

## Committee of the Whole (2) Report

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**DATE:** Tuesday, June 17, 2025

**WARD(S):** ALL

**TITLE: DERELICT BUILDINGS AND STRUCTURES IN THE CITY OF VAUGHAN - DEMOLITION PERMIT APPROVALS AND DEVELOPMENT CHARGE CREDITS**

**FROM:**

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

Vince Musacchio, Interim Deputy City Manager, Planning, Growth Management and Housing Delivery

**ACTION:** DECISION

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**Purpose**

To provide a response to New Business – “Derelict Buildings/Structures in the City of Vaughan” motion dated May 6, 2025, addressing demolition permit approvals for derelict buildings and structures and the associated development charge demolition credit expiry period.

**Report Highlights**

- The City proposes extending the development charge demolition credit expiry from 48 months to 120 months to encourage earlier demolition of derelict buildings and reduce safety and aesthetic concerns in the community.
- All demolition permits issued after the enactment of the City’s 2022 Development Charges by-law are automatically deemed “derelict,” aligning with York Region’s extended development charge credit provisions and simplifying administrative processes.
- Demolition of buildings within Heritage Conservation Districts requires additional approvals, and safety measures must be maintained for abandoned structures, which can be costly and problematic for property owners.
- The financial impact of extending the development charge credit expiry is expected to be negligible, as most developments occur within the current 48-month window, and the change is anticipated to promote timely redevelopment.

## **Recommendations**

1. That Council authorize the extension of the development charge demolition credit expiry period from 48 months to 120 months for all demolition permits;
2. That staff incorporate the revised development charge demolition credit expiry into the next development charges by-law;
3. That the City enter into development charge demolition credit agreements, for those developments that are demolishing buildings or structures before the next development charges by-law is approved. The agreements shall be to the satisfaction of the City Solicitor and shall be executed by the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer; and
4. That the Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer and City Solicitor be authorized to extend the development charge demolition credit expiry once by an additional 12 months, (beyond the 120 months) at their reasonable discretion upon the owner demonstrating reasonable progress on plans for future development on the lands.

## **Background**

Council has expressed concerns about derelict buildings not being demolished in a timely manner. In some cases, maintaining safety protocols for abandoned and unoccupied buildings, such as boarding of openings or fencing off the site, is unsightly and undesirable for residents. It is also a financial burden for owners of these buildings in having to maintain and repair for these safety protocols. If a portion of the site fencing or boarding is vandalized, unlawful entry may occur exposing trespassers to a possible unsafe condition before the owner is able to make the necessary repairs. Developers and builders have been hesitant to demolish an abandoned or unoccupied building in advance of constructing new buildings in order to preserve the development charge demolition credit, as the credit has an expiry period from the date of demolition permit issuance. In order to facilitate the earlier removal and demolition of buildings and structures, Council has requested that that staff investigate options to address the timeliness of demolition permit approvals and extending of the related development charge demolition credit beyond the current 48-month period.

### ***Building Code Act, 1992, O.Reg. 163/24 Building Code***

The *Building Code Act* requires that a demolition permit be obtained for the demolition of a building. It should be noted that the Building Code does not provide a definition, guidance or process to declare a building or structure as derelict.

Applications for demolition permits are accepted through the City of Vaughan's Online Permitting Portal / ePlans Portal. Review and clearance from the City of Vaughan's Cultural Heritage division is required before applying for a demolition permit. Details on submission requirements are readily available on the Building Standards Department's "Demolition" webpage.

In general, a drawing of the site showing the building(s) to be demolished is required for each demolition permit. Depending on the size or complexity of the building to be

demolished, the Building Standards Department may require that a professional engineer submit detailed documentation on the method and sequence for the safe demolition of the building. A professional engineer may also be required to supervise the demolition work and provide the Building Standards Department with a report.

From Feb. 10, 2025, to May 21, 2025, the average number of business days to issue a demolition permit after online acceptance and receipt of all required documents as well as confirmation of compliance with applicable laws (i.e., Heritage, TRCA) is three business days.

The Building Standards Department will assess abandoned buildings and may issue orders directing building owners to implement safety measures so that these buildings do not pose a safety risk.

### ***Ontario Heritage Act, R.S.O. 1990***

The *Ontario Heritage Act* section 42 states that no owner of property situated in a heritage conservation district shall demolish or remove a building or structure on the property unless the owner obtains a permit from the municipality to do so.

If the council of a municipality has established a municipal heritage committee, the council shall, before taking any action with respect to an application to do anything in respect of the property in a heritage conservation district, consult with its municipal heritage committee.

Despite any other general or special Act, if a heritage conservation district plan is in effect in a municipality, the council of the municipality shall not pass a by-law for any purpose that is contrary to the objectives set out in the plan.

### **Heritage Conservation District Plans**

#### Objective

Conserve properties which contribute to the heritage character of the Heritage Conservation District; Manage designs for new development to ensure appropriate contribution to the heritage character.

#### Policy

Buildings and other structures located within the boundaries of a property listed as contributing to the character of the Heritage Conservation District shall not be demolished and will remain in their current location within the existing context. Historic building fabric will be repaired rather than replaced where possible. If unavoidable, requests can be made for the demolition of the building. All requests for demolition will be assessed by the City's Cultural Staff and will be evaluated according to their current condition, and historical and architectural merit. The City may refuse a demolition permit under the Ontario Heritage Act for individually designated buildings or buildings located within the Heritage Conservation District.

### **Vaughan Official Plan 2010**

Protecting Vaughan's Cultural Heritage is important, and the Vaughan Official Plan 2010 offers policies which enable preservation. Vaughan has retained a variety of cultural heritage resources that provide links to the City's past. These cultural heritage resources come in many forms, ranging from the recognizable, such as historic homes and heritage districts, to the less recognizable, including large Cultural heritage landscapes, remnants of First Nations villages and burial grounds. Many of these resources played a significant role in Vaughan's past and tell an important story for Vaughan's present and future. The City will support the protection of many cultural heritage resources and will support the use and educational potential of these resources.

The Vaughan Official Plan policies state that a demolition permit for a building or part of a building within a Heritage Conservation District shall not be issued until plans for a replacement structure have been submitted to the City and Council has approved the replacement structure and any related proposed landscaping features in accordance with the relevant Heritage Conservation District Plan, the Vaughan Heritage Conservation Guidelines and the policies of this Plan.

The draft Vaughan Official Plan 2025 contains similar policies and provisions as described above.

### ***Development Charges Act, 1997***

Development charges are governed by the *Development Charges Act, 1997* and the Council approved development charges by-laws. The Act is silent on the requirement to provide a development charges demolition credit, however this is a common practice across most municipalities that is provided through the development charges by-laws. It is also common practice to limit the length of time that the development charges demolition credit is valid for, with municipalities in York Region and other neighbouring municipalities providing an expiry period of 48 to 60 months. In Vaughan's and York Region's Development charges by-laws, the development charges demolition credit is valid for 48-months, while the School Boards have set a 60-month expiry.

In York Region's development charges by-law 2022-31, there is an additional provision that allows development charges demolition credits for derelict buildings to be extended on a sliding scale up to a period of ten years from the date of demolition permit issuance. Schedule "H" of the Region's current development charges by-law provides the sliding scale, as shown below:

## York Region Development Charge By-law 2022-31 Schedule “H”

### SCHEDULE H CALCULATION OF DEVELOPMENT CHARGE CREDITS PROVIDED TO DERELICT BUILDINGS

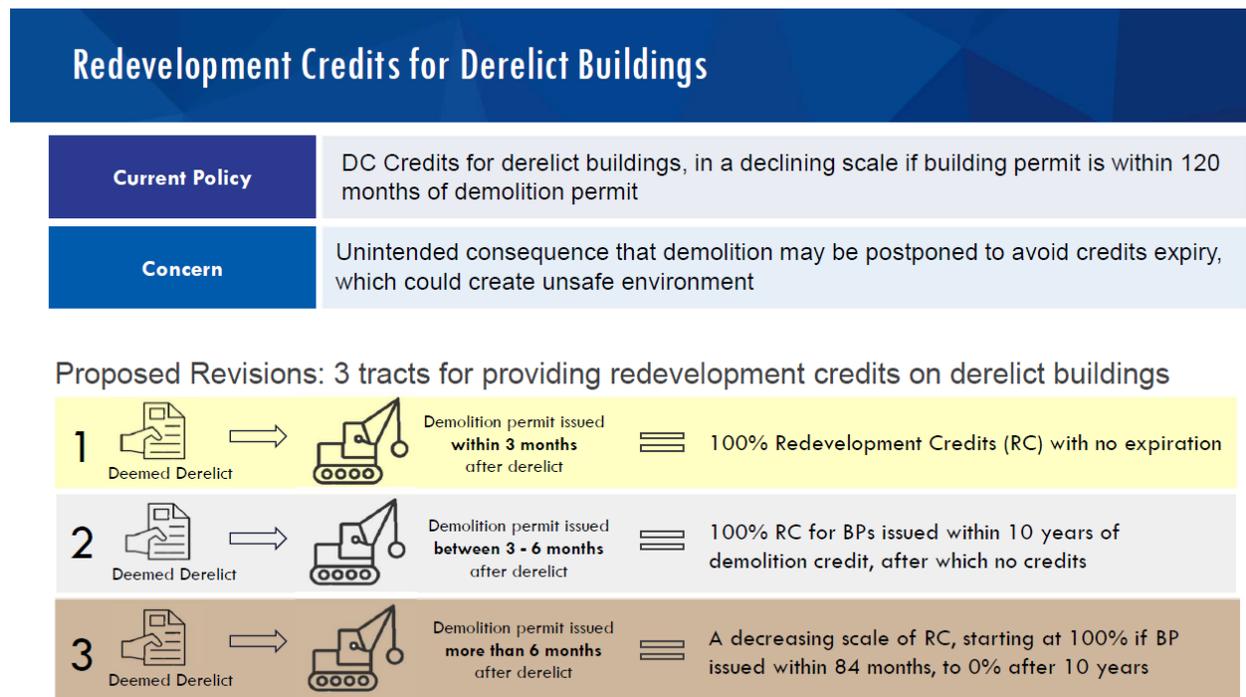
Number of Months From Date of Demolition Permit to Date of Building Permit Issuance	Credit Provided (%) <sup>1</sup>
Up to and including 48 months	100
Greater than 48 months up to and including 72 months	75
Greater than 72 months up to and including 96 months	50
Greater than 96 months up to and including 120 months	25
Greater than 120 months	0

<sup>1</sup> Credits are calculated as a percentage of the prevailing development charge rates for the class of non-residential development or type of dwelling demolished.

Section 3.15.2 within York Region’s Development charges by-law 2022-31 requires that the local municipality declare a building or structure as derelict before providing the extended development charges demolition credit. In order to address this, a provision within the City’s 2022 development charges by-law 109-22 was included to automatically declare all buildings and structures for which demolition permits were issued, after the enactment of the 2022 development charges by-law, to be deemed derelict. This provision did not extend the City’s development charges demolition credit expiry but it allowed all new demolition permits in the City to benefit from the Region’s extended demolition credit on a sliding scale as per their development charges by-law. This was done as there is no current process to declare a building or structure as derelict.

## York Region Proposing Changes to their Derelict Demolition Credit Expiry

York Region staff through consultation with BILD have proposed making changes to the expiry of the development charges demolition credit for derelict buildings. This would incentivize builders and developers to demolish a derelict vacant structure and provide an extended timeline to use the development charges demolition credit. On April 3, 2025, York Region staff proposed to revise the development charges demolition credit associated with derelict buildings and provide extended expiry timelines to address concerns from the development industry. The figure below was presented to York Region Council for consideration at the Region Committee of the Whole on June 12, 2025.



## Previous Reports/Authority

Not Applicable

## Analysis and Options

Previously, there was no process within the City to deem a building derelict, especially given the need to classify a derelict building for the purposes of the Region's extended development charges demolition credit timelines. Due to this, the City's 2022 development charges by-law was updated to include language that states that all buildings and structures for which demolition permits were issued after the enactment of the development charges by-law would be deemed derelict for the purposes of an extended demolition development charges credit. To address the Region's proposed modifications to their demolition credits, and Council's request to extend the credit deadlines, staff are proposing that the City's demolition development charges credit be

extended from 48 months to 120 months from the issuance of a demolition permit, as an incentive for the development industry to demolish structures earlier than they normally would without jeopardizing the development charges credit. This would also assist with the removal of structures that pose potential safety concerns to the community. New construction permits that are issued after the 120-month period, would lose the development charges demolition credit and be subject to full development charges.

To implement the demolition credit expiry extension, the City's development charges by-law will need to be updated. To update the City's development charges by-law, there is a legislated process through the *Development Charges Act* that must be followed. As staff are currently in the process of reviewing and updating the development charges background study and the associated development charges by-law, in order to expedite this change, the City will need to enter into agreements with affected landowners to provide the extended demolition development charges credit expiry.

### **Financial Impact**

The impact of extending the demolition development charges credit expiry, is the lost development charges collections that would normally have been collected after the current 48-month expiry. The impact of this is negligible as many new developments proceed within the 48-month timeline, which results in these old structures remaining in place longer and potentially falling into disrepair. Maintaining an expiry date of 120 months from the demolition permit issuance, provides the development community with ample time to realize the benefit of the credit, while also ensuring that the development charges credits do not linger indefinitely and encourage development to proceed in a timely manner.

### **Operational Impact**

The operational impact of issuing a demolition permit continues to remain with the Building Standards department, and any impact resulting from heritage issues remains with the Development and Parks Planning department.

Within Heritage Conservation Districts, in such cases where a building is deemed to be a safety issue to the satisfaction of the City, and for which plans for a replacement structure have not yet been submitted, staff will provide a report to Council in which they may recommend that a demolition permit be issued and that the City enter into an agreement with the landowner to the satisfaction of the City Manager and the City Solicitor.

Extending the expiry of the demolition development charges credit does have an administrative impact on the Financial Planning and Development Finance department, to ensure that the demolition development charges credits are being applied correctly when reviewing development charges calculations.

## **Broader Regional Impacts/Considerations**

The Region developed a multi tract approach to their derelict demolition development charges credit. While City staff look to align as much as possible, we also strive to simplify the administration of the development charges demolition credit. As the City's Development Charges by-law automatically deems a building to be derelict upon demolition permit issuance, the demolition development charges credits would fall within the first tract of the Region's proposed model, staff felt it was prudent to maintain an expiry date for the City's demolition development charges credit.

## **Conclusion**

Extending the development charges demolition credit expiry period from 48 months to 120 months represents a strategic and balanced approach to addressing the growing concerns around derelict buildings in the City. This policy change incentivizes earlier demolition of potentially unsafe and unsightly structures, supports community safety and aesthetics, and aligns with regional practices while maintaining administrative simplicity. By automatically deeming all buildings subject to demolition permits as "derelict," the City ensures eligibility for extended credits without requiring a separate classification process. The proposed changes are expected to have minimal financial impact while promoting timely redevelopment. Staff recommend proceeding with the proposed amendments and incorporating them into the next development charges by-law to support a more proactive and responsive development framework. In the short term, separate agreements with affect landowners will need to be executed to provide the extended demolition development charges credit expiry.

**For more information**, please contact Nelson Pereira, Manager, Development Finance, ext. 8393.

## **Attachments**

Not applicable

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