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WATER AND WASTEWATER SERVICING PROTOCOL - PROVISION OF REGIONAL CONDITIONS FOR DRAFT APPROVAL

The Planning and Economic Development Committee recommends the following:

- 1. The presentation by Karen Whitney, Manager, Planning and Infrastructure Integration, Community Planning Branch, be received; and**
- 2. The recommendations contained in the following report January 10, 2006, from the Commissioner of Planning and Development Services, be adopted:**

1. RECOMMENDATIONS

It is recommended that:

1. The process for providing Regional conditions of draft approval to the local municipalities contained in this report in Section 4.1 be adopted as Regional policy.
2. The Regional Clerk circulate this report to the local municipalities.

2. PURPOSE

The purpose of this report is to provide a development approvals process that clearly defines when the Region will provide conditions of Draft Approval of Plans of Subdivision to the local area municipalities for residential development.

This report is also intended to provide an update regarding the local area municipalities' progress on achieving:

- The enactment of a municipal-wide by-law under Section 34(5) of the Planning Act to prohibit building permits if servicing is not available.
- The adoption or reconfirmation of local sewer and water allocation policies.

The allocation of water & wastewater servicing capacity by the local area municipalities becomes a separate process that occurs prior to the registration of plans of subdivision.

3. BACKGROUND

At its meeting of June 23, 2005, Regional Council approved a Water and Wastewater Capacity Servicing Assignment Protocol which outlined how much servicing capacity

would be distributed to each local area municipality for residential development and conditions for using the capacity.

The report also recommended some further work as follows:

- Staff work with Local Area Municipalities and the development industry to further refine the conditions and triggers based on the specific pieces of infrastructure.
- Staff be directed to continue discussions with the local municipalities with respect to the mix of unit types in the allocation and the persons per unit (ppu) used in the calculations between population count and unit count.

This report details a process for further refining the conditions and triggers for residential development approvals based on consultation with the local area municipalities and the development industry. This process is intended to allow the planning process to proceed while providing a method for restricting the residential units to be sold and built until the appropriate water and wastewater infrastructure is available.

The process detailed and refined in this report also builds upon and reaffirms the approvals process adopted by Council in June 2003 in the “Management of Servicing Capacity Allocation” report which introduced the requirements for phasing plans, monitoring, the use of Holding provisions and no-presale agreements.

The mix of unit types in the allocation and the persons per unit (ppu) will be addressed in a separate report.

3.1 Consultation

Regional staff consulted with the local municipalities and the development industry a number of times through the fall of 2005 to discuss the development approvals process and identify the objectives of the various stakeholders (public, development industry and municipalities). Through the initial consultation the goals established for the development approval process were to:

- Ensure occupancy and servicing capacity availability are matched.
- Provide a good governance process that ensures lot creation occurs only when servicing is available
- Tie development approvals to specific infrastructure delivery.

Further discussions highlighted the need to pursue a goal of identifying a method of continuing the planning process for the residential developments that are awaiting servicing capacity that meet both municipal and development objectives.

The specific issues raised by the municipalities were:

- The need to maintain flexibility to respond to policy changes both Provincial and Municipal.
- The need to ensure that 5 year Official Plan review is not compromised.

- Draft approvals need to be relevant to current policies and not tie up allocation for long periods.
- Providing the ability to stage/phase community development.
- Sales and occupancies must not occur without servicing capacity.
- The need to maintain a reasonable supply of Draft Approvals.
- Recognition of differences between the local municipalities.

The development industry representatives stressed the importance of being able to proceed to draft approval and to do as much of the planning and engineering as possible in advance of allocation because of the time needed for the detailed planning and engineering of new developments.

Areas of consensus established from these discussions included:

- The importance of establishing a development process with clarity, certainty and consistency.
- The importance of completion of partial communities and blocks.
- Conditions to Holding provisions and no-presale conditions/agreements are appropriate until servicing is available.

As a result of the consultation, a set of criteria for providing Regional draft approval conditions was developed to achieve both the municipal and development industry requirements while keeping the primary goals of matching service delivery with occupancy. This also puts a process in place that can adapt for delays in the provision of servicing prior to a lot/unit has been sold. The following analysis outlines each of the criteria for the Region providing conditions of Draft Plan of Subdivision Approval. It needs to be noted that the individual local municipalities are the approval authority for plans of subdivision and site plan approval and are not required to approve any application based on the receipt of Regional conditions. This provides the opportunity for the approvals process to be tailored to meet the different local municipalities' needs at the local level, but with a consistent Regional approach.

4. ANALYSIS AND OPTIONS

The planning process has numerous stages starting with the designation of land through the Official Plan and the planning of long term infrastructure through 30 year Master Plans. Development contemplated on lands within the urban area and within the Towns and Villages can take a number of years and is subject to a number of studies and more detailed implementation plans before any lots are created through plan of subdivision or apartment units are sold through plan of condominium. It is important that planning not stop due to a temporary limitation in water and sewer capacity and the policy objectives of the Official Plan continue to move forward.

An objective set out in the Regional Official Plan is “to provide adequate water and sanitary sewer services to residents and businesses”. The specific policy 6.7.5 states “that no draft approval of a plan of subdivision or plan of condominium proceeds in advance of the confirmation of allocation of appropriate sewer and water servicing capacity.” The servicing protocol is intending to bring more certainty to the development approval process by tying the approvals more closely to the delivery of the required infrastructure.

The Table 1 (*Attachment 1*) illustrates how the planning process and the provision of infrastructure are linked culminating at a point where there is an occupied residential unit fully serviced. The key purpose of the criteria to provide the conditions of draft approval is to ensure the planning of both the development and infrastructure has taken place to the greatest extent possible prior to draft approval of a plan of subdivision.

4.1 Criteria for Provision of Regional Conditions of Draft Approval

The criteria outlined below provide the planning framework that needs to be completed prior to the provision of Regional conditions of Draft Approval to the local municipalities. A number of key components are addressed through the criteria. These include ensuring development is within a set timeframe of the provision of Regional servicing, ensuring local municipal wide priorities have been set and are reflecting in their Official Plans, focusing on completing partial communities before establishing new development areas, and ensuring there is an appropriate housing supply. The planning tools then must all be in place and the detailed conditions of draft approval need to be specific about the infrastructure requirements.

These components are a reflection of many of the current practices of the local municipalities which involve comprehensive implementation studies and plans which in turn provide guidance for the approvals of draft plans of subdivision. The criteria for providing conditions of draft approval functions as a check list which clearly defines these planning steps and adds a direct link to the provision of infrastructure and the planning tools needed for this linked implementation. Each one of these criteria will need to be addressed prior to Draft Approval.

The criteria developed are as follows:

- **Regional Services Expected in 4 years (in accordance with capital plan)**
This provides a defined timeframe connecting the provision of infrastructure with the implementation of the development that is within the priority period of the 10 year capital plan.
- **Growth Management Policies – municipal-wide phasing plan in place**
These are the growth management policies within the area municipality’s Official Plan that provide direction on how and where a municipality wants to grow.

- **Local Municipality Servicing Policy in place**
The local servicing protocol is intended to link the objectives of the Official Plan with the provision of servicing allocation. These Council endorsed principles are to be consistent with growth priorities in the municipality (intensification, public facilities obtained, etc.) and include a “Use it or reallocate it” (water and wastewater allocation) provision.
- **Secondary Plan Complete**
This is necessary in the new and larger community areas to provide more policy detail on how development will occur in a comprehensive manner. This level of planning includes policies regarding phasing, requirements for Master Environmental Servicing Plans including infrastructure, and the principles for community design. This is not necessarily applicable to all development such as infill and some site specific intensification.
- **Phasing Plan Complete**
A phasing plan is intended to indicate which units go first (logical progression) and what infrastructure is tied to each phase and how it’s tied (storm water, sanitary sewer, water, road requirements).
- **Master Environmental Servicing Plan Complete**
This provides the details for all infrastructure needs identified for the complete area and ensures all environmental features and stormwater management requirements are identified and planned for.
- **Block Plan/Community Design Plan Complete**
Further implementation plans may be required which provide a higher level of detail such as road patterns and design including local and collector roads. The mix of uses and interface between uses is clearly defined in terms of urban design and streetscaping at this stage. This level of detail is intended to provide a clear picture of what the community will look like and how it will function.
- **Housing Supply – within 3-7 year Draft Approved Supply (OP policy)**
It is important that an adequate supply of housing be available. Region wide the supply of draft approval is within this range. The current supply of draft approved lots represents approximately a 5 to 6 year supply. The individual local municipalities historically have generally fallen within this range. Ensuring an adequate supply of housing which is manageable and relevant to current policies becomes more important when the next significant amount of capacity becomes available for assignment to the local area municipalities.

The following criteria represent the planning tools required to be in place once the broader planning in the previous criteria have been met:

- **Monitoring in Place**
Allocation of servicing capacity on a development basis tracked for each municipality by the area municipality and Region.
- **Section 34(5) By-law in force**
This ensures that building permits are only issued when servicing is available.
- **Holding By-law and Provisions in Official Plan**
The hold provision allows for the zoning to be put in place that defines the development parameters but ensures it isn't implemented until servicing has been allocated.
- **Willingness to enter into no-presales agreement**
This provides a method to restrict the sales of individual lots until such time as the servicing is available. This can be achieved with a separate agreement or through provisions in the subdivision agreement.
- **Conditions Included in Draft Approval**
The detailed infrastructure requirements are laid out in accordance with the individual development requirements and the triggers table adopted in June 2005 and regularly updated. Required review or lapsing clauses will help ensure the Draft Approval remains relevant to existing policy and infrastructure expectations.

This checklist provides a consistent, clear process for providing Regional draft plan conditions to the local municipalities. Once critical infrastructure is completed and further servicing is available for assignment to the local municipalities, the principles established through the adopted Servicing Allocation Protocol will be maintained through ensuring the supply of draft approvals and subsequent registered lots are within an appropriate range as set out in the Regional Official Plan. The assignment of further servicing will be reflective of a reasonable growth rate, an appropriate supply to meet that growth rate and reinforcement of Official Plan priorities.

4.1.2 Local Subdivision Process Implications

The process outlined above allows for a consistent Regional response to providing conditions of draft plan approval which then can be included in a local approvals process tailored to fit the local municipality priorities. Local municipalities may then choose to Draft Approve prior to or at the time of servicing allocation. The process is not a major change from many of the current practices; the one significant change is that the Region will under this process consistently provide conditions of subdivision approval prior to confirmation of servicing allocation to the area municipality for the subdivision.

The servicing allocation itself will continue to be required prior to the registration of the Plan of Subdivision. This is the point where all of the conditions of Draft Plan Approval have been met including the infrastructure requirements being within 6 months of operation. The confirmation of water and wastewater servicing capacity prior to

clearance of conditions of draft approval by the Region will ensure the development is in keeping with the overall assignment of capacity to each of the local area municipalities.

4.2 Status of Planning Tools in Local Municipalities

As part of the recommendations of the June 2005 Servicing Assignment Protocol, it was recommended that the local municipalities ensure that a number of planning tools were in place including:

- Enactment of a municipal-wide by-law under Section 34(5) of the Planning which prohibits issuance of a building permit until municipal servicing is available.
- Formal “use it or redistribute it” policy in place as part of a local servicing protocol which sets priorities and provides direction as to which developments receive allocation.

This provides further assurance that building permits are not issued prior to servicing being available. This will also assist municipalities with the new Building Code Act regulations which came into affect on July 1, 2005 and makes withholding a building permit difficult if zoning is in place and site plan approval has been granted. *Attachment 2* outlines how each of the municipalities is progressing towards putting these tools in place. Five of the nine municipalities have passed Section 34(5) by-laws and the others are in the various stages of working towards putting these by-laws in place. The servicing assigned in June 2005 cannot be utilized without this by-law in place. All of the municipalities have varying policies or protocols with regard to servicing allocation although not all currently have a formal “use it or reallocate it” policy.

The work done by the various affected municipalities and York Region to address the management of wastewater and water allocation can be built upon to develop a local allocation policy for water and wastewater capacity that best meets the growth objectives for the individual municipalities. Local policies are required to be in place in each municipality prior to utilization of the servicing assignment of June 2005.

As indicated in the June 2005 Servicing Protocol report, key elements of a protocol for allocation within the individual municipalities may need to include:

- Detailed monitoring of both wastewater and water allocation, development applications and effective reporting.
- Effective allocation to developments that are ready to use the allocation – “use it or redistribute it”.
- Determination of strategic priorities that best meet the growth management objectives of the individual municipality and the Region.
- Phasing plans for communities/secondary plan areas.
- Clear, transparent and fair criteria for allocation.
- Overall, municipal wide phasing plans.

Attachment 2 illustrates the status of each the municipality’s servicing protocol which have been progressing throughout the year. The Region will continue to work with the

local municipalities to ensure the objectives of the broader Regional Servicing Assignment Protocol are met.

4.3 Relationship to Vision 2026

The development of clear processes linking development to infrastructure delivery supports the objective of taking a strategic approach to growth management through the co-ordination of the timing of infrastructure and service development and using land, infrastructure and services efficiently.

5. FINANCIAL IMPLICATIONS

Effective development approval processes will help maintain an appropriate growth level across the Region and maintain the Region's economic health.

6. LOCAL MUNICIPAL IMPACT

Discussions and information exchange with the municipalities was essential in developing a clear set of criteria for providing Regional conditions. As the approval authorities for plans of subdivision and site plans, the local municipalities will be able to tailor their development approvals process to address local issues and needs. The regional input will be clear and consistent to assist in this process. Regional staff will continue to work with local staff to ensure the planning tools are all in place that meet the objectives of the Regional Servicing Assignment Protocol and ensure the proposed check list approach for providing Regional conditions of draft plan approval is effective.

7. CONCLUSION

A partnership between the Region and local municipalities is needed to ensure that the planning process moves forward and servicing capacity is used and monitored efficiently. The separation of the draft approval process from the servicing allocation provides the opportunity to move the planning process forward while ensuring that the development is tightly linked to the provision of servicing. The criteria for the provision of draft plan conditions sets out a clear, consistent process which achieves the goals of the Official Plan, the local municipalities and the development industry.

The Senior Management Group has reviewed this report.

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