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REFINEMENT TO THE REGION'S FINAL PLAN OF SUBDIVISION CLEARANCE PROCESS

The Planning and Economic Development Committee recommends the adoption of the recommendation contained in the following report, March 7, 2006, from the Commissioner of Planning and Development Services, Commissioner of Finance, Regional Solicitor and Commissioner of Transportation and Works:

1. RECOMMENDATION

It is recommended that Regional Council endorse the procedures for processing final plans of subdivision set out in *Attachment No. 1* to this report.

2. PURPOSE

The purpose of this report is to refine the Regional planning procedures for processing final plans of subdivision to ensure:

- Final plan submissions for plans of subdivision are processed in a consistent and timely manner.
- The collection of Regional development charges is carried out at the appropriate time of the subdivision approval process.
- The development industry has a clear understanding of what the Region's requirements are for processing final plans of subdivision.

3. BACKGROUND

The area municipalities are the approval authority on all plans of subdivision submitted after March 28, 1995. Four of the nine area municipalities are the approval authority on all plans of subdivision submitted prior to March 28, 1995. The Region is the approval authority for plans of subdivision that predate March 28, 1995 for the remaining five area municipalities.

When the area municipality is the approval authority, the Region provides comments and conditions to the area municipality to ensure Regional interests are protected. Conditions of draft approval provided by the Region to the area municipalities include, among other things, requirements for improvements to Regional roads, financial considerations, and the requirement to pay Regional development charges prior to registration.

3.1 Regional Subdivision Clearance Process

The Community planning branch of the Regional Planning Department coordinates Regional conditions of draft approval and forwards the clearance of these conditions to the area municipalities. Upon receipt of a final plan and related information, the Regional planner circulates the information to staff of other Regional departments who advise how each of its conditions has been met. Once all Regional conditions have been met, the Director of Community Planning forwards a letter to the area municipality advising that the Region has no objection to the area municipality granting final approval.

3.2 Regional Subdivision Agreement

In 1991, Regional Council approved a process for entering into Regional subdivision agreements with development proponents to ensure Regional interests are protected. However, in 1999, the Regional subdivision agreement was replaced by a Development Charge agreement for the collection of the hard service component of the development charge. Recently, there have been questions regarding the timing of the collection of development charges, particularly when development charge rates are expected to increase. In some instances, incomplete final plan submissions have been received from developers who are attempting to pay the hard service component of the development charge, prior to rates increasing.

3.2.1 Development Charge Collection

Provisions in the *Development Charges Act* and the Region's Development Charge By-law determine when a development charge can be paid/collected. The Act enables a municipality to enact a by-law directing that water, sewer and road development charges (hard services) are to be collected upon a subdivision agreement being executed. As the Region no longer enters into subdivision agreements with developers, and the area municipality does, payment of the Regional development charge should only be made when a local subdivision agreement has been executed, in accordance with the *Development Charges Act* and Region's Development Charge by-law.

Noted below are the clauses in the Development Charges Act and Region's 2005 Development Charges By-law Amendment that determine when development charges are to be paid.

Development Charges Act

When development charge is payable

26. (1) *A development charge is payable for a development upon a building permit being issued for the development unless the development charge by-law provides otherwise under subsection (2). 1997, c. 27, s. 26 (1).*

Special case, approval of plan of subdivision

(2) A municipality may, in a development charge by-law, provide that a development charge for services set out in paragraphs 1, 2, 3, 4 or 5 of subsection 5 (5) for development that requires approval of a plan of subdivision under section 51 of the Planning Act or a consent under section 53 of the Planning Act and for which a subdivision agreement or consent agreement is entered into, be payable immediately upon the parties entering into the agreement. 1997, c. 27, s. 26 (2).

York Region 2005 Development Charge By-law Amendment

Time of Payment of Development Charges

- 3.22 *Development charges imposed under this section are payable on the date on which a building permit is issued with respect to each dwelling unit, building or structure.*
- 3.23 *Despite subsection 3.22, development charges with respect to hard services imposed under subsection 3.6 with respect to an approval of a residential plan of subdivision under section 51 of the Planning Act, are payable immediately upon the owner entering into the subdivision agreement respecting such plan of subdivision on the basis of the following:*
- (a) the proposed number and type of dwelling units in the final plan of subdivision: and*
 - (b) with respect to blocks in the plan of subdivision intended for future development, the maximum number and type of dwelling units permitted under the zoning in effect at the time of payment.*

3.3 Consultation

In January and February 2006, staff from the Regional Legal, Finance and Planning Departments met with representatives of the Urban Development Industry (UDI) and Greater Toronto Homebuilders Association (GTHA) to review the Region's final plan clearance process. Key points expressed by the industry include:

- There is a need to start the process with a preliminary final plan that has not been signed and dated by the owner and surveyor, as opposed to a formally signed and dated final plan, to allow applicants to submit information to receive feedback from the Regional Transportation and Works staff with respect to outstanding matters.
- If an applicant is able to submit an appropriately signed and dated final plan, executed local subdivision agreement, description of how all Regional conditions have been met, and any other required material, their final plan application should be given an expeditious review.

The procedures shown in *Attachments 1, 2 and 3* incorporate the suggestions from the industry.

The procedures set out in *Attachment 1 and 2* were distributed to the area municipal Directors/Commissioners on January 13, 2006. No objections to the new procedures were received from the area municipalities.

4. ANALYSIS AND OPTIONS

The Regional Planning Department will continue to co-ordinate clearances from other internal Regional departments, however, new procedures are necessary to ensure a consistent and timely process. New procedures are required to ensure the following objectives are met:

- The procedures can be applied consistently throughout the year, year in and year out, avoiding the need to establish new or additional criteria for final plan submissions when development charge rates increase.
- The final plan clearance process is fair to the development industry and does not increase the time to process final plan submissions.

The new procedures, which are set out in *Attachment No. 1* to this report, ensure that there is a clear and consistent process for clearing draft plan conditions at the Regional level, and the hard services component of Regional development charge is collected when a local subdivision agreement has been executed. Through prior consultation, and a copy of this report, the industry is being informed of the new process. The revised process is consistent with provisions of the Development Charges Act and Regional By-law, and clearance of Regional subdivision conditions to the area municipalities will be provided within approximately 2 to 3 weeks once all applicable information is received.

To allow applicants to initiate the process with a preliminary final plan (not yet signed and dated by the owner and surveyor), a two step process is being established. Step 1 is considered to be the application submission, initial review, and feedback by Regional staff to the applicant before the local subdivision agreement is executed, and Step 2 is the submission of a final plan signed and dated by the owner and surveyor, executed local subdivision agreement, payment of Regional development charges, and clearance of all Regional conditions. Minor changes may be made to the process if issues arise after implementation.

4.1 Summary of New Procedures

The new procedures include the following steps:

- i. Receipt of a complete final plan package from the applicant by the Planning Department (details of a final plan package are set out in *Attachment No. 1*).

- ii. Planning initiates clearance process by circulating plan to internal Regional Departments.
- iii. Transportation & Works, Development Approvals Branch provide a “Clearance Status” identifying what Transportation & Works requirements are outstanding.
- iv. Finance Department calculate DC amount and advise the Legal Department.
- v. Legal Department advises applicant of the DC amount and indicate that payment cannot be made until the local subdivision agreement is executed.
- vi. Applicant provides executed local subdivision agreement to Regional Planning Department who distributes the agreement to internal departments.
- vii. Finance confirms DC amount and Legal Department forwards Regional Development Charge Credit Agreement to applicant.
- viii. Regional Development Charges are paid.
- ix. Planning receives clearances from internal Regional departments and forwards comprehensive clearance letter to area municipality.

Key differences in the new procedures compared to the old procedures are:

- Payment of development charges is accepted only when the local subdivision agreement has been executed. Execution of the local subdivision agreement signals that all requirements of the area municipality have been addressed and the plan of subdivision is close to being registered.
- Initial submission package includes draft local subdivision agreement to assist Regional staff in clearing non financial conditions.
- Transportation and Works provide a “Clearance Status” letter, early in the process, to assist applicants in identifying and satisfying any outstanding conditions of approval.

The workflow and approximate timeline for the procedures is shown on *Attachment No. 2*. If all required information is submitted with the initial final plan submission, an expeditious review will be carried out and a clearance response provided to the area municipality within approximately 2 to 3 weeks (*see Attachment No. 3*).

4.2 Relationship to Vision 2026

Goal 8 of Vision 2026 is that “*York Region will be known for its citizen involvement and will set high standards for transparent policy making and decision making, effective communication, strong partnerships, clear accountability and best quality service.*” The recommendation of this report provides for transparent decision making and a high

quality of service by establishing clear rules and procedures for the subdivision clearance process and executing them in a timely manner.

5. FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this report. A clear set of rules and requirements for developers who are submitting final plans of subdivision when development charge rates are scheduled to increase is likely to avoid legal challenges against the Region from developers who think they have not been treated fairly.

A clear set of rules and requirements for developers who are submitting final plans of subdivision will assist in the timely processing of submissions, and ensure that the hard service component of the Regional development charge is collected in time to fund the water, sewer and road infrastructure required to service the proposed developments. The hard service component of the Regional development charge constitutes approximately 90% of the total Regional development charge.

6. LOCAL MUNICIPAL IMPACT

Planning staff from the local area municipalities have been advised of the new procedures and that Regional development charges can only be paid once the local subdivision agreement has been executed.

The timely issuance of Regional clearance of conditions on plans of subdivisions will assist in the registration and build out of subdivisions within the area municipalities.

7. CONCLUSION

The new set of procedures for the Region's final plan of subdivision clearance process that are set out in *Attachment No. 1* provide for a timely subdivision clearance response from the Region back to the area municipalities, and a trigger mechanism that ensures Regional development charges are collected near the end of the approval process. Minor changes to the process may be made if they will enhance the process or resolve issues.

The Senior Management Group has reviewed this report.

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