The new performing and cultural arts centre is poised to become an essential component of Vaughan's emerging downtown as it will contribute to enhance cultural vibrancy and foster creativity, supporting the growth of local talent and stimulating the City's creative economy.

The City is preparing a request for proposals to develop a business plan that determines next steps for the implementation of a performing and cultural arts centre in the VMC.

Financial Impact

There are no economic impacts resulting from this report.

Operational Impact

Staff have coordinated with various City departments, including Economic Development, to contribute to this report.

Development applications for the VMC are reviewed through a Pre-Application Consultation process, where applicants present initial concepts to City staff. The City identifies requirements for a complete application, ensuring efficient processing. Staff review applications across departments and consult with external agencies to ensure compliance with the VMCSPP and relevant City and Regional policies.

Broader Regional Impacts/Considerations

Building a downtown is a complex and ambitious objective. York Region's Official Plan emphasizes the importance of centers and corridors in achieving provincial growth targets for population and employment. On June 6, 2024, Bill 185 (*Cutting Red Tape to Build More Homes Act, 2024*) ("Bill 185") received Royal Assent which includes amendments to the *Planning Act*. In accordance with the amendments to the *Planning Act* implemented through Bill 185, York region became a Region without planning responsibilities effective July 1, 2024. Pursuant to subsection 70.13(2) of the *Planning Act*, YROP 2022 is deemed to constitute an official plan of the City in respect of any area in the City to which it applies and will remain in effect until the City revokes or amends it.

Notwithstanding the above, Regional staff are actively engaged in City initiatives, including the VMCSPP Update and the development application process, providing feedback to ensure successful implementation and coordination of projects within the downtown. Collaboration with regional stakeholders is critical for the VMC's success.

Additionally, the York Region and York Catholic District School Boards are important stakeholders in implementing the VMCSPP and continue to be active participants as part of the ongoing VMCSPP update.

Conclusion

Development activity in the VMC has shown signs of growth in 2024. An increase in interest and in the processing of new development applications, along with existing applications, demonstrate that growth trends continue to exceed the 2031 planning horizon targets that were originally set out in the VMC Secondary Plan.

Given direction by the VMC Sub-Committee to set parameters for minimum heights and densities without prescribed maximums, and as the density of new projects continues to rise, significant attention must be directed toward delivering community services and infrastructure that keeps pace with growth.

City staff are dedicated to fostering the development of the VMC as a complete and balanced community characterized by high-density mixed uses that are transit-friendly and pedestrian-oriented. The primary goal is to create an engaging downtown core with a strong sense of place and high-quality public spaces, while also prioritizing environmentally sustainable design.

The VMCS Update continues to integrate new provincial and regional policies to ensure the framework remains relevant given current and future development in the VMC. This update will continue to position the VMC as the City's priority for intensification and development, guiding its evolution into a complete and equitable community that's aligned with the City's strategic priorities from the 2022-2026 Term of Council Service Excellence Strategic Plan.

For more information, please contact Christina Bruce, Director of Policy Planning and Special Programs, Ext. 8231.

Attachments

N/A

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