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SERVICING PROTOCOL: ALTERNATIVE SERVICING TRIGGERS FOR HIGH DENSITY RESIDENTIAL DEVELOPMENT

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report dated August 22, 2008, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. Council endorse, as a revision to the current servicing triggers for new residential development, an alternative servicing trigger for high density residential development:
 - a) Specifically, the Region commit to support site plan approval, removal of Holding provisions and subsequent building permit issuance for high density residential development of up to 18 months, revised from 6 months, in advance of the completion of required water and wastewater facilities provided any Environmental Assessment approvals have been attained.
 - b) In the YDSS service area, this specifically applies to developments that receive servicing allocation from the local municipality and require the completion of the Duffin Creek Water Pollution Control Plant.
 - c) Nothing in this policy supersedes the local municipal building official authority to determine the appropriate timing for issuance of building permits.
2. The Clerk circulate this report to the Clerks of the local area municipalities.
3. The Clerk circulate this report to the Toronto GTA Building Industry and Land Development Association (BILD) for information.

2. PURPOSE

The purpose of this report is to provide a revised servicing allocation trigger, from the current 6 months trigger, for high density development through the site plan approval process to recognize the differences between high rise residential and lower density grade related housing in terms of construction times and approval processes. This ensures the Region's servicing protocol continues to be responsive to a variety of development types.

3. BACKGROUND

Draft framework established in 2007 for consultation

Council considered a report in June 2007 that outlined a framework for advancing site plan approvals prior to servicing being in place with recommendations to further consult and report back.

The draft framework looked at high density residential uses and the relevant points in the process that needed examination: pre-sales, site plan approval, building permit and occupancy.

Consultation

Throughout the year and most recently in June and July, staff met with and spoke to a number of local planning and engineering staff to further refine the framework into a workable solution to move high density residential development forward with appropriate servicing triggers. The key points made were:

- Need to recognize a longer construction period and different sales requirements for high density residential development.
- Most important control points for consideration: Building Permits & Pre-sales.
- A longer servicing trigger of 12 months servicing trigger be pursued.
- Local Municipalities will continue to determine if a building permit should be issued and the timing - use Section 34(5) bylaws.
- Pre-sales difficult to control for high density residential.
- Need to simplify where possible.

Consultation with the development industry through BILD indicated the need for clarity especially in terms of how the allocation protocol is applied to townhouses which are subject to both draft plan of subdivision and site plan. This is addressed later in the report. Input from the development industry also indicated support for a more flexible timeframe up to 18 months working closely with local building officials to ensure the infrastructure is operational at the time of occupancy.

A further meeting with the high rise builders is scheduled prior to Council's consideration of this report as a follow up to the written and telephone consultation and ensure thorough communication of the proposal.

The key conclusions made through this consultation process are that the site plan approval and subsequent issuance of the building permit is a key control point that the Region should address and that pre-sales are difficult to restrict through Regional policy.

4. ANALYSIS AND OPTIONS

What are the existing servicing triggers in the Regional Servicing Protocol?

Currently, the Regional servicing protocol sets out required planning tools, and infrastructure trigger timeframes to ensure residential units are not sold, built or occupied prematurely in consideration of the timing for required key infrastructure completion.

Significant water and wastewater infrastructure projects that are required in order to use the servicing allocation assigned to each local municipality are identified and completion times updated in regular “Infrastructure Status Reports” to Council by the Environmental Services Department.

The servicing trigger timeframes used in the protocol are:

- Pre-sales can generally occur 1 year prior to infrastructure completion.
- Plan of subdivision registration, lifting of Holds and building permits can occur 6 months prior to the infrastructure completion.

These timeframes generally recognize the development process for grade related housing in plans of subdivision and not high density residential development subject to site plan control.

Why do high density residential developments need a different trigger?

Given the nature of the high density planning approval process through site plan and the construction timeframes, an alternative process is proposed. The proposed process recognizes the differences between the development of high density residential buildings and ground related housing. For example, high density residential buildings have different construction timeframes than ground related residential buildings. It takes on average 4 to 6 months to build a single detached dwelling, but a high rise apartment can take up to 18 to 24 months to construct. Further, a high rise apartment cannot be built in phases, whereas a neighbourhood of ground related dwelling units can be.

Managing the key trigger points: site plan approval and building permits

Site plan approval provides a process to deal with the details of a development site. Once final site plan approval is granted, building permits can be issued in accordance with the approved drawings provided, there is no other building code matter outstanding.

The final site plan approval is therefore a very key control point for the issuance of building permits. It is, therefore, important that servicing allocation be confirmed prior to site plan approval.

Risk management through balance between development approvals and infrastructure completion

It is important that at the time where servicing allocation is confirmed, there is a relatively high certainty that the required infrastructure will be in place to service the development. While high density development can take anywhere from 18 months to 24 months to complete, some consideration needs to be provided to unforeseen delays in infrastructure delivery.

Based on a balance between recognition of extended building periods for high density development and the complexities of Regional infrastructure delivery, it is proposed that up to a 18 month servicing trigger be considered by the Region for high rise development. This means that site plan approval and potentially building permits could proceed 18 months in advance of the infrastructure being complete provided the local municipality concurs and subject to local servicing protocols.

It is also suggested that this longer trigger timeframe apply to specifically to water and sewage treatment facilities at this time which have lower construction time risks than major tunnelling projects. Further consideration of alternative triggers relating to future major tunnelling projects like the Southeast Collector will need to be given closer to the proposed completion date of December 2012.

Pre-sales management

Unlike plans of subdivisions, there are no provisions in the Planning Act for the pre-sale of units subject to Site Plan Control. Financing arrangements are also unique as pre-sales of about 70% are required to finance and construct apartments. Sales also occur prior to site plan approval or even prior to an application being made.

Given the nature of high density residential sales and the site plan approval process, a further Regional policy to regulate pre-sales of these units is not recommended. The application of Holding provisions in the zoning and the timing of site plan approval based on up to a 18 month timeframe provides an appropriate level of control.

What is meant by high density in terms of applying these alternative trigger timeframes

High density development is defined slightly differently in each local municipal Official Plan and zoning by-law. For the purpose of using timeframe up to a 18 months, high density means a multi-unit apartment building with underground parking or a demonstrated construction period of at least a year and a half.

The existing 6 month timeframe is intended to continue to apply to grade-related multi-unit developments such as townhouses. Townhouse units that are subject to both the draft plan of subdivision and site plan process require servicing allocation at the time of

registration of the plan of subdivision. Servicing allocation for this type of development is therefore unnecessary at the site plan approval stage unless the number of units increases from the original allocation.

It should be noted in all cases, the local municipal building officials will make the final determination on the timing of issuing any building permits and local servicing protocols may use more restrictive timeframes.

Relationship to Vision 2026

The proposed policy 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 implementation of processes that allow appropriate development approvals to move forward is important to maintain a sufficient pool of approvals and avoid processing bottlenecks when servicing allocation becomes available. The proposed process also provides an opportunity to pursue high density applications at an earlier stage in keeping with the Centres and Corridors strategy.

6. LOCAL MUNICIPAL IMPACT

This process is intended to provide more certainty as to future servicing capacity for high density residential developments that are required to proceed through the site plan approval process. This will provide for additional flexibility for the local municipalities to support desirable site plan applications in advance of servicing capacity availability and assists in management of limited allocation supply prior to 2012.

It should be clearly noted that each local municipality maintains the authority through their building officials to determine if a building permit should be issued and local municipalities also maintain authority over their local servicing protocols which may apply more restrictive timeframes. This proposed policy is not intended to supersede this authority, but to provide an indication of when the Region is reasonably confident that the infrastructure will be completed and supports site plan approval to move forward.

7. CONCLUSION

This report contains a proposed alternative servicing trigger for high density development subject to the site plan approval process and the local servicing protocols. A draft

proposal was circulated to local municipalities last year for the purposes of consultation and a twelve month proposal was further considered through recent consultation. In order to provide local municipalities maximum flexibility, a proposed alternative trigger of up to 18 months is recommended by the Region. The local municipalities may still choose to process with a shorter timeframe.

High density residential development plays an important role in achieving the vision for the Regional Centres and Corridors and is therefore important that alternatives be considered that help achieve this development. This is part of an expanded range of initiatives and tools managing the coordination of servicing and development.

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

The Senior Management Group has reviewed this report.