

December 11, 2023

Our File No.: 231613

**Via Email**

City of Vaughan  
2141 Major Mackenzie Drive  
Vaughan, ON L6A 1T1

York Region  
17250 Yonge St.  
Newmarket, ON L3Y 4W5

**Attention: Vince Musacchio, Deputy City  
Manager, Infrastructure Development**

**Attention: Erin Mahoney, CAO**

Dear Sirs/Mesdames:

**Re: York Region 2023 Servicing Assignment and Allocation of Servicing Capacity  
Distribution Report, December 5, 2023 (the “Servicing Report”)**

We are counsel to 1834371 Ontario Inc., the owner of the lands known municipally in the City of Vaughan as 2951-2957 Highway 7.

It has come to our client’s attention that, despite not being consulted prior to the preparation of the Servicing Report, the City may have made a clerical and administrative error in attempting to “reconcile” servicing allocation to the Project, which effectively amounts to a withdrawal of such capacity. Doing so would be contrary to the City’s policy entitled Allocation of Servicing Capacity (Policy No. 08.C.01) (the “**Policy**”). Further to Section 4.3.3 of the Policy, the Project has long paid the development charges (hard component) and has an executed, in effect pre-payment agreement with the municipality authorizing the issuance of servicing. We suspect that these facts may have been overlooked in preparation of the Servicing Report, based on discussions with Staff.

The Project is an active Project in the City with millions of dollars in fees, development charges, and other costs, while awaiting the City’s approval of certain modifications to the existing approval.

We ask that you correct this clerical error immediately, before the Servicing Report is presented to Council. Please confirm receipt of this letter and confirm that the requested correction will be implemented before Council. If not corrected as requested, the matter should be deferred to a future Council date in fairness to our client, whose Project would be substantially prejudiced if consideration of the Servicing Report proceeds, which prejudice has only been exacerbated by the lack of advanced notice.

We look forward to your prompt response in this matter before the end of the day.

Yours truly,

**Goodmans LLP**



Max Laskin

Partner

ML

Encl.

cc: Marco Filice, 1834371 Ontario Inc. (mfilice@libertydevelopment.ca)  
City Clerk (Clerks@vaughan.ca)

1406-6949-1721



## Committee of the Whole (2) Report

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**DATE:** Tuesday, December 5, 2023

**WARD(S):** ALL

**TITLE:** YORK REGION 2023 SERVICING CAPACITY ASSIGNMENT  
AND ALLOCATION OF SERVICING CAPACITY DISTRIBUTION  
REPORT

**FROM:**

Vince Musacchio, Deputy City Manager, Infrastructure Development

**ACTION:** DECISION

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**Purpose**

This Report is to provide a summary of the Regional Municipality of York's (York Region) new servicing capacity assignment for the City, as approved by York Region Council on November 23, 2023. With the assignment of the new Regional servicing capacity, Staff are also requesting approval to formally allocate municipal servicing for those development applications that were previously approved with a Holding Symbol ("H"), because servicing capacity was not available for these developments at the time.

**Report Highlights**

- York Region's latest Servicing Capacity Assignment Report for its nine municipalities has been approved by Regional Council on November 23, 2023.
- Vaughan was formally assigned servicing capacity of 43,375 persons equivalent, of which 14,538 persons equivalent is available to be utilized city-wide.
- This latest Regional Servicing Capacity Assignment for Vaughan is a 2-year timeframe with the next assignment anticipated to be in 2025.
- Staff seek formal approval to allocate Servicing Capacity to previously approved development applications with a Holding Symbol ("H").

## **Recommendations**

1. THAT Council receive York Region's 2023 Servicing Capacity Assignment Report prepared by the Commissioner of Public Works, Commissioner of Corporate Services and Chief Planner, dated November 9, 2023, and approved by Regional Council on November 23, 2023.
2. THAT the City accept York Region's 2-year servicing capacity assignment of 43,375 persons equivalent, of which 14,538 persons equivalent is available to be utilized city-wide, while 28,837 persons equivalent must be reserved for Block 27's full build-out.
3. THAT Committee of Adjustment file numbers A052/23, B023/22, B001/23 and development application file numbers DA.11.113, DA.15.078, DA.20.044, DA.20.058, DA.20.060, DA.22.051, and 19T-20V008 be ALLOCATED servicing capacity from the York Durham Sewage System/York Water System for a total of 2,948 persons equivalent.
4. THAT the following servicing capacity (in persons equivalent) be RESERVED for future development accordingly:
  - a. 13,716 persons equivalent for distribution to active and future development applications city-wide (excluding the Kleinburg Water Resource Recovery Facility service area) which are tributary to the York Durham Sewage System / York Water System, after 2023 reconciliation and allocation of development planning applications;
  - b. 28,837 persons equivalent for distribution to future development applications in Block 27 specifically, pursuant to York Region's Block 27 Prepaid Development Charge Credit / Reimbursement Agreement, dated December 1, 2020, and the City's Block 27 Water and Wastewater Servicing Capacity Allocation Agreement, dated January 12, 2023; and
  - c. 2,864 persons equivalent for distribution to active and future development applications for the area tributary to the Kleinburg Water Resource Recovery Facility / York Water System.
5. THAT City staff continue to track and review the City's available regional servicing capacity and bring forward annual update reports to a Committee of the Whole meeting in Q1 of each year.
6. THAT a copy of this report be forwarded to York Region and to the Building Industry and Land Development Association (BILD) – York Chapter.

## **Background**

York Region supplies bulk water through large trunk transmission mains to local area municipalities for daily consumption and fire protection. York Region is also responsible for providing trunk wastewater conveyance and treatment for local area municipalities. Accordingly, York Region establishes limits on sewage and water servicing capacity to accommodate the needs of each of the nine local area municipalities within the Region. Limits are set based on the overall availability and capacity of the Regional infrastructure network. Each local municipality is then responsible to allocate the regional sewage and water servicing capacity to individual land development applications, considering the availability and capacity of local infrastructure. To efficiently manage the distribution of the limited Regional capacity, the City developed a formal Allocation of Servicing Capacity Policy that was approved by Council on December 17, 2019.

York Region typically assigns servicing capacity to the local municipalities on a 3-to-4-year cycle, based on historical growth rates and future growth projections. Regional servicing capacity is reviewed on an annual basis by York Region with the objective of sustaining short-term demand, meeting long-term growth forecasts, and addressing market trends.

York Region's last water and wastewater capacity assignment to Vaughan was a little over 4 years ago on September 12, 2019. This last regional servicing capacity was fully allocated to development applications and utilized by the City at the end of April 2023. As a result, a Holding Symbol ("H") has been applied to all development applications approved since then, with removal conditional upon the City being able to allocate regional servicing capacity for the proposed development.

## **Previous Reports/Authority**

The City's Allocation of Servicing Capacity Policy approved by Council on December 17, 2019: <https://www.vaughan.ca/sites/default/files/08.C.01%20-%20Allocation%20of%20Servicing%20Capacity.pdf?file-verison=1700489739439>

The City's report on York Region's last water and wastewater capacity assignment presented to the Committee of the Whole, dated December 10, 2019, and part of the [Allocation of Servicing Capacity Annual Distribution and Update Report](#).

## Analysis and Options

### **York Region's latest servicing capacity assignment to Vaughan**

York Region's latest servicing capacity assignment as approved by Regional Council on November 23 and presented in their Committee of the Whole report on November 9, 2023 (Attachment 1) was 43,375 persons equivalent, of which:

- 14,538 persons equivalent is available to be utilized city-wide; and
- 28,837 persons equivalent must be reserved for Block 27's full build-out specifically, pursuant to York Region's Block 27 Prepaid Development Charge Credit / Reimbursement Agreement and the City's Block 27 Water and Wastewater Servicing Capacity Allocation Agreement.

In addition to York Region's latest servicing capacity assignment, regional staff have identified a shorter 2-year timeframe between servicing capacity assignments to local municipalities to reflect on any incremental capacity needs as a result of growth forecast changes, market trends, and progress on York Durham Sewage System infrastructure. As such, the next regional capacity assignment to Vaughan is anticipated to be in 2025.

### **Allocation of Regional Servicing Capacity for 2023 Development Applications**

With the latest York Region Servicing Capacity approved for Vaughan, staff are requesting Council approval to allocate servicing capacity for the following development applications that were approved after April 2023, when the City's regional servicing capacity from the last assignment was exhausted:

#### 2023 Committee of Adjustment Applications

In 2023, two (2) Consent Applications and one (1) Variance Application were approved by the Committee of Adjustment and a total of 231 persons equivalent are recommended to be formally allocated by Council in this Report, as follows:

<b>Consent Application Number</b>	<b>Municipal Address</b>	<b>Number of Units and Unit Type</b>	<b>Approval Date</b>
B023/22	100 Treelawn Boulevard	1 single-family unit	February 23, 2023
B001/23	209 Crestwood Road	1 single-family unit	July 13, 2023
A052/23 (Related File DA.21.031)	RP B3S Holdings Inc.	101 Residential Apartment Units	Notice of Decision (August 3, 2023)
<b>Total:</b>		<b>231 persons equivalent</b>	

### 2023 Development Planning Applications with a Holding Symbol ("H")

Since April 2023, seven (7) Development Applications were approved by Council with a Holding Symbol ("H"), with removal conditional upon regional servicing allocation. Staff recommend these applications be formally allocated by Council in this Report for a total of 2,717 persons equivalent, as follows:

<b>Development Application Number</b>	<b>Owner</b>	<b>Number of Units and Unit Type</b>	<b>Approval Date</b>
DA.11.113	Ozner Corporation (South) Inc.	379 Apartment Units	OLT Approved on December 20, 2022
DA.15.078	Countrywide Homes (Woodend Place) Inc.	10 Townhouse Units (Additional Units Required)	LPAT Approved on December 20, 2018
DA.20.044	2777100 Ontario Inc.	10 Semi-Detached Units	May 16, 2023
DA.20.058	2706640 Ontario Inc.	4 Semi-Detached Units plus 56 Apartment Units	May 30, 2023
DA.20.060	Dulcina Investments Inc.	342 Apartment Units	May 30, 2023
19T-20V008	Block 18 Properties Inc. and Block 18 (Rutherford) Inc.	273 Townhouse Units	May 30, 2023
DA.22.051	Rom-Grand Kipling Two Limited	28 Townhouse Units	Delegated Authority
<b>Total:</b>		<b>2,717 persons equivalent</b>	

### **2023 Reconciled City-Wide Regional Servicing Capacity**

In 2023, four (4) previously approved development applications with servicing allocation were either revised or determined to be over-allocated. The allocated services from these applications for a total of 3,495 persons equivalent have been reconciled and added back to the overall city-wide servicing capacity reserve, in accordance with the City's Allocation Policy. The details of the four development applications that were reconciled are as follows:

Development Application File Number	Original Approval	Over-allocation/Revision	Reconciled Servicing Capacity (persons equivalent)
DA.13.021	1,162 Apartment Units	1,162 Apartment Units	2,568 persons equivalent
DA.19.024		One (1) Single-Family Unit	4 persons equivalent
DA.20.022	397 Apartment Units 877 persons equivalent	877 persons equivalent	877 persons equivalent
DA.22.051	15 TH Units – 46 persons equivalent	46 persons equivalent	46 persons equivalent
<b>Total:</b>			<b>3,495 persons equivalent</b>

**Kleinburg Water Resource Recovery Facility Service Area Capacity Assignment Summary**

In York Region’s November 23, 2023 assignment, there was no additional servicing capacity issued to the Kleinburg Water Resource Recovery Facility service area.

Future capacity needs for the Kleinburg-Nashville service area will be subject to policies impacting future expansion opportunities for the Kleinburg Water Resource Recovery Facility and will be considered through the Municipal Comprehensive Review (MCR) and the Regional Water and Wastewater Master Plan Update.

**Total Remaining City-Wide Regional Servicing Capacity (excluding the Kleinburg Water Resource Recovery Facility service area)**

The following is a summary of the total remaining City-wide regional servicing capacity assignment, as of December 5, 2023, should the recommendations in this report be approved and adopted by Council (excluding the Kleinburg Water Resource Recovery Facility service area):

1. Excludes Block 27 specific servicing capacity assignment of 28,837 persons equivalent pursuant to York Region’s Block 27 Prepaid Development Charge Credit / Reimbursement Agreement and the City’s Block 27 Water and Wastewater Servicing Capacity Allocation Agreement



<b>Allocation Milestone</b>	<b>Amount Allocated (Persons Equivalent)</b>
Regional Servicing Capacity Assignment to Vaughan on November 23, 2023 (for utilization City-wide)	+14,538 <sup>[1]</sup>
Vaughan's Regional Servicing Capacity balance at the end of 2022	+3,411
Vaughan's Regional Servicing Capacity allocated to Development Applications (January to April 2023)	-4,780
Development Applications to be Allocated in this Report (May to October 2023)	-2,717
Vaughan's 2023 Approved Committee of Adjustment Applications to be Allocated in this Report	-231
Vaughan's Reconciled Servicing Capacity 2023	+3,495
<b>Total Remaining City of Vaughan Unrestricted Servicing Capacity available for City-Wide Utilization until 2025 (excludes Block 27)</b>	<b>13,716</b>

### **Financial Impact**

None.

### **Operational Impact**

In February 2023, York Region staff initiated consultation with the City's Policy Planning and Special Programs & the Development Planning Departments to determine the appropriate regional servicing allocation assignment for Vaughan. The City's planning staff had estimated that the annual registration population for Vaughan was 29,481 persons equivalent per year based on our current trends and the anticipated servicing capacity that would be required as a result of the increase in complex high-rise type development applications. Vaughan's servicing capacity assignment from York Region is currently 14,358 persons equivalent for the next 2-years and was calculated using annual growth projections (2023-2026) based on York Region's historic registration tracking of Vaughan's allocated servicing capacity.

At our current pace of allocating regional servicing capacity to development applications, it is anticipated that the City's current assignment will likely be utilized within the next two years. As a result, once the remaining regional servicing capacity

assignment has been fully utilized, subsequent development applications (at the zoning approval stage) will require a Holding Symbol (“H”), with removal conditional upon future regional servicing allocation when it becomes available upon the next York Region capacity assignment. The use of a Holding Symbol (“H”) prevents the issuance of a full building permit and requires the applicant to bring forth a report to a future Council meeting to lift the Holding Symbol (“H”) when the conditions are satisfied thereby resulting in additional staff time to process and prepare Holding Symbol (“H”) reports and delays in the development approval process.

### **Broader Regional Impacts/Considerations**

With Council’s commitment to the Municipal Housing Target and Municipal Housing Pledge, More Homes Built Faster Act to facilitate the construction of 42,000 new homes in Vaughan by 2031; the Province’s increased growth targets across eight of nine municipalities in York Region to 150,000 units to 2031; and the recently signed \$59 million Housing Accelerator Agreement between the City and the Federal Government that will fast-track the construction of 1,700 residential units over the next 3 years and 40,000 residential units over the next 10 years, it is evident that the City’s future needs for regional servicing capacity will only become more critical in the coming years.

Even though York Region’s latest Servicing Capacity assignment timeframe has been shortened to a 2-year period to ensure a more accurate assessment of each municipality’s needs, given the City’s commitment to building more homes, City staff and York Region have agreed to initiate discussions on further servicing capacity needs when half of the current remaining City-wide regional servicing capacity has been reached to discuss options to maintain available regional servicing capacity until the next York Region assignment in 2025.

### **Conclusion**

York Region’s 2023 Servicing Capacity Assignment Report for its nine municipalities was approved by Regional Council on November 23, 2023, and provided Vaughan 14,538 persons equivalent City-wide and 28,837 persons equivalent specific servicing capacity assignment for the full build-out of Block 27. With the latest regional servicing capacity assignment, staff are requesting approval to allocate servicing for 2023 development planning applications that were approved with the Holding Symbol (“H”), with removal conditional upon regional servicing allocation.

Following the reconciliation and allocation of regional servicing capacity to 2023 development planning applications with a Holding Symbol (“H”), the City will have 13,716 persons equivalent in regional servicing capacity in our reserves for use up to

2025, at which time it is anticipated the next regional servicing capacity assignment will be provided by York Region.

Given the City's commitment to building more homes, City staff and York Region have agreed to initiate discussions on further servicing capacity needs when half of the current remaining City-wide regional servicing capacity has been reached.

**For more information, please contact: Frank Suppa, Director, Development Engineering, ext. 8255.**

**Attachments**

1. York Region – Report of the Commissioner of Public Works, Commissioner of Corporate Services and Chief Planner – 2023 Servicing Capacity Assignment – Dated November 09, 2023, as approved by Regional Council on November 23, 2023.

**Prepared by**

Tony Artuso, Water/Wastewater Lead, ext. 8396

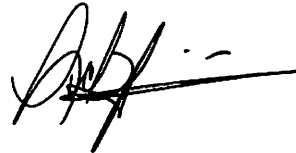
Andy Lee, Manager, Development Services and Environmental Engineering, ext. 8711

**Approved by**



Vince Musacchio, Deputy City Manager,  
Infrastructure Development

**Reviewed by**



Nick Spensieri, City Manager