

Committee of the Whole (2) Report

DATE: Tuesday, September 22, 2020

WARD(S): 5

TITLE: PROPERTY MATTER

**REQUEST FOR PARKLAND DEDICATION RELIEF FOR THE
AFFORDABLE HOUSING DEVELOPMENT AT 919 CLARK
AVENUE WEST**

FROM:

Nick Spensieri, Deputy City Manager, Infrastructure Development
Michael Coroneos, Deputy City Manager, Corporate Services and Chief Financial Officer

ACTION: DECISION

Purpose

To seek Council's direction with respect to Reena's request to be relieved of making the cash-in-lieu of parkland ("**CIL**") payment required, in connection with its 79-unit affordable rental apartment development at 919 Clark Ave West, being known as the "Lou Fruitman Reena Residence".

Report Highlights

- Reena is constructing a 79-unit affordable rental apartment development at 919 Clark Ave West on approximately 1.93 acres known as the “Lou Fruitman Reena Residence”. On May 15, 2020, Reena requested relief of its \$671,500.00 CIL of parkland dedication payment requirement.
- In response City staff have considered three options:
Option 1: Defer/Waiver the full CIL payment of \$671,500.00.
Option 2: Defer/Waiver of a percentage of the CIL of parkland payment, ranging from 5% to 95%.
Option 3: Defer the CIL payment of \$671,500.00 while Reena’s facility operates as an Affordable Rental Apartment Development (Staff Recommended Option).
- Staff recommend Option 3. This approach is consistent with deferrals granted for similar past Housing York Inc. projects. A deferral would decrease the balance in the City’s CIL Recreation Land Reserve, but it would not negatively affect the City’s ability to secure parkland.

Recommendations

1. That Council direct staff to defer the cash-in-lieu of parkland dedication payment of \$671,500.00, for Reena’s development of a 79-unit affordable rental apartment at 919 Clark Ave West, until such time that it no longer operates as an affordable housing development;
2. That the Mayor and the City Clerk be authorized to execute all documents and agreements necessary to authorize cash-in-lieu of parkland dedication deferral payment in accordance with the above paragraph, in a form satisfactory to the Deputy City Manager, Administrative Services and City Solicitor; and
3. That Council direct staff to report back at a future Council meeting on the finding of the Parkland Dedication Guideline project as it relates to the City’s Cash-in-Lieu By-Law and related policies, including the impact of expanding deferrals and exemptions for affordable housing projects.

Background

Affordable Rental Housing Development of 919 Clark Ave West

Reena is proposing to construct a six-storey residential apartment building comprising of 79 self-contained affordable rental apartment units to accommodate approximately 124 individuals with developmental disabilities, pursuant to Site Development Application file number DA.19.003, to accommodate the long-term needs of the community.

The property is located on the south side of Clark Avenue West, west of Bathurst Street adjacent to the existing Toby & Henry Battle Developmental Centre, as shown on Attachment #1. Reena is a non-profit organization which promotes dignity, individuality, independence, personal growth and community inclusion for people with developmental disabilities.

As part of the development process, the City requires a CIL payment for the development in accordance with By-law No.205-2012. The CIL payment was calculated based on a fixed rate of \$8,500 per unit x 79 units totaling \$671,500.00. At the time the calculation was made, Reena firstly requested the City waive the CIL payment requirement as a means for the City to contribute towards this social housing initiative, and secondly requested that the City defer the CIL payment due to the impacts of the COVID-19 pandemic. City staff advised that there were no provisions in By-law No. 205-2012 that exempted Reena from CIL payments, but it was confirmed that there was the ability to temporarily defer the CIL payment pursuant to section 5.0(1)(b) of the City of Vaughan By-law 037-2020, the COVID-19 Emergency Measures By-law. To facilitate the timely construction of the building, the City, through an Order granted by the Acting City Manager postponed the collection of CIL until September 30, 2020.

In addition, in 2019 the City entered into a Development Charges Deferral Agreement subject to certain terms and conditions.

Treatment by Other Municipalities of Parkland Dedication Exemptions and 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 – City of Markham, Town of Newmarket, Town of Richmond Hill and 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:

- Public service facilities;
- Affordable housing, in accordance with how it is defined in the Provincial Policy Statement, 2005;
- Nursing homes, as defined by the Long-Term Care Homes Act, 2007; and
- 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.

Reena proposed development has qualified for York Region's Development Charge deferral policy for Purpose-Built High-Density Rental Buildings. In addition, Reena has qualified for Canada Mortgage and Housing Corporation (CMHC) funding.

The City's existing Cash-in-Lieu By-law 139-90 was enacted in 1990. As per previous Council authorization, staff are commencing a comprehensive review of By-law 139-90 and policies and will consider the exemptions applied by other municipalities. Staff will bring forward recommendations to a future Committee for its consideration. In the interim, the request from Reena is considered a unique situation and merits review in the context of providing much needed affordable rental apartment units within Vaughan.

On May 15, 2020, the City received a formal request from Reena asking that the CIL amount payable be deferred for a period of 20 years which is in alignment with Reena's contribution agreement with CMHC. After which, Reena is asking that the CIL requirement be waived. City staff have spoken with representatives of Reena and advised that City staff do not have the discretionary authority to deviate from the CIL By-law. Reena requested that the matter be brought forward to Council for its consideration as the development project supports affordable housing, specifically to assist those with developmental disabilities, seniors and others requiring support.

Reena has advised that their health partners Holland Bloorview and Mackenzie Health, have both asked Reena to advance this project as a priority site for possible interim health housing, for the second wave of COVID-19.

Instead of parkland CIL, Reena will dedicate the gardens and the lands in front of 927 Clarke Avenue West to create a community memorial garden, recognizing the hidden children both during the holocaust and those with disabilities in the community.

The City is undertaking work on a new Parkland Dedication Guideline Document

The City's Parks Planning Department in consultation with the Office of the City Solicitor, Financial Planning & Development Finance, Financial Planning & Analysis, Real Estate Services, and Policy Planning is currently working with an external consultant, (The Planning Partnership) on the City's first Parkland Dedication Guideline Document. This project will undertake a review of the City's current By-laws for Parkland Dedication, Land Conveyance and Payment-in-lieu. This guideline document will build upon the existing payment-in-lieu policies and by-laws including the use of community benefits associated with payment-in-lieu funding, land dedication protocols and standards and best practices, conveyance requirements, valuation, credits, deferrals, exemptions and other matters of interpretation identified under Bill 108. The guideline document will inform the upcoming Community Benefit Strategy and By-law and will have policy implications with respect to the City's up-coming Official Plan review.

Public and stakeholder consultation is planned for the Fall of 2020. The project consulting team will conduct stakeholder consultations with the development community, and the Mayor and Members of Council during this time to receive input and feedback in the parkland dedication process. Upon completion of this project in early 2021, the Parkland Dedication Guideline Document will assist in informing future decisions by Council as it relates to, but not necessarily limited to the treatment of rental affordable housing projects and potential exemptions, deferrals etc., similar to the subject site.

CIL contributions support acquisition of parkland in the City

The 2018 review and update of the Active Together Master Plan (ATMP), and the City's strategic plan for parks, recreation and libraries indicate that the City's active parkland provision rate is currently 1.86 ha/1000 population, based on existing parkland supply relative to existing population. The ATMP recommends a provision target of 2.0 ha/1000 population in order to meet identified parkland needs at a City-wide level.

Based on the findings of the 2018 ATMP, the Thornhill Community has an overall parkland provision rate of 2.47 ha/1000 persons. This is currently above the target rate of 2.0 ha/1000 persons recommended in the 2018 ATMP. However, at a more localized level, and in consideration of planned urban intensification within certain areas of Thornhill, including the Promenade Secondary Plan area, a minor deficiency in parkland exists, requiring the City to consider the use of CIL contributions for existing park redevelopment where possible.

Notwithstanding the above, the Parks Planning Department can support a corporate decision to defer 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, community benefits and to be consistent with the application of CIL requirements on similar past Housing York Inc. projects.

Previous Reports/Authority

Not Applicable.

Analysis and Options

On May 15, 2020, Reena made a request to waive/defer its CIL of parkland requirement for its Lou Fruitman Reena Residence project in accordance with City By-law # 205-2012, which applies a fixed unit rate of \$8,500 per unit x 79 units totaling \$671,500.00 for high-density land.

In response to Reena's request for waiver/deferral of the CIL of parkland requirement, there are three options for Council's consideration:

Option 1: Defer/Waiver of the full CIL payment of \$671,500.00

This option would provide maximum relief to Reena. Reena has asked that the CIL amount payable be deferred for a period of 20 years which is in alignment with Reena's contribution agreement with CMHC. After which Reena is asking that the CIL requirement be waived. This option would result in the most significant impact to the City's Cash-in-Lieu Recreation Land Reserve by decreasing its balance by \$671,500.00.

Option 2: Council to decide on a percentage waiver of the CIL of parkland payment ranging from 5% to 95%

The percentage waived would provide some relief to Reena and would also generate some funds to the City's Cash-in-Lieu Recreation Land Reserve.

Option 3: Defer the CIL payment of \$671,500.00 while Reena operates its facility as an Affordable Rental Apartment Development (Staff Recommended Option)

This option would provide maximum relief to Reena for as long as the facility operates as an affordable rental apartment development. The deferral of the CIL amount owing shall expire upon the date that the City in its sole and absolute discretion delivers notice to the owner confirming that such deferral has expired as a result of all or any portion of the lands no longer operating as an affordable housing facility, failing to meet the criteria for which the deferral was intended.

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 \$71.5 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 Reena 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

Not Applicable.

Conclusion

Reena is constructing a 79-unit affordable rental apartment development specifically to assist those with developmental disabilities, seniors and others requiring support at 919 Clark Ave West. The development will be known as the Lou Fruitman Reena Residence. Reena has requested a 20-year deferral subsequently followed by the waiver of the CIL payment requirement.

Staff recommend Option 3 to defer the amount of CIL Parkland contributions associated with this application, while Reena operates the facility as an affordable rental apartment development. The project meets the City objectives with respect to affordable rental housing needs and would be consistent with the application of CIL requirements on other affordable housing initiatives such as Housing York Inc. projects.

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

Attachment

1. Location Map

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