

**Overview of Proposed Major Improvements to the**  
**GUIDELINES FOR THE IMPLEMENTATION OF**  
**SECTION 37 OF THE PLANNING ACT**

**A. Exempting single / semi-detached dwellings and non-residential uses in a non-residential area from Section 37 Contributions would provide more clarity**

Section 2 of the Guideline establishes how Section 37 contributions will be determined through the application process.

Section 2 identifies development that may be exempted by Council:

- Social Housing
- Affordable Rental Housing
- Development Proposals that provide other forms of Community Benefits

The proposed amendment removes the “Development Proposals that provide other forms of Community Benefits” exemption because all community benefits should be processed through Section 37 agreements.

For clarity two additional exemptions are proposed within Section 2:

- Individual detached and semi-detached dwellings
- Non-residential uses proposed in a non-residential area, specifically Employment Areas as identified on Schedule 1 of Vaughan Official Plan 2010 (e.g. an industrial building in an industrial area)

While the Guideline does not specifically exempt single and semi-detached dwellings from providing a Section 37 contribution, it was not anticipated that Section 37 contributions would apply. Single and semi-detached dwellings units are located on single lots fronting onto a public road and the Official Plan does not have a density ratio for this form of development; therefore, the Guideline’s methodology to calculate a Section 37 contribution would not apply and it is appropriate to include an exemption for single and semi-detached dwellings.

The City encourages the development of non-residential uses and the creation of jobs, specifically those that do not impact the residential community. No examples have arisen where Section 37 contributions were applied to non-residential uses within non-residential areas; therefore, it is appropriate to exempt non-residential uses from a Section 37 contribution within an Employment Area, as identified in Schedule 1 of Vaughan Official Plan 2010 Schedule 1, to support new job growth.

## **B. Removing minimum size building criteria to determine when a Section 37 contribution is recommended**

To determine when a Section 37 contribution would apply, Section 4 of the existing Guideline includes size thresholds, as follows:

1. where the proposed density exceeds 1,000 m<sup>2</sup> in Gross Floor Area ('GFA') over what would otherwise be permitted, and
2. where building projects are larger than 4,000 m<sup>2</sup> in GFA.

Staff propose to remove the 4,000 m<sup>2</sup> GFA minimum to simplify and create fairness in the process. The inequity in the process is outlined by the following example:

- A 3,000 m<sup>2</sup> building proposing a 1,000 m<sup>2</sup> addition represents a 33% increase and **would not** require a Section 37 contribution
- A 4,000 m<sup>2</sup> building proposing a 1,000 m<sup>2</sup> addition represents a 25% increase and **would** require a Section 37 contribution

## **C. Adding a Policy to enable portions of a Section 37 Contribution from multiple sites to be allocated to a site-specific or general project within a Local Area is recommended**

Currently secured Section 37 contributions are typically applied to the development site where the contributions arose. Flexibility is desired in the process to allocate a portion of the Section 37 outside of the site to benefit the local area.

Staff propose adding a new Section 3.3 policy to allocate a portion of Section 37 contributions to a site-specific project or general project within a local area that will benefit many properties (e.g. Improvements to Public Realm in the Vaughan Mills Centre Secondary Plan Area). The details of this contribution requirement will be included within new Appendix 2 to the Guideline and referenced in Section 3.2. Council approval is required for these site-specific priority projects and general projects.

## **D. The Consultation process amended to include the Ward Councillor throughout the process**

Policy 6.3 of the existing Guideline outlines that the Mayor, Regional Councillors and Ward Councillor are to be consulted by the Development Planning Department between the time of the public hearing and the preparation of the comprehensive technical report to Committee of the Whole. Based on a review of past Section 37 negotiations, staff found consulting with all members of Council within the prescribed timeframe was not feasible and, for most situations, only the Ward Councillor was involved.

The recommended change in the consultation process, proposed by staff is only the Ward Councillor would be consulted during the Section 37 negotiation process. The remainder of Council would have the opportunity for input at the public meeting or the approval stage where the Section 37 contribution will be outlined with the applicable report.

**E. Amending the Section 37 contribution range to 20% - 30% of the increase in land value to reflect current negotiations**

The first step in determining the value of a Section 37 contribution is the calculation of the increase in land value resulting from the added height or density over the permitted height or density. The current negotiated Section 37 contribution is a monetary value between 20% to 35% of the increase in land value.

To date the average value of the Section 37 contributions negotiated by the City is approximately 27% of the increased land value. A narrower range of 20% to 30% is being considered to create certainty in the process for both the development community and the City.

**F. The methodology for calculating a Section 37 contribution on height-only increases is being revised**

The current methodology for calculating a Section 37 contribution on a height-only increase is based on an estimated increased value per unit, multiplied by the number of units per floor and a multiplying factor for each additional floor added.

The revised methodology is similar to the GFA methodology used for density increases. The increase in land value is determined based on the proposed additional GFA above the permitted height.

**G. Adding a new methodology for calculating Section 37 contributions for an increase beyond the permitted maximum number of units is being considered**

A new section is being proposed to consider alternative scenarios where the Official Plan or Zoning establishes a site-specific maximum number of units. There are Official Plan designations that base the maximum density on the number of units versus a Floor Space Index (FSI). This scenario is not addressed in the current Guideline.

Using the developer's proposal, the proposed contribution value is based on the additional GFA. The following two steps outlines the GFA calculation:

1. determine the average unit size within the proposed building
2. multiply the number of additional units by the average unit size