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SERVICING ALLOCATION AND FUTURE REGIONAL CONDITIONS FOR DRAFT PLAN OF SUBDIVISION APPROVAL

The Planning and Economic Development Committee recommends the following:

- 1. The presentation by Debbie Korolnek, General Manager, Water and Wastewater Branch and Karen Whitney, Manager, Planning and Infrastructure Planning, be received; and**
- 2. The recommendations contained in the following report dated October 14, 2007, from the Commissioner of Planning and Development Services and the General Manager, Water and Wastewater, be adopted:**

1. RECOMMENDATIONS

It is recommended that:

1. Servicing allocation for 2011 be assigned to the local municipalities, as outlined in *Attachment 1* and subject to the infrastructure triggers set out in *Attachment 2* which include the new YDSS flow control measures, and the completion of the Duffin Creek WPCP expansion.
2. The Region provide conditions of Draft Plan of Subdivision approval based on the completion of communities currently under construction at the request of local municipalities.
3. This report be circulated by the Clerk to the local municipalities for information.

2. PURPOSE

The purpose of this report is to:

- (a) Assign 2011 servicing allocation to the local municipalities served by the York Durham Sewage System (YDSS) based on implementation of the required infrastructure including Duffin Creek Water Pollution Control Plant (WPCP) expansion and “Flow Control” on the YDSS, and
- (b) Provide criteria for release of future conditions of draft plan approval by the Region to the local municipalities.

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 the required infrastructure needed 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 replaced with a YDSS connection.

3.1 Delays in Southeast Collector Impact Allocation Capacity

The next increase in allocation was to originally be linked to the completion of the Duffin Creek Water Pollution Control Plant (WPCP) expansion and the Southeast Collector Trunk Sewer in 2010. The Duffin Creek WPCP remains on schedule for completion in 2010, however, delays with the Individual Environmental Assessment process of the Southeast Collector has resulted in a revised completion date of December 2012, two years beyond initial plans. This delay was first reported in the April 4, 2007 “Water and Wastewater Infrastructure Status Report” adopted by Council on April 19, 2007.

3.2 Alternative Flow Control Measures Close Gap

The limiting factor for the YDSS conveyance system is peak flow which occurs when large storm events occur and a portion of this rain enters the collection system. Although this is normal for all gravity sewers, there is a limit to how much flow can be accommodated in the system. The completion of the Southeast Collector by 2010 was to alleviate this capacity constraint.

Alternatively, staff recommended in-line flow control on larger sections of the YDSS along 19th Avenue and 16th Avenue to reduce these peak flow conditions and retain them in areas of the system that have capacity. This recommendation contained in the June 13, 2007 report “Flow Control on the York Durham Sewage System” was adopted by Council on June 21, 2007.

By installing the recommended flow control systems, the Region will be able to accommodate an additional 58,000 people while simultaneously reducing risk of surcharging from a 10 year design storm to a 25 year design storm. Construction of the necessary facilities has been included in the 10 year capital program and is scheduled for completion in 2009.

The principle of releasing conditions of Draft Plan Approval established in the “Servicing Protocol: Interim Approach for Releasing Conditions of Draft Plan of Subdivision” report to Planning and Economic Development Committee adopted by Council on March 29, 2007 and confirmed in June 2007 built upon the fact that the Duffin Creek WPCP Environmental Assessment had just been approved and the concept of in-line flow control was to be examined to provide interim conveyance capacity to the expanded treatment plant (2010) in light of the Southeast Collector delay.

3.3 Distribution of 2011 Allocations

This report outlines 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. The basis for this timing is the increased level of certainty of delivering both the Duffin Creek WPCP expansion by December 2010 and the YDSS Flow Control measures which have now been identified, and are scheduled for completion in the fourth quarter of 2009.

In conjunction with the distribution of one year of allocation, the report builds on the premise established in the earlier reports for the release of conditions of draft plan approval, which will receive future allocation, including the principle of completing communities. This continues the measured risk approach of rolling out one additional year of allocation pending the construction of key infrastructure and will provide for the phased build out of communities.

3.4 Consultation

Throughout September and October, all of the individual local municipalities connected to the YDSS were consulted with regard to the approaches proposed in this report. The key issues that were raised include:

- Intensification reserve is positive step – allocation in harmony with planning policy
- One year roll out of allocation is prudent
- Draft Approvals should not get too far ahead of allocation – 3-7 year supply in the context of the Regional Official Plan
- Comprehensive planning needs to be ensured
- Completion of communities already substantially built is important
- Control of Draft Approvals is still needed – use of tools such as Holding provisions in zoning bylaws, no-presale agreements, Section 34(5) bylaws to preclude building permit issuance in the absence of allocation
- Allocation should be synchronized with growth management strategies
- Consideration for flexibility in policy – could be used to further promote intensification

4. ANALYSIS AND OPTIONS

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. Municipalities and the development industry have participated in the development of the program.

It was anticipated in June 2005 that that YDSS servicing allocation assigned at that time would provide for the continued phased build out of communities within the existing urban areas at a rate of approximately 35,000 people/year until mid 2010.

This report addresses servicing allocation and planning approvals, specifically release of Draft Plan of Subdivision conditions, beyond 2010. The assignment of allocation for 2011 growth to the local municipalities with specific infrastructure triggers such as the Duffin Creek WPCP expansion and YDSS flow control is addressed first. The release of conditions by the Region to local municipalities is the second part of this section. These two components are distinct. Both are based on management of growth, risk, timely delivery of infrastructure and they come into effect through partnerships with our local municipalities.

4.1 Servicing Capacity and Allocation

4.1.1 Principles Established

A number of principles have been established for how much servicing capacity is assigned to the local municipalities, when the assigned capacity can be used for development purposes, and what planning tools need to be in place. This section provides a recap of those principles.

The amount of the servicing assignment to the local municipalities is based upon:

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

The planning tools that have been established and have been successfully utilized include:

- Use of “Holding” provisions in the Zoning By-laws
- Local municipality-wide Section 34(5) By-law to prohibit building permits until servicing
- Use of “No-presales” Agreements
- Use of “Indemnity” Agreements

These planning tools will continue to be used with future servicing allocations.

4.1.2 Servicing Allocation Assignment to Local Municipalities

The following *Table 1* illustrates the allocation for each municipality to date.

Table 1
Allocation Assigned to Local Municipalities to date and total YDSS Capacity

Municipality	October 2004 Assignment A	June 2005 Assignment B	2006 Additional Units C	Total Allocation Assigned (A+B+C)	Total YDSS Capacity
	Units	Units	Units	Units	Population
East Gwillimbury	0	1,100	0	1,100	3,300
Newmarket	2,620	1,250	0	3,870	85,300
Aurora	2,151	450	0	2,613	54,900
Richmond Hill	11,599	600	1,095	13,294	197,900
King City	0	500	279	779	5,800
Stouffville	3,000	0	2,333	5,333	20,100
Vaughan	11,357	5,300	465	17,122	290,200
Markham	11,776	6,000	1,580	19,356	307,500
<i>Regional Reserve</i>					6,000
Total	42,503	15,200	5,764	63,467	970,000

4.1.3 Proposed Servicing Allocation - 2011

In June 2007, a policy was adopted to permit an addition one year supply of release of conditions for Draft Approvals for 2011 *prior* to any servicing allocation which represented servicing for about 36,000 persons (or approximately 11,000 units). This 2011 one year Draft Approval supply proposed a “greenfield” and “intensification” component. Based upon the certainty of the infrastructure required to service this population on the YDSS and the principles established, this current report confirms the servicing allocation to each municipality representing this one year supply in the year 2011. This 2011 allocation is tied to the new triggers outlined in the next section which include both the Duffin Creek WPCP expansion and YDSS flow control measures.

Draft approvals granted based on the “Servicing Protocol: Interim Approach for Releasing Conditions of Draft Plan of Subdivision in Advance of Servicing Allocation” report to Planning and Economic Development Committee adopted by Council on June 21, 2007 can now receive servicing allocation.

This allocation does not fully assign at this time the 58,000 person capacity provided with the flow control measures and Duffin Creek WPWP expansion.

Allocation for 2012 will be reported upon once the Southeast Collector individual Environmental Assessment has progressed further, the Master Plan updates have been filed and system efficiencies have been further examined. This is anticipated to occur in either late 2008 or early 2009.

As part of an ongoing our monitoring program and upon reporting further on allocation for 2012, differences in growth rates between the municipalities can be further recognized and additional allocation potential required to service the additional year of growth examined on a individual municipality basis.

The table in *Attachment 1* outlines how this new allocation for 2011 is distributed among the local municipalities. It is important to note that the new allocations are subject to the triggers in *Attachment 2*. Since there are only 58,000 persons of new capacity for 2011 and 2012 and approximately 36,000 will be utilized in 2011 with the above recommendations; only 22,000 persons remain for 2012, less than one year's growth. It is expected that the amount will be reassessed in 2008 (relative to the status of YDSS projects) prior to confirming additional allocation for 2012.

In keeping with the principles of allocation, the intensification component is to be maintained and increased, where possible, consistent with the Places to Grow objectives in any further allocations. The goal is to maintain the forecast growth projections with the increasingly higher intensification component with this assignment of allocation and future assignments of allocation.

4.1.4 Role of the Infrastructure Trigger Tables

The infrastructure trigger tables provide a clear schedule of the works needed to provide the servicing allocation to each municipality. The first table was established in June 2005 and is updated through regular reporting to Council. All of the projects on this first table are well in hand with many of the construction projects nearing completion.

A new trigger table was established in the June 2007 report regarding the release of conditions of draft plan of subdivision approval and reconfirmed in Report No. 7 of the Transportation and Work Committee in September 2007. This new trigger table outlines the infrastructure needed to for servicing allocation beyond a population of 970,000. The most critical piece of infrastructure on this new table is the Duffin Creek WPCP expansion – a project that is now under construction. The new trigger table is found in *Attachment 2*.

The new trigger table sets out timing for both pre-sales and registration of plans of subdivision for servicing allocation beyond the 970,000 population threshold. In future updates, new priority projects required to service growth beyond the additional 58,000 population will be identified and added to the priority projects list, as new information becomes available from the current Water and Wastewater Master Plan Update, and completed projects will be removed from the list. A trigger table indicating the required infrastructure beyond 2012 will be introduced at the time allocation is assigned to the local municipalities.

4.2 Future Draft Approvals

4.2.1 Completing Communities

There are a number of communities within the urban area that have been substantially built, but require a number of additional phases in order to achieve the complete community plan. There are examples found in Markham such as Wismer and Cornell. In Vaughan, Blocks 12 and 18 are examples. Yonge East and Yonge West are Richmond Hill examples.

While some of these examples achieved Draft Approvals through OMB decisions and development charge agreements at a time when servicing allocation was not an issue, others are awaiting Draft Approval that traditionally has been granted only when servicing allocation is available, leaving gaps of unapproved subdivisions within a substantially built community that has completed all of the steps in a comprehensive planning exercise.

While the servicing allocation provides the capacity needed for the building of new development, the Draft Approval of Plans of Subdivision sets out the structure of the community in terms of road layout, lot patterns, school and community facility blocks, and other key components of a complete community.

Approving draft plans of subdivision for only those specific lots with servicing allocation has cumulatively resulted in the fragmented Draft Approval of the communities that: have gone through the complete planning process; have been substantially built; are in keeping with the municipality's growth management strategies; and, are within the urban boundary.

There are a number of Draft Approved plans of subdivision that are in the process of moving towards registration that have servicing allocation set aside. This represents just over a 3 year supply which will take the Region to 2010 in terms of growth should all of these plans achieve final registration. Additional draft approvals will assist in achieving the 3 to 7 year range of supply Region-wide allowing a process for management of growth and careful management of risk.

It is therefore recommended that the residual areas in substantially built communities could potentially move to Draft Approval with conditions for phasing and infrastructure delivery at the determination of the local municipalities, once Regional conditions of Draft Plan of Subdivision have been provided, to complete the planning approvals. As each phase is allocated servicing, the build out would then occur.

It important to remember that the local municipalities are the approval authority for plans of subdivision and draft approval is not just about servicing allocation. The recommendation of a municipality to move forward with a draft approval relies on a

number of issues including Official Plan policies, phasing plans, growth management priorities and resolving the variety of issues that are part of building new communities.

This concept of release of conditions for further draft approvals is intended for the completion of the approvals for the communities that have substantially been built. New Secondary Plan communities such as North Leslie and West Gormley in Richmond Hill are not intended to be draft approved through this criterion.

4.2.2 Method to Address the Contained Release of Conditions

It is important that draft approvals are not prematurely granted where Official Plans require updating, policies are not current, and approvals are not in keeping with a municipality's growth management strategy and staging.

As originally established in February of 2006, once the current planning of a community is complete and servicing certainty has been established it is appropriate to move to the next stage of Draft Plan of Subdivision approval. The completion of the planning involves:

- Local Municipal growth management policies
- Secondary Official Plans
- Tertiary Plans where necessary
- Phasing Plans
- Master Environmental Servicing Plans
- Block Plan/Community Design Plans
- Design Guidelines

The comprehensive and complete draft approval of these communities then provides an appropriate level of certainty about how these communities will be built when servicing allocation becomes available. The building out of these communities will then be determined through phasing plans adopted for each community linked to the servicing allocation for each local municipality. Phasing and controls can be at the draft plan of subdivision approval stage.

Any potential risk associated with new draft approvals will continue to be managed through the application of all of the planning tools in the protocol such as Holding zone provisions, Section 34(5) by-laws that prohibit building permit issuance when there is no servicing, no-presales agreements and indemnity agreements. These controls would continue to be applied should there be construction delays for the required infrastructure. With all of these tools in place, developer expectations are managed and full awareness of the linkage of development timing to infrastructure delivery is up front and acknowledged by all parties. The diagram in *Attachment 3* illustrates how these tools are used. They have been effective.

4.2.3 Moving forward with Draft Plan Approvals at Municipalities Request

The infrastructure triggers established have been effective and have worked well at controlling the phased registration of plans based on infrastructure availability. On the basis of the above approach for completing communities, specifically related to the Regional release of conditions of draft approvals, it is proposed that we build upon the criteria first established in February 2006 report for the release of Regional Draft Plan of Subdivision Approval and further refined in the March and June 2007 reports which introduced priorities and the intensification component.

The conditions of draft approval of plans of subdivision released by the Region will include a provision that links the final release of the plan of subdivision to the staging/phasing of development, as determined by the local municipality and linked the Regional/Local servicing allocations; and the specifically required infrastructure triggers and provisions. With a current Draft Approval supply of just over 3 years and 4 years of additional supply in the proposed state awaiting draft approval, the target of maintaining a 3 to 7 year supply of Draft Approval Region-wide can be achieved through the proposed release of additional conditions of Draft Approval to the local municipalities.

4.3 Development Charge Credit Agreements and Future Allocation

Servicing allocation has become a factor in the build out of developments including those subject to development charge credit agreements. It is important to establish how servicing allocation will impact the build out of these communities and, ultimately, impact the recovery of costs of the infrastructure that has been financed.

The phased build out of communities coinciding with the servicing allocation available to each municipality should be reflected in future agreements and reflect both local municipal and Regional growth management strategies and objectives.

Currently, negotiations are underway regarding a Development Charge Agreement for the YDSS connection for the communities of Queensville, Holland Landing and Sharon. It has been determined that the infrastructure can service growth for a new population of 15,000 people (or about 5000 units) prior to the implementation of the Upper York Servicing Solution that will be determined through a future Individual Environmental Assessment. Allocation only for a portion of growth, that is provided by this infrastructure, can be confirmed at this time with future allocation rolled out on an annual basis with the recognition of the forecast growth rates and the system wide infrastructure capacity provided by key works such as the Duffin Creek WPCP expansion, the flow attenuation control on the YDSS and the Southeast Collector Sewer.

This illustrates the importance of addressing the allocation issue within the principles of the development charge agreements and the actual agreements themselves. In the case of the East Gwillimbury agreement, this issue will be further defined in a subsequent Finance Principles report later this year in consultation with East Gwillimbury.

4.4 Relationship to Vision 2026

The proposed policy achieves the 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 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

The refined policy with specific Regional criteria for further release of conditions of draft approvals supports local municipalities in achieving comprehensive planning approvals for communities underway and links the phased build out of new subdivisions through registration and incremental servicing allocation. Local municipalities will identify growth priorities on a community basis to determine which applications move forward to draft approval.

7. CONCLUSION

The servicing allocation for 2011 provided, based on the Duffin Creek WPCP expansion and YDSS Flow Control provides certainty to the local municipalities in advance of the infrastructure completion. It also links servicing allocation more directly to both the local and Regional Official Plan objectives promoting complete community planning.

The complete community approach for releasing Regional conditions of draft plan approval provides the local municipalities the flexibility to proceed with Draft Plan of Subdivision approval in advance of servicing allocation availability. 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 and Infrastructure Integration, Community Planning Branch at (905) 830-4444, Ext. 1505 or karen.whitney@york.ca.

The Senior Management Group has reviewed this report.

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