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ASSIGNMENT OF SERVICING ALLOCATION TO LOCAL MUNICIPALITIES SERVICED BY THE YDSS 2012

The Planning and Economic Development Committee recommends that Council adopt the recommendations contained in the following report dated November 24, 2008, from the Commissioner of Planning and Development Services and the Commissioner of Environmental Services:

1. RECOMMENDATIONS

It is recommended that:

1. Servicing allocation for 2012 be assigned to the local municipalities, as outlined in *Attachment 2* and subject to the infrastructure triggers set out in *Attachment 3*.
2. Servicing allocation be assigned to individual developments by Local Municipalities conditional upon Local municipalities:
 - a) Partnering with the Region through programs co-ordinated by Environmental Services to reduce infiltration and inflow into wastewater systems;
 - b) Continued participation in Regional water efficiency plans and policies that implement and support the Water for Tomorrow program; and
 - c) Partnering with York Region to participate in water system leakage reduction programs as they are developed and implemented.
3. Local municipalities ensure their local servicing protocols contain criteria to continue to support intensification and housing mix objectives, as set out in the Provincial Growth Plan and Regional Official Plan, and demonstrate the achievement of intensification goals through Regional monitoring and reports to Regional Council as necessary.
4. The Regional Clerk circulate this report to all local municipalities.

2. PURPOSE

The purpose of this report is to assign the 2012 servicing allocation to the local municipalities served by the York Durham Sewage System (YDSS), based on the balance of capacity generated by interim YDSS flow control measures. Use of this allocation is subject to completion of both the Duffin Creek Water Pollution Control Plan expansion and YDSS "Flow Control" structures.

3. BACKGROUND

In June 2005, Regional Council committed all of the existing sewage treatment capacity for a population of 970,000 to the local municipalities subject to specific infrastructure being completed. A regularly updated “trigger table” outlines infrastructure required in each municipality and estimates completion dates. A small Regional reserve was set aside within this commitment, primarily for the Holland Landing Lagoons being decommissioned, and the balance has recently been set aside to facilitate non-profit housing projects.

Southeast Collector and Alternative Flow Control Capacity

The Duffin Creek WPCP remains on schedule for completion in December 2010. The extensive Individual Environmental Assessment (IEA) process of the new Southeast Collector has resulted in a completion date of December 2012 for this key trunk sewer. Until such time as the new Southeast Collector is commissioned, the increased capacity of the expanded Duffin Creek WPCP can be only be used up to the conveyance capacity constraint of the existing Southeast Collector. The completion timing of December 2012 for the new Southeast Collector remains on target.

The limiting factor for the YDSS conveyance system (sewers) is peak flow which occurs during large storm events as a portion of rain enters the collection system. The “Flow Control” system, scheduled for completion by the end of 2009, will attenuate this peak wet weather flow and bridge the gap until the new Southeast Collector is completed.

In October 2007, it was reported that the flow control system could accommodate an additional 58,000 people. Further consideration has been given, since last year, to accommodating an additional 14,000 people up to a total of 72,000 people, which would allow 2 full year of capacity supply for growth assigned for 2011 and 2012. Analysis has shown that the impact of the incremental 24% increase of 14,000 people to reach the 72,000 people is relatively small and increased risk of surcharging over a relatively short time period in the YDSS is minimal given the anticipated completion of the Southeast Collector at the end of 2012.

2011 Allocation for 35,737 persons out of 72,000 persons distributed to local municipalities last year

The October 2007 report adopted by Council outlined the approach and recommended distribution of servicing allocation for development in 2011 in accordance with existing policies first established in the “Water and Wastewater Capacity and Servicing Assignment Protocol” report adopted by Council on June 23, 2005. A total capacity for 35,737 persons was distributed to the local municipalities served by the YDSS as shown in *Attachment 1*. This allocation was intended to provide adequate capacity for each municipality to reach forecast growth projections within the infrastructure capacity available. This new assignment of allocation combined with the previous assignments

maintains a 4 year supply of servicing to the local municipalities facilitating growth to the end of 2012. This supports achieving the Provincial Policy Statement requirement for municipalities to maintain a 3 year supply of serviced residential lands which are appropriately zoned, draft approved or registered, and the 3-7 year supply of draft approved and/or registered lots required in the Regional Official Plan.

4. ANALYSIS AND OPTIONS

2012 Servicing Allocation Assigned based upon principles previously established

Through a number of previous reports, a servicing protocol has been established for both assigning servicing allocation to local municipalities and for releasing conditions of draft plan of subdivision approval prior to servicing allocation. It has been tested and has worked well.

This report establishes an assignment of servicing representing growth potential in 2012 which does not rely on the completion of the new Southeast Collector. The assignment to the local municipalities is based on the principles previously established through reports to Council including:

- Meeting the local needs – planned for in the Official Plan
- Historical growth trends in the local municipality
- Regional forecasts
- Infrastructure capacity
- Consultation with local municipality

All the tools to use the allocation also remain in place (i.e. Holding By-laws, etc.).

Consultation with local municipalities

All of the individual local municipalities connected to the YDSS were consulted with regard to the approaches proposed in this report for 2012 allocations. Key issues that were raised include:

- Increased capacity from 58,000 people to 72,000 people is welcomed.
- Intensification is occurring at or above the levels set in last round of allocation and specific intensification minimums can be demonstrated through monitoring.
- Regional reserves, if continued, need to be managed with care but remain flexible to address unforeseen Regional needs.
- Local allocation policies and Official Plan policies should be the key drivers allocation to individual developments.
- A consolidated allocation policy outline would be helpful to local municipal staff.

Proposed additional full year of Servicing Allocation to local municipalities for 2012

As indicated in October 2007, the balance of the capacity provided through the Duffin Creek WPCP expansion and flow control was to be assigned once the Southeast Collector individual Environmental Assessment has progressed further and system efficiencies have been further examined. It is therefore appropriate to assign the allocation to the individual municipalities. Assignments set out in *Attachment 2* are in keeping with the allocation principles established.

As part of an ongoing monitoring program, the Region reviewed forecasted growth rates and building permit issuance for each municipality. Allocation was assigned based on forecasted growth, actual allocation usage and individual community need. This servicing allocation represents a balance between usage and forecast and community need.

This new 2012 allocation will be subject to the same infrastructure triggers as the 2011 assignment. These trigger tables will continue to be updated on a regular basis through the Water and Wastewater Infrastructure Status Reports to Transportation and Works Committee. The current trigger table is found in *Attachment 3*. This trigger table continues to recognize the key infrastructure to service this new allocation being:

- Completion of Duffin Creek Plant expansion
- Installation of YDSS Flow Control Structures

The key trigger for servicing beyond 2012 will be the Southeast Collector for all of the communities serviced by the YDSS. This will form part of future infrastructure trigger table, along with key infrastructure requirements for individual municipalities identified through the Water and Wastewater Master Plans and their updates nearing completion.

Intensification will continue to be promoted and increased consistent with the Places to Grow objective a minimum of 40% intensification by 2015. In the southern municipalities such as Markham, for example, an intensification well in excess of 40% is already being achieved. Continued intensification can be demonstrated through monitoring across the Region and reported on from time to time as necessary.

Moving forward, it is proposed that the principle of intensification and diversity in housing stock continue to be included in allocating servicing. However, it is proposed that policies be embedded in local servicing allocation protocols rather than specifying one year numeric minimums. Administering these one year minimums has proven to be cumbersome for local municipalities and through monitoring, it can be demonstrated that the Region will meet or exceed the 40% intensification target by 2015.

Top up of current Regional Reserve

A servicing allocation reserve for 6,000 equivalent persons was originally set aside by Council in June 2005 within YDSS service area. This reserve was specifically set aside for:

- Accommodating decommissioning of the Holland Landing sewage lagoon system in East Gwillimbury (4,148 equivalent persons).
- Accelerated growth in Seaton within Durham Region.
- Unforeseen York Region growth and servicing needs.

Since the original time of the reserve, an immediate need for servicing for non-profit housing has emerged. The balance of the reserve for 1,852 equivalent persons has now been made available for non-profit housing through recommendations adopted by Council September of this year. This existing reserve is within the existing capacity of the Duffin Creek WPCP.

Moving forward in the assignment of allocation for 2012, it is prudent to establish a small reserve out of the total 72,000 population in order for the Region to accommodate these types of appropriate needs as they arise. In addition to non-profit housing, such uses could include intensification projects within the Regional Centres which are beyond the local municipal allocation assignments. This is an approach that has previously been promoted by Newmarket and could facilitate the construction of key initial development in such a centre within the timeframe prior to 2012. It is therefore proposed that the reserve be established for 2,164 persons as set out in *Attachment 2*.

Continued wastewater flow reduction and water conservation measures required

York Region is committed to reducing the amount of existing and future inflow and infiltration entering the wastewater collection and treatment systems. On April 19, 2007 Regional Council adopted the York Region and Local Municipal Sanitary Sewer Inflow and Infiltration Reduction Program and an update on the program was recently received by Council in October of this year. The key to the current and continued success of the Inflow and Infiltration Reduction Program is the constructive working relationship that has developed between York Region, local municipalities and the consultant group. Continued commitment through a coordinated effort between York Region and the local municipalities for flow reduction will enable this current allocation proposed to be achieved. It is therefore proposed this municipal commitment be a condition of the using the 2012 allocation.

On the water side, Regional Council adopted the Water Efficiency Master Plan Update at its meeting on June 21, 2007. The continued partnerships with local municipalities is important to fully achieve the goals of the Water Efficiency Master Plan.

To fully achieve the allocation proposed, a continued commitment through local municipalities partnering with the Region is required. This can be achieved through:

- Established programs co-ordinated by Environmental Services such as the infiltration and inflow into wastewater systems program.
- Continued participation in Regional water efficiency plans and policies that implement and support the Water for Tomorrow program.
- Participation in water system leakage reduction programs as they are developed and implemented.
- Ensuring local water use by-laws support Municipal and Regional summer water conservation objectives that reflect best practice principles to be established by York Region.

Further program being developed for sustainable ground-related housing could supplement the existing Sustainable Development through LEED® policy and provide further water efficiencies

In June 2007, Regional Council endorsed the Sustainable Development through LEED® program. The program provides additional servicing allocation as incentive to encourage more sustainable high density development within Centres and Corridors. As a next step, it was envisioned that a similar program would be implemented to encourage more sustainable ground related development. The advantages of implementing a sustainable ground-related home incentive program would include increased water conservation and a more sustainable housing supply which also addresses energy efficiency, indoor air quality and resource management. Together, the high rise program and a ground-related program would have the cumulative benefit of creating a full range of sustainable housing within the Region.

Work is currently being undertaken to quantify the water savings available. Based on these potential water savings and efficiencies, current allocations could accommodate additional units. Consultation with local municipalities and industry experts is also underway. A full report to Council on this new program is anticipated for the beginning of 2009.

Providing future commitments for Servicing Allocation beyond 2012

Beyond 2012, servicing allocation will remain a part of the development approvals process. However, the goal is to provide larger assignments within a longer timeframe based upon forecast, growth management principles, and in keeping with the PPS and Regional Official Plan to maintain a minimum 3 supply of servicing residential land. Allocation updates or potential “top-ups” will be based on usage (construction of units) determined through building permits and other monitoring tools.

A 3-7 year supply of draft approved and/or registered lots required in the Regional Official Plan will be maintained using this larger and longer term allocation approach.

This approach can be combined with the existing policy, to draft approve prior to servicing allocation if achieving complete communities, to further ensure an adequate residential land supply.

Localized Regional infrastructure triggers will continue to be identified and updated through tables such as the one in *Attachment 3*. Through allocation policy it is anticipated there will be a continued and enhanced encouragement for “green buildings” and continued encouragement for intensification in Centres & Corridors.

Relationship to Vision 2026

The continued management of servicing allocation achieves goals of Visions 2026 in many aspects as it supports the objective of taking a strategic approach to growth management through more deliberate direction for future development which is co-ordinated with efficient infrastructure delivery.

5. FINANCIAL IMPLICATIONS

The further assignment of allocation to local municipalities allows appropriate development approvals to move forward which is important to maintain a sufficient pool of approvals and avoid processing challenges when servicing allocation becomes available. The allocation of servicing capacity permits the local municipalities to construct both intensification projects and complete existing communities.

6. LOCAL MUNICIPAL IMPACT

Local municipal staff were consulted regarding this proposed assignment of allocation and some modifications, that maintained the established principles for allocation, were incorporated into the recommended assignments and approach including those dealing with the administration of intensification numbers.

Newmarket has sent a letter indicating they support the Regional Reserve for intensification purposes, but also are requesting an allocation assignment beyond the range established and used for all municipalities served by the YDSS. The methodology for allocation assignment was developed to ensure an appropriate share of allocation was provided to each local municipality based on historical use, forecasts, local need, and opportunities to fulfill the intensification goals of the Province and Region. It is important to continue to monitor allocation usage to identify and address additional needs. The establishment of the Regional Reserve provides some future flexibility in allocation should the need arise.

A link of water efficiency and wastewater flow reduction initiatives to servicing allocation helps support these programs further and achieves a more sustainable

infrastructure through partnerships between the Region and the local municipalities. The Water Liaison Group made up of local municipal water and wastewater staff and Environmental Services staff will continue to work on implementation initiatives in this regard. All of the local municipalities have positively supported the goal of water and wastewater infrastructure improvements through this group.

Local municipalities will continue to allocate to individual developments based upon their servicing protocols which identify growth priorities for each municipality.

7. CONCLUSION

The servicing allocation for 2012, based on the Duffin Creek WPCP expansion and YDSS Flow Control, assigns all of the allocation currently available in advance of the Southeast Collector infrastructure completion, scheduled for December 2012, or other flow attenuation programs. It also links servicing allocation more directly to water conservation and to wastewater flow reduction efforts. The appropriate measures to ensure the development process does not advance beyond the control points of pre-sales and building permit issuance are in place using a variety of planning and legal tools. This is an evolving process that will require continued consultation and a commitment to streamline wherever possible.

For further information about this report, please contact Karen Whitney, Manager, Planning Infrastructure Integration, Community Planning Branch at (905) 830-4444, Ext. 1505 or Heather Konefat, Director of Community Planning at Ext. 1502.

The Senior Management Group has reviewed this report.

(The three attachments referred to in this clause are attached to this report.)