10
SUSTAINABLE DEVELOPMENT THROUGH LEED® - TRANSFER OF ALLOCATION CREDITS

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated May 6, 2008, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. This report be endorsed as the final step of the 'Sustainable Development Through LEED®' Implementation Strategy for high density residential development confirming that:

   a) Allocation Credits generated by the LEED program be used on site to reduce servicing allocation requirements, and

   b) Local Municipalities continue to manage their assigned servicing capacity, in accordance with their Local Servicing Allocations Protocols.

2. PURPOSE

The purpose of this supplemental report is to confirm that the allocation credits, generated by the 'Sustainable Development Through LEED®' Program for additional units, are to be used on site. The report also discusses the management of local municipal servicing allocation in keeping with established protocols.

3. BACKGROUND

Regional Council defers decision on the issue of transferring residual servicing allocation credits

On March 27, 2008, Regional Council considered a recommendation of the Planning and Economic Development Committee as set out in Clause 1 of Report No. 3. The recommendation, which dealt with the approval of the Implementation Strategy for the 'Sustainable Development Through LEED®' Program, was adopted by Council with the following amendment:

> "Clause 1, relating to Sustainable Development Through LEED – Implementation Strategy, be amended by deferring any decision on the

issue of transferring residual allocation credits pending a further report in two months to the Planning and Economic Development Committee, with the balance of the report being adopted."

The provision of potentially allowing for the transfer of residual allocation credits, generated on one site to another site, raised various concerns at the March 27, 2008 Council meeting including the following:

- The ability to transfer allocation credits could create an environment of perceived private ownership of allocation.
- The ability to transfer credits may remove full control from the municipality over where servicing allocation is assigned.
- While voluntary, those municipalities choosing not to employ the transfer provision, could be placed at a disadvantage beside those that do choose to use the provision.

4. ANALYSIS AND OPTIONS

Local servicing protocols provide an effective framework to manage servicing allocation

Each local municipality has an effective system to manage their 'pool' of allocation through their individual municipal servicing protocols. These protocols include policies to implement municipal priorities, use it or lose it policies and zoning tools such as Holding provisions and Section 34(5) by-laws. Nothing in the 'Sustainable Development Through LEED®' Program envisions changing these local municipal servicing protocols. The Program provides flexibility and adaptability to the local municipalities in managing their 'pool' of allocation.

Staff from each of the local municipalities have been consulted with respect to this report and have indicated they are comfortable with the approach outlined. It allows them to continue to effectively manage their 'pool' of servicing allocation through their individual servicing protocols.

Success of the Program does not require the transfer of allocation credits

The Program can work effectively without allowing or recognizing the transfer of Servicing Allocation Credits offsite. The Program, as designed, allows for the total number of Servicing Allocation Credits generated on a site to be fully utilized on the same site.

The total number of Credits achieved on a site can be used to reduce the required Servicing Allocation Assignment that the developer needs from the Local Municipality for that site. For instance, if a development has an allocation of 60 units for high density development and it qualifies under the 40% scenario, a development of 100 units can be built as demonstrated in *Table 1* below.

Table 1: LEED Allocation Example - 40% Scenario

40% Scenario	**Units**
Servicing Allocation Available	60
Additional Servicing made available through achieving program objectives and LEED® Gold	40
Total units that can be build through utilization of Sustainable Development Through LEED® Program	100
Residual Allocation	0

Freed up Municipal Servicing Allocation savings shall return to the Local Municipality's 'pool' of Servicing Allocation

In certain situations, utilizing all allocation credits on the same site may result in freeing up municipal servicing allocation previously committed to a project prior to it being considered under 'Sustainable Development Through LEED®' Program. For instance, if a project was previously assigned 90 units of municipal servicing allocation but only requires 80 units of servicing allocation after qualifying under the Program, this results in 10 units of municipal servicing allocation being freed up. This surplus municipal servicing allocation shall be returned to the municipal allocation 'pool' to be re-assigned in accordance with the Local Municipal Servicing Protocol.

Control of servicing allocation stays with the local municipality

The Local Municipality, through their allocation assignment protocol, has full control over where allocation is assigned. Using the Program provides the opportunity to maximize the existing allocation pool in each municipality for objectives such as completing communities while at the same time achieving greener high density development.

Incentive remains: opportunity to build sooner and with less allocation

The core incentive of the Program continues to be that it allows developers to move ahead with a project sooner rather than later, through reducing the amount of allocation required for a proposed project. Removing the specific transfer provision does not negatively impact this incentive.

Relationship to Vision 2026

The Program aligns with Vision 2026's promotion of conservation, ensuring clean water and air, creating well-designed and liveable communities, taking a strategic approach to growth management and balancing growth with the environment.

The Program also serves to implement one of the Action items in our new Sustainability Strategy. *Theme Area IV – Sustainable Natural Environment* includes a directive regarding the creation of a comprehensive green building strategy in consultation with the Local Municipalities that would incorporate Energy Star® and/or LEED® standards.

5. FINANCIAL IMPLICATIONS

Full Regional Development Charges are still collected for every unit

It is noted again, that full Regional Development Charges will be collected on every new residential unit within the proposed development. The Program, as designed, does not provide for reduced development charges at the direction of Regional Council at their June 21, 2007 meeting. It is important to note that the applicant is required to acknowledge this fact within the Agreement that they must execute as part of the Program.

6. LOCAL MUNICIPAL IMPACT

This report, which recommends that the specific provision for the transfer of allocation credits to another site be eliminated from the Program, serves to reinforce that the Local Municipality remains in control over the assignment of Servicing Allocation. Local Municipal staff have been consulted regarding this modification and have indicated that they are supportive of the approach.

7. CONCLUSION

The 'Sustainable Development Through LEED®' Program provides an opportunity for Local Municipalities to maximize the use of existing servicing allocation and achieve greener, more sustainable development in key locations. The Program also provides an opportunity for developers to move ahead with projects sooner. The local municipalities' continued management of their "pools" of servicing allocation through their individual servicing protocols is effective and continues to be supported.

For more information on this report, please contact Shawn Nastke, Planner, Community Planning at Ext. 1518, or Heather Konefat, Director of Community Planning at ext. 1502.

The Senior Management Group has reviewed this report.