

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 12, 2023

Item 6, Report No. 52, of the Committee of the Whole, which was adopted, as amended, by the Council of the City of Vaughan on December 12, 2023, as follows:

By approving the following:

That 10,221 persons equivalent for distribution replace the original 13,716 person equivalent for distribution for 2023;

Furthermore, the four projects that have been identified on the reconciliation list should be removed, as noted on page 6 of the report. This will allow staff to complete an in-depth review of these projects and report back to a future committee date. This will ensure all relevant information is addressed prior to reconciling any servicing allocation from these files; and

By receiving Communication C22 from Max Laskin, Goodmins LLP, Bay Street, Toronto, dated December 11, 2023.

6. YORK REGION 2023 SERVICING CAPACITY ASSIGNMENT AND ALLOCATION OF SERVICING CAPACITY DISTRIBUTION REPORT

The Committee of the Whole recommends:

- 1. That the recommendations contained in the following report of the Deputy City Manager, Infrastructure Development, dated December 5, 2023, be approved; and**
- 2. That the following communication be received:**
 - C6. Irene Ford, dated December 4, 2023.**

Recommendations

- 1. THAT staff 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.**

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF DECEMBER 12, 2023

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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.



Committee of the Whole (2) Report

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

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-verify=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:

Consent Application Number	Municipal Address	Number of Units and Unit Type	Approval Date
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)
Total:		231 persons equivalent	

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:

Development Application Number	Owner	Number of Units and Unit Type	Approval Date
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
Total:		2,717 persons equivalent	

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
Total:			3,495 persons equivalent

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

Allocation Milestone	Amount Allocated (Persons Equivalent)
Regional Servicing Capacity Assignment to Vaughan on November 23, 2023 (for utilization City-wide)	+14,538 ^[1]
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
Total Remaining City of Vaughan Unrestricted Servicing Capacity available for City-Wide Utilization until 2025 (excludes Block 27)	13,716

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



A The Regional Municipality of York

Committee of the Whole
Environmental Services

November 9, 2023

FOR DECISION

**Report of the Commissioner of Public Works, Commissioner of Corporate Services and
Chief Planner
2023 Servicing Capacity Assignment**

1. Recommendations

1. Council authorize assignment of new water and wastewater servicing capacity of 88,740 persons to local municipalities to support forecasted development towards Provincial housing pledges with a commitment for another capacity assignment within two years.
2. The Regional Clerk circulate this report to the local municipalities and the Ministry of the Environment, Conservation and Parks and the Ministry of Municipal Affairs and Housing.

2. Purpose

This report seeks Council approval to assign new servicing capacity of 88,740 persons to support continued development in the near-term and provides an outlook of the next capacity assignment scheduled for 2025 for the York Durham Sewage System (YDSS) and standalone water resource recovery facilities.

Key Points:

- This capacity assignment will facilitate growth of 242,279 persons in local municipalities serviced by the YDSS and includes advancement of 11,171 persons to municipalities waiting on Phase 1 of the North YDSS Expansion as a result of the *Supporting Growth and Housing in York and Durham Regions Act, 2022*
- The amount and distribution of this capacity assignment were determined using short-term growth forecasts finalized in consultation with local municipalities

- The next capacity assignment will be in 2025 to reflect any incremental capacity needed as a result of growth forecast changes and progress on YDSS infrastructure
- Over \$4.5 billion of Regional water and wastewater infrastructure is planned to be built over the next 30 years to support continued growth across the Region
- Local municipalities were consulted throughout this process to optimize distribution of servicing capacity to meet short-term growth needs, in consideration of new housing targets and to ensure consistent practices in managing available capacity

3. Background

Since 2005, a phased water and wastewater capacity assignment process has facilitated growth to over 1.3 million people

Phasing capacity enables the Region and local municipalities to effectively manage shared water and wastewater systems and align capacity with current housing market trends. Assigned capacity provides certainty for new homeowners and businesses that Regional servicing will be in-place prior to occupancy. Through the [June 23, 2005](#) Council approved Water and Wastewater Capacity and Servicing Assignment Protocol, the Region and local municipalities aspire to provide a minimum of four to five years of water and wastewater servicing capacity with each capacity assignment. This protocol has directed multi-year capacity assignments throughout time totaling 1,311,473 persons as of the 2021 capacity assignment. Details are shown in Appendix A.

Population forecasts have evolved significantly through Provincial commitment to build more homes faster

As part of the *More Homes Built Faster Act, 2022*, the Province has set specific 2031 housing targets for larger municipalities. Municipalities that pledge to meet these targets and are successful will have access to a new \$1.2 billion *Building Faster Fund*. An eligible municipality would receive no funding if it were below 80% of its annual assigned target but would receive up to 100% of allocated funding if it is on track to meet its target and could receive potential bonus funding. These pledges will advance existing longer-term forecasts in municipal land use plans and may trigger the need for additional municipal infrastructure. Eight of nine municipalities in York Region were requested to pledge.

The Province is advancing housing through a variety of tools including Minister's Zoning Orders (MZOs), Community Infrastructure and Housing Accelerator, increased flexibility for expansion of community boundaries and conversion of employment lands. All these changes require new assumptions for planning when residents and businesses need Regional water and wastewater services.

Between 2022 and 2031, servicing to support 150,000 homes is required to meet new 2031 Provincial housing targets across the Region

As recently as August 21, 2023, the Province introduced new increased growth targets across eight of nine municipalities in York Region as reported to Council on [September 7, 2023](#). These targets now total 150,000 units by 2031.

York Region and local municipalities are currently revising growth and infrastructure plans, as well as financial implications, in response to these recent changes. At this time, new infrastructure plans and cost implications have not been finalized and cannot be fully accounted for in this capacity assignment. Once the Region and local municipalities assess these growth forecasts, servicing and cost implications, future assignments will provide additional required capacity.

4. Analysis

With this 2023 assignment, local municipalities serviced by the YDSS have 242,279 persons of capacity available to support growth towards meeting housing targets

At the end of 2022, 153,539 persons of assigned capacity remained available across the eight local municipalities serviced fully or partially by the YDSS. To support development needs in the YDSS sewershed, staff recommend an additional assignment of 88,740 persons servicing capacity to local municipalities, as shown in Table 1. This will bring the total available capacity to 242,279 persons which is equivalent to roughly 80,000 new residential homes or more than half of the Provincial housing target. Georgina and portions of other local municipalities are serviced by standalone systems and are discussed later in this report.

This capacity assignment includes an allotment from the YDSS Reserve to those municipalities (Aurora, East Gwillimbury and Newmarket) awaiting implementation of the North YDSS Expansion in accordance with the Province's direction.

Table 1
Proposed New Capacity Assignment (In Persons)

Local Municipality	Available Capacity at Year End 2022 ^[1]	Capacity Assignment ^[2]	Total Available for Growth	Pre-target Forecasted Annual Growth Rate	Estimated Years of Forecasted Growth	Provincial Housing Targets Annual Growth Rate	Estimated Years of Provincial Target Growth
Aurora	7,156	2,071 ^{[3],[4]}	9,227	1,012	9	2,628	4
East Gwillimbury	10,860	1,333 ^[3]	12,193	1,922	6	1,210	10
Georgina	7,339	-	7,339	873	8	1,858	4
King	6,427	-	6,427	1,054	6	-	-
Markham ^[4]	43,847	17,584	61,431	8,792	7	15,563	4
Newmarket	5,751	7,767 ^{[3],[5]}	13,518	1,132	12	3,796	4
Richmond Hill ^[6]	36,004	10,734	46,738	5,367	9	9,220	5
Vaughan	37,715	43,375 ^[7]	81,090	7,269	11	14,350	6
Whitchurch-Stouffville (Stouffville)	5,779	5,876	11,655	1,665	7	1,981	6
TOTAL – YDSS^[8]	153,539	88,740	242,279	28,213	9	-	-
TOTAL	160,878	88,740	249,618	29,086	9	50,606	5

1. Data shown for available capacity to end of 2022 includes Regional assignments up to November 2023 under the development-related inflow and infiltration reduction programs (SIP/SDIP/LEED and Triparty I&I Reduction Agreements)
2. Capacity allocation subject to completion of ongoing capital projects to address servicing needs within local watersheds and sewersheds as outlined in Appendix B.
3. 1,333 persons capacity assigned to each municipality from YDSS Reserve.
4. 738 persons of this capacity dependent on completion of North YDSS Expansion - Phase 1 trigger project scheduled for 2026-2028.
5. 6,433 persons of this capacity dependent on completion of North YDSS Expansion - Phase 1 trigger project scheduled for 2026-2028.
6. Completion of Langstaff Collector addresses servicing needs in Pomona Creek Service Area as outlined in Appendix B.
7. 28,837 persons of this capacity dependent on completion of Northeast Vaughan Water and Wastewater Servicing – Phase 1 trigger project scheduled for 2025, and Block 27 agreement remaining in effect.
8. Excludes Georgina as it is not serviced by the YDSS and includes King

This 2023 capacity assignment includes 7,171 persons of capacity for Aurora and Newmarket contingent on completion of Phase 1 of the North YDSS Expansion

In November 2022, the Province enacted *More Homes Built Faster Act, 2022* and the associated *Supporting Growth and Housing in York and Durham Regions Act, 2022* which mandates York and Durham Regions to expedite delivery of the York Region Sewage Works Project to support accelerated growth and housing in the Regions. It effectively replaced the Upper York Sewage Solutions project with a Lake Ontario solution which requires three projects; proposed North YDSS Expansion, South YDSS Expansion and YDSS Primary System Expansion (including Duffin Creek Plant). The first project, outlined in the Direct Purchase of North YDSS Expansion Phase 1 Delivery Services Report, also on this agenda, includes improvements, expansion and extension of the YDSS to convey sewage from the northern municipalities to Duffin Creek Plant. With studies and design work still underway, the balance of capacity from implementing Phase 1 of the North YDSS Expansion will be assigned in the next capacity assignment in 2025. By that time, a better understanding of implications for Aurora, East Gwillimbury and Newmarket will be available.

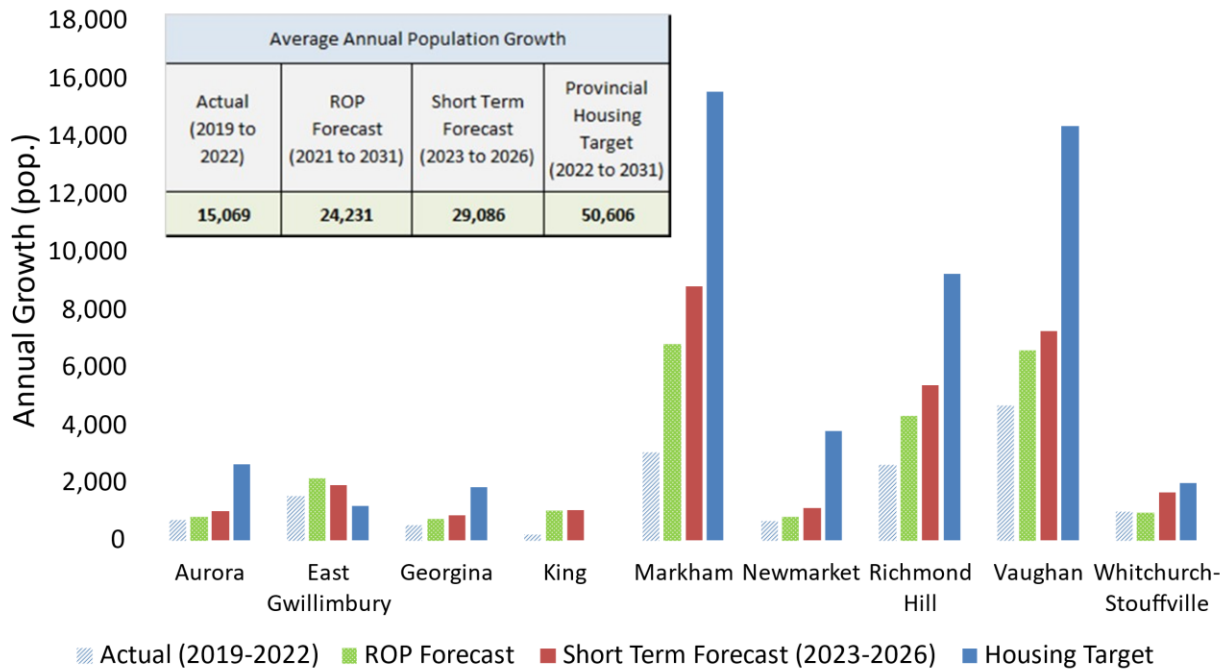
Housing targets assume an unprecedented increase in development across the Region

As planning and timing of long-term growth continue to evolve with the changing development landscape, market trends and future housing completions are incorporated into short-term forecasts to support capacity assignment. Short-term forecasted growth rates accommodate some growth approved through Minister's Zoning Orders and development in Transit Oriented Communities. New housing targets exceed current forecasts and staff need time to assess impacts on current infrastructure plans. As demonstrated in Figure 1, while annual short-term forecasted growth rates have been updated to reflect higher than recent annual housing completions and Regional Official Plan forecasts, they are well below the new Provincial housing targets for most of the local municipalities.

During the period from 2019 to 2022, actual housing completions across York Region were equivalent to an average of about 15,000 persons per year, close to 70% of the forecasted rate for this period. For the period from 2023 to 2026, the forecasted annual average growth across the Region is 29,086 persons per year; twice the historical average annual growth rate, yet nearly 22,000 persons per year short of the Provincial housing target.

Figure 1

Forecasted and Actual (2019-2022) Housing Completions by Local Municipality



Source: CMHC Completions (GTA Housing Now) and York Region Short-Term Forecasts

2023 capacity assignment provides at least six years of growth against Regional short-term forecasts and four or more years of servicing allocation at Provincial pledge growth rates

As shown in Table 1, the total assigned capacity of 242,279 persons in the YDSS supports at least six years of growth for each local municipality at short-term forecasted growth rates. When considered against ambitious provincial housing target rates, enough capacity is being assigned to support at least four years of servicing allocation, for development, however, some capacity in Aurora and Newmarket will be contingent on completion of Phase 1 of the North YDSS Expansion.

Significant fiscal room for the next generation of infrastructure projects could be realized if all developments were registered and built

This assignment will support development until the next Regional capacity assignment in 2025. Although timely construction and occupancy of homes is expected to ensure financial sustainability by development charges being collected to pay for debt to deliver infrastructure, there are some lagging planning approvals. Current Regional YorkTrax data indicates over 35% of draft approved development applications have not registered after three years, representing a significant portion of development charges to be collected. As the Region incurs significant debt to upfront finance water and wastewater infrastructure, generally well in advance of actual

housing completions, any delays in timing of new homes impedes the Region's ability to build more infrastructure. If all assigned existing capacity was built, the Region's fiscal debt for the already constructed enabling infrastructure would be eliminated, which would allow fiscal room to build new infrastructure to support growth.

York Region continues to invest over \$4.5 billion in water and wastewater projects over the next three decades to expand capacity for local municipality growth needs

As approved by Council, the 2022 Water and Wastewater Master Plan outlines over \$4.5 billion in infrastructure to support growth needs for the next three decades. With the growing need for more homes, the development community is seeking to advance Regional infrastructure projects to open up capacity sooner.

Completion of planned trigger projects will increase service capacity for growth

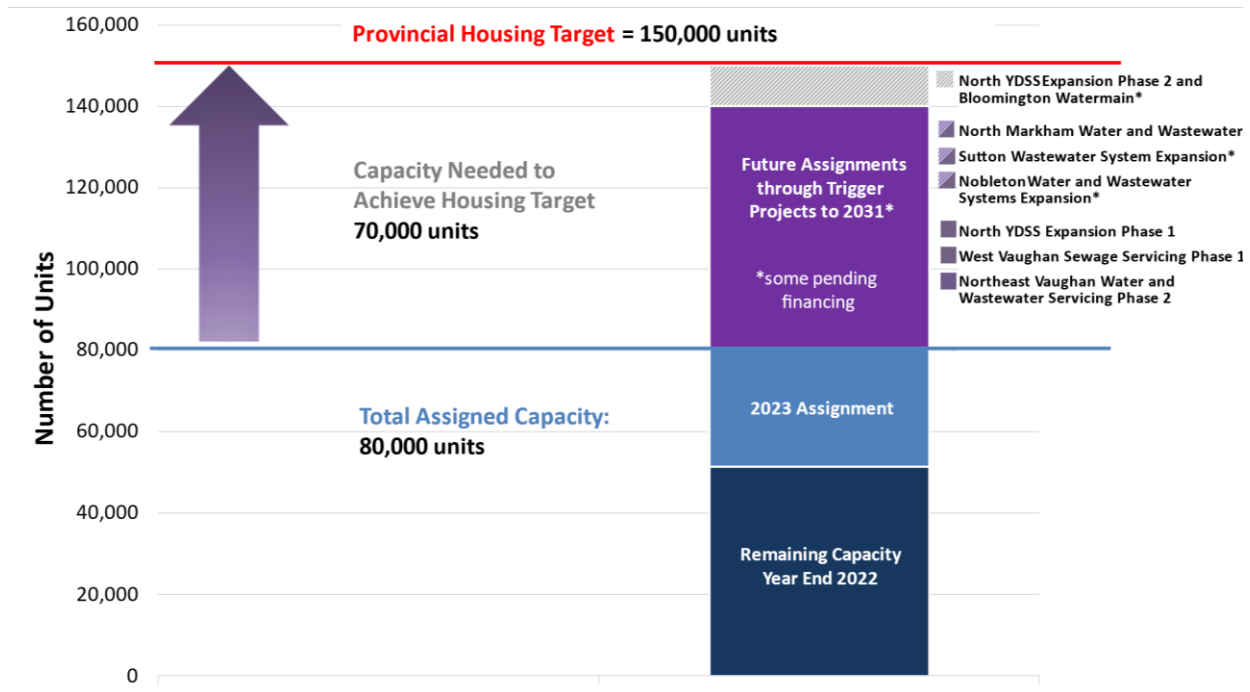
In the near term, several water and wastewater infrastructure projects, shown in Appendix C, are planned to significantly expand servicing capacity by 2041 in eight local municipalities. These projects are referenced herein as trigger projects, as they are defined in the Master Plan and open up capacity for growth. They include planned works that enable servicing for Newmarket, Aurora, East Gwillimbury, Northeast and West Vaughan, King City, and North Markham areas, in addition to expansion of the Nobleton and Sutton standalone systems.

Future capacity assignments will be based on these trigger projects subject to confirmation of funding and timing. In some cases, accelerated delivery of these projects may be negotiated through formal agreements with the local municipalities and the development community. Given certainty on funding and timing of trigger projects, the Region can then assign the associated capacity to the local municipalities, to keep development moving through the planning process. Once a project nears completion, capacity can be released, and development can proceed to registration. This approach will be undertaken for emerging work for the North YDSS Expansion.

Total available capacity with this assignment is 242,279 persons, equivalent to roughly 80,000 new homes and more than half of the Provincial housing target

Figure 2 provides an overview of the total Provincial housing targets across the Region, assigned capacity in the YDSS plus standalone systems and the balance required to meet these targets. Staff will report back in the next assignment which will consider additional servicing capacity based on funding gaps being addressed for new infrastructure. Given the funding gap and link to achieving Provincial targets, the Province would benefit from providing a funding contribution to the capital program.

Figure 2
Capacity Needed to Meet Provincial Housing Targets by 2031



Total assignment to Vaughan includes 28,837 persons pursuant to the Block 27 Development Charge Credit Agreement for the Northeast Vaughan trigger project

28,837 persons is included in Vaughan’s total capacity assignment to exclusively support continued development of Block 27 in Northeast Vaughan. This assignment is pursuant to the Block 27 Prepaid Development Charge Credit / Reimbursement Agreement, dated December 1, 2020. This capacity assignment facilitates draft approval of development applications in the Block 27 Lands in accordance with the approved Block 27 Secondary Plan. Registration of these developments can proceed following completion of the Phase 1 Northeast Vaughan Wastewater and Water Servicing Works trigger project, expected in 2025.

Interim borrowing from the YDSS Reserve supports continued growth until implementation of the North YDSS Expansion

As mentioned earlier in this report, the capacity assignment contemplates full use of the YDSS Reserve by municipalities impacted by the Province’s delay in approving the Region’s former UYSS Project. . Continuing to use capacity from the YDSS Reserve will enable Council to support near term growth in the three municipalities requiring the North YDSS Expansion infrastructure project..

Standalone systems have 17,913 persons of servicing capacity to support development that is ready to build

There is 17,913 persons unregistered capacity in the Region's standalone system communities. This is sufficient to support immediate community development needs and significantly contributes towards meeting Provincial housing targets in the Region, recognizing that the 12,960 persons unregistered in Georgina includes roughly 5,600 persons designated for Industrial, Commercial, Institutional developments. Capital projects have been initiated to address additional servicing capacity needs identified in the communities of Mount Albert, Nobleton and Sutton. A summary of unregistered capacity, draft approved or reserved capacity and available uncommitted capacity remaining at each facility is shown in Appendix D.

The Region will continue to monitor capacity consumption in these communities and review capital plans to ensure adequate servicing is available for approved growth in the near-term. While optimization studies of existing facilities are ongoing, future capacity needs will be considered through the Region's annual review of its growth and infrastructure plans.

The changing development landscape and ongoing infrastructure planning warrants more frequent capacity assignments to better meet servicing needs

Historically, capacity assignments happen every four to five years, with interim needs addressed as required or as infrastructure is completed. To increase the Region and local municipalities' ability to respond to rapidly changing development needs, staff are adopting a more agile capacity assignment with increased frequency to adapt to rapidly evolving development. Together, local municipalities and the Region are reassessing growth areas and related infrastructure plans to consider Provincial housing targets, the Province's decision on Upper York, and other legislative changes to allow development to advance more rapidly.

The next Regional capacity assignment is scheduled for 2025

Staff will provide Council with the next multi-year capacity assignment report in 2025. This is in keeping with the proposed agile assignment approach and allows the Region to provide capacity where and when it is needed. This 2025 assignment will consider updated servicing needs and infrastructure planning, status of trigger projects, remaining unused capacity and implications for the Fiscal Strategy.

5. Financial Considerations

Over \$1B additional water and wastewater infrastructure required in place of Water Reclamation Centre to meet *Supporting Housing and Growth in York and Durham Regions Act*

The province has directed York Region to deliver a southern YDSS solution to support growth in Aurora, East Gwillimbury and Newmarket. By doing so, it replaces the original planned water

and wastewater infrastructure with over \$1B in additional infrastructure, with these expenditures happening earlier in the planning horizon. Originally, phasing of the Water Reclamation Centre allowed for additional treatment trains to be constructed at intervals over a 30-year period. With the new North YDSS Expansion, phasing of sewer pipes is not feasible or practical, resulting in full costs to be expended through initial construction phases. Aurora, East Gwillimbury and Newmarket will have capacity assignment for four years against the Provincial target rate requiring North YDSS Expansion Phase 1 to be completed by 2027. Achieving the targeted rate beyond four years toward 2031 requires acceleration of Phase 2 of the North YDSS Expansion, which is not currently funded.

Nearly \$240 million in water and wastewater capital projects needed earlier in the 10-year capital plan to meet provincial housing targets

To support local municipalities in achieving their housing pledges, water and wastewater infrastructure would need to be delivered earlier than the approved Regional plans. Figure 2 summarizes anticipated capacity assignments through planned infrastructure to 2031, and earlier delivery of approximately \$240 million in infrastructure to meet Provincial housing targets.

Additional infrastructure upgrades beyond those identified in Figure 2 may also be triggered depending on location and magnitude of growth. To support new growth with a transportation network that is capable of all modes of travel, advancement of \$845M in roads and transit capital funding is needed. A large portion, \$472M, is associated with the Region's portion of BRT funding and would be contingent on obtaining full construction funding from senior levels of government. With reduced Development Charge collections resulting from Bill 23 as discussed in the [June 15, 2023](#) Council report, alternative funding sources including those provided by project-specific developer financing agreements may be required to deliver these projects.

6. Local Impact

All nine local municipalities were consulted on the 2023 Capacity Assignment

Short-term forecasts developed for this 2023 capacity assignment report were based on YorkTrax development application data and finalized through consultation with local municipal planning staff. Region staff presented and discussed analysis and key recommendations with local municipal staff, Planning Commissioners and Directors. Local municipal staff were informed of the proposed assignment, remaining multi-year capacity to service growth in their communities and outlook on future assignment. Local staff are aware the next multi-year servicing capacity assignment report is scheduled for 2025 and this assignment will further support local municipalities in meeting Provincial housing targets. Continued data sharing from all local municipalities into the YorkTrax system is an important element to assess progress and inform the next capacity assignment.

Active and complete sharing of development application data is fundamental to successful implementation of more frequent capacity assignments

More frequent capacity assignment is reliant on more frequent and complete data sharing between the local municipalities and York Region. This approach will rely on enhanced collaboration between Regional and local municipal planning and development engineering staff to coordinate growth needs with infrastructure delivery.

An increased capacity assignment frequency will require the following components:

- Annual short-term forecasting exercise using a centralized source of development information (YorkTrax)
- Increased and frequent analysis to assess residual capacity based on evolving infrastructure plans and implementation timelines
- Reassessment of capacity needs based on short-term market trends and forecasts
- Baseline assignment providing minimum of five years of capacity
- Preview of future capacity assignments tied to completion of trigger capital projects

York Region is best able to support servicing needs of its local municipalities when available capacity data is accurate and up-to-date. Local municipal staff can leverage available tools and more fully integrate them into planning processes to support close management of available capacity. This enables the Region to understand current status of assigned capacity, assess it against short-term development needs for each municipality (especially in light of changing growth forecasts) and evaluate where new capacity assignment is needed in the Region's shared system. This proactive approach means the Region can better assign capacity in alignment with timing needs of the local municipalities.

Other tools include 'use it or redistribute it' policies and application of holding zones where required. Review of existing local municipal 'use it or lose it' policies is warranted to ensure the tool is practical and effectively allows the municipality to reallocate capacity to ensure developments are ready to build and can proceed to the building permit stage.

The Region is working with local municipalities to automate planning data exchange through YorkTrax

On [April 13, 2023](#), staff updated Council on the Region's planning application modernization project to improve the development review and approval process across the Region. This project received funding through the Provincial Streamline Development Approval Fund to develop data standards, expand data exchange between municipalities and leverage technology to improve customer experience. In response to York Regions request for local commitment, Chief Administrative Officers from all nine local municipalities have indicated their support for this initiative. Each has identified a representative for their municipality to lead local

municipal coordination efforts. Planning data exchange is essential to support the flow of critical data needed to support real-time data analytics at all levels of government. Timely, accurate and complete development application data are needed to support a more agile approach to capacity assignment.

7. Conclusion

This 2023 capacity assignment will facilitate growth of 242,279 persons in local municipalities serviced by the YDSS, including advancement of 11,171 persons to municipalities waiting on the North YDSS Expansion resulting from the *Supporting Growth and Housing in York and Durham Regions Act, 2022*. The assignment is based on short-term capacity needs assessed through consultation with local municipalities, with the strategy of issuing another capacity assignment in 2025 to manage growth forecast changes.

For more information on this report, please contact Wendy Kemp, Director, Infrastructure Asset Management at 1-877-464-9675 ext. 75141 or Sandra Malcic, Director, Long Range Planning at 1-877-464-9675 ext. 75274. Accessible formats or communication supports are available upon request.

Recommended by:



Paul Freeman, MCIP, RPP
Chief Planner



Mike Rabeau, P.Eng.
General Manager, Capital Infrastructure Services



Dino Basso
Commissioner of Corporate Services



Dave Szeptycki
Acting Commissioner of Public Works



Approved for Submission: **Erin Mahoney**
Chief Administrative Officer

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#15758563

Appendix A – Servicing Capacity Overview
Appendix B – Area Specific Constraints
Appendix C – Trigger Projects
Appendix D – Standalone Systems Capacity

Overview of Servicing Capacity Assignment and Reserves as of Q4 2022

Service Area or Component	Population
Assigned Capacity to Local Municipalities	
York Durham Sewage System Service Area	1,201,128
Stand-Alone Sewage Systems (including Georgina)	87,199
Incentive Programs	9,118*
Developer Funded Inflow and Infiltration Program	14,028**
Total Servicing Capacity Assignment	1,311,473
Regional Reserves	
YDSS Reserve	4,000
Non-Profit Housing Reserve	5,009
Rental Housing Reserve	4,000
Total Servicing Capacity Assignment and Reserve	1,324,482

* Subject to meeting program requirements (e.g. water conservation, wastewater flow reduction, and conformity reporting)

** Includes capacity assigned to Aurora, Markham, Newmarket, Richmond Hill and Vaughan for works completed per Developer-funded Inflow and Infiltration Reduction agreements

Ongoing Capital Projects Addressing Area Specific Constraints

Local Municipality	Constrained Service Area	Project Addressing Area Specific Constraints	Current Status	Expected Commissioning Date	Notes
Aurora East Gwillimbury Newmarket	Aurora East Gwillimbury Newmarket	Henderson Sewage Pumping Station	Construction Completed	2023	Completion allows release of 500 persons remaining from 2018 assignment plus 1,000 persons assigned in centres and corridors. This also allows payback of 4,000 persons capacity borrowed from YDSS reserve
Markham Richmond Hill	Pomona Creek Service Area	Richmond Hill/Langstaff Gateway Regional Centre Servicing Project	Construction Completed	2023	Langstaff Collector addresses constraint Central Collector residual capacity of 20,000 persons to be split 50:50 There is adequate capacity in the Region's water system to service the noted TOC and secondary plan lands. Design work is underway to establish new system connections and revenue meters needed to service the developments.
Keswick	Keswick Pumping Station Sewershed	Keswick Sewage Pumping Station upgrades	Detailed Design	2024	Approved development can proceed. Applications without draft plan or site plan approval will be restricted for occupancy. Commercial development applications will be considered on a case by case basis.
Vaughan	Northeast Vaughan Area Wastewater: Jane Rutherford Sewersheds	Northeast Vaughan Water and Wastewater Servicing Project – Phase 1	Detailed Design	2025	Prior to completion of Phase 1, development can proceed provided total allocation in Jane Rutherford Sewershed does not exceed 48,000 persons from 2016 onward. Accounting for 40,000 persons in the south, Blocks 27, 34, 35 and 41 have a servicing capacity limit of 8,000 persons (up to

					2,000 persons is available in the North Maple Collector).
	Northeast Vaughan Area Water: Pressure Districts 8 and 9	Northeast Vaughan Water and Wastewater Servicing Project – Phase 2	Detailed Design	2028	Phase 1 works will limit capacity to 15,000 residential persons (plus 9,000 persons employment) for Pressure Districts 8 and 9; however, an additional 10,000 persons capacity is available in Pressure District 8 provided a connection to northeast Vaughan is made to the existing PD8 system at Keele and Teston.
East Gwillimbury	Mount Albert	Mount Albert Water and Wastewater System Upgrades	Detailed Design	2029	Prior to completion, development can proceed provided total allocation does not exceed 217 persons

Outlook for Trigger Projects

Trigger Project	Service Area	Municipalities	Expected Completion	Notes
York Durham Sewage System (YDSS)				
North YDSS Expansion - Phase 1	Aurora East Gwillimbury Newmarket	Aurora East Gwillimbury Newmarket	2026 to 2028	In conceptual design, timing, and associated capacity to be confirmed through detailed design 2023 assignment advances 7,171 persons, remainder to be determined through future Council report
North YDSS Expansion - Phase 2 and Bloomington Watermain	Aurora East Gwillimbury Newmarket	Aurora East Gwillimbury Newmarket	2031	New project with timing and associated capacity subject to funding and Council approval
Northeast Vaughan Water and Wastewater Servicing - Phase 2	Vaughan	Vaughan	2028	Timing associated with ongoing works
West Vaughan Sewage Servicing - Phase 1	Humber Sewage Pumping Station Sewershed	Vaughan	2028	Timing based on 2022 Master Plan Development can proceed provided total allocation does not exceed 20,000 persons from 2016 onward.
King City Sewage Pumping Station Upgrade – Phase 1	King City	King	Post 2028	Timing dependent on completion of Yonge St trunk sewer twinning component of North YDSS Expansion – Phase 1
North Markham Water and Wastewater Servicing	Portions of Future Urban Area Whitchurch- Stouffville	Markham Whitchurch- Stouffville	2032 to 2041	In discussions with local municipalities and developers Timing based on 2022 Master Plan Construction may be advanced through funding agreement Associated capacity assignment and split to be determined through future Council report
Stand-alone Systems				
Nobleton Water and Wastewater Servicing	Nobleton	King	2033	In detailed design, timing based on 2022 Master Plan Construction may be advanced through funding agreement
Sutton Wastewater System Expansion	Sutton	Georgina	2032 to 2041	In detailed design, timing based on 2022 Master Plan Construction may be advanced through funding agreement

Servicing Capacity in Stand-alone Systems

Stand-alone Facility	Approved Capacity (persons)	Capacity Used to Year End 2022 (persons)	Total Unregistered Capacity Available at Year End 2022 (persons)	Draft Approved / Reserved Capacity (persons)	Available Uncommitted Capacity at Year End 2022 (persons)
East Gwillimbury					
Holland Landing	4,300	4,221	0 ^[1]	0	0
Mount Albert	7,350 ^[2]	5,783	1,567	490	1,077
Georgina					
Keswick	49,000 ^[3]	37,254	11,746	5,771	5,976
Sutton	7,500	6,286	1,214	859	355
King Township					
Nobleton	6,750 ^[4]	6,599	151	2,343	-
Schomberg	3,444	2,935	509	158	351
Vaughan					
Kleinburg	7,505	4,779	2,726	315	2,410
Total Stand-alone	85,849	67,857	17,913	9,936	10,169

1. Remaining 79 persons capacity is not available as Holland Landing Lagoons are currently at full utilization and cannot support additional connected population
2. Includes 1,350 persons assigned capacity to become available on completion of upgrades to the Mount Albert water and wastewater systems from phase 1
3. The approved capacity of 49,000 persons in Keswick includes both residential and employment populations, with Georgina allocating based on both types of land use. Local Council has reserved 5,621 persons for the Keswick Business Park and other ICI developments (per numbers in Report No.DS-2020-0038, May 5, 2021).
4. Includes 160 persons capacity recovered through Township inflow and infiltration reduction initiatives