

Committee of the Whole (2) Report

DATE: Tuesday, March 19, 2024 **WARD(S):** ALL

TITLE: 2023 SERVICING CAPACITY ALLOCATION ANNUAL SUMMARY

FROM:

Vince Musacchio, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

This report updates Council on the status of the City's allocation of servicing capacity and reserve to the end of 2023, made available through The Regional Municipality of York (York Region) York Durham Sewage System, Kleinburg Water Resource Recovery Facility, and York Water System.

Report Highlights

- In 2023, 7,738 persons equivalent was allocated for approved development planning applications city-wide (excluding the Kleinburg Water Resource Recovery Facility service area).
- The total City Servicing Capacity remaining to the end of 2023 (excluding the Kleinburg Water Resource Recovery Facility service area and City Block 27) is 10,259 persons equivalent.
- The City's Allocation of Servicing Capacity Policy is recommended to be reviewed to assess for improvements to the City's serving allocation assignment process.

Recommendations

1. THAT a total of 12,083 persons equivalent in servicing capacity be RESERVED for 2024 accordingly:
 - a. 10,259 persons equivalent for distribution to active and future development planning applications city-wide (excluding the Kleinburg Water Resource Recovery Facility service area) which are tributary to the York Durham Sewage System / York Water System; and
 - b. 1,824 persons equivalent for distribution to active and future development planning applications for the area tributary to the Kleinburg Water Resource Recovery Facility / York Water System;
2. THAT a total of 28,837 persons equivalent in servicing capacity be RESERVED for development planning applications approved in City Block 27 in accordance with the York Region and City Agreement's with the Block 27 Landowners Group;
3. THAT the City's Allocation of Servicing Capacity Policy (included as Attachment 1) be reviewed by City staff to assess whether revisions to the policy would effectively improve the servicing capacity assignment process, with a recommendation report brought forth to a future Committee of the Whole meeting;
4. THAT City staff continue to track and review the City's available servicing capacity and bring forward annual update reports to a Committee of the Whole meeting in Q1 of each year; and
5. 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 wastewater 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 provided a capacity assignment from York Region and is then responsible to allocate this capacity to individual land development applications, considering the availability and capacity of local

infrastructure. Therefore, a formal City servicing capacity allocation process is necessary to efficiently manage the distribution of the limited Regional capacity.

Typically, York Region provides each municipality a 3-to-4-year servicing capacity assignment. In November 2023, York Region provided Vaughan a 2-year capacity supply, with the next servicing capacity assignment to Vaughan anticipated in 2025, to accurately meet local municipalities development demands and to reflect progress on critical YDSS infrastructure. For Vaughan, this includes the West Vaughan Sanitary Trunk Sewer Project and Northeast Vaughan Water and Wastewater Servicing Project.

City's Servicing Capacity Distribution Protocol and Policy

In November 2005, Council approved the City's Servicing Capacity Distribution Protocol. The original intent of the protocol was to consistently prioritize active development applications city-wide and place them in queue to ultimately receive allocation by Council resolution. The protocol established specific criteria to assist in realizing the priority status (or queue) of an active development application.

In 2018, staff initiated an internal process to update the City's Servicing Capacity Distribution Protocol and developed an official City policy. On December 17, 2019, a formal Servicing Capacity Distribution Policy (Corporate Policy Number 08.C.01) was approved by Vaughan Council.

From a planning approval status perspective, immediate consideration for the approval of allocation of services is given to active development applications which have received Ontario Land Tribunal (OLT), Draft Plan of Subdivision or Site Plan Development approval. In sequential order of priority, consideration is also given to those applications which have the appropriate zoning in place for an intended use, are Official Plan compliant, and/or represent infill development or completion of partially built communities.

The City's current Policy ensures allocated capacity will not sit idle. Provisions have been included to ensure Council may consider the redistribution of capacity post allocation if an application does not proceed to registration and/or building permit issuance within a 36-month period of a development application approval, subject to conditions stipulated in the Policy.

York Region's last water and wastewater capacity assignment to Vaughan was provided on November 23, 2023.

As presented at their Council Meeting on November 23, 2023, York Region confirmed their last capacity assignment to Vaughan for 43,375 people from the York Durham Sewage System / York Water System (excluding the Kleinburg Water Resource Recovery Facility service area), broken down further as follows:

- 14,538 persons equivalent of servicing capacity to be utilized city-wide; and
- 28,837 persons equivalent of servicing capacity to be utilized specifically by City Block 27 in accordance with the York Region and City Agreement's with the Block 27 Landowners Group.

York Region's next Capacity Monitoring Assignment to the City is anticipated for 2025.

York Region provides the City with a private purpose-built rental reserve.

In 2019, a 4,000-person reserve was established by York Region to encourage the development of new private purpose-built rental developments throughout the Region, to be shared amongst the nine local municipalities. There were no development applications in Vaughan that utilized this reserve to the end of 2023.

Previous Reports/Authority

The 2022 Allocation of Servicing Capacity Annual Distribution and Update Report can be accessed via the following link:

<https://pub-vaughan.escribemeetings.com/filestream.ashx?DocumentId=137541>

The City's latest York Region Servicing Capacity Assignment and Allocation of Servicing Capacity Distribution Report dated December 12, 2023, can be accessed via the following link:

<https://pub-vaughan.escribemeetings.com/filestream.ashx?DocumentId=156775>

Analysis and Options

2023 Annual City-Wide Servicing Capacity Assignment Summary (excluding the Kleinburg Water Resource Recovery Facility service area)

In 2023, 7,738 persons equivalent was allocated for approved development planning applications city-wide (excluding the Kleinburg Water Resource Recovery Facility service area), of which 4,298 persons equivalent were designated to developments in the Vaughan Metropolitan Centre.

2023 Kleinburg Water Resource Recovery Facility Service Area Capacity Assignment Summary

In 2023, there were two (2) development applications approved in the Kleinburg Water Resource Recovery Facility service area equivalent to 1,083 persons equivalent. As such, 1,824 persons equivalent of Regional servicing capacity assignment remains available from the Kleinburg Water Resource Recovery Facility Service Area for

distribution to active development applications located within the Kleinburg-Nashville service area.

York Region has committed to monitoring the capacity of standalone wastewater facilities such as the Kleinburg Water Resource Recovery Facility Service Area to ensure there is adequate servicing to support approved growth in these communities.

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 Regional Water and Wastewater Master Plan Update.

2023 Reconciled City-Wide servicing capacity

In 2023, two (2) previously approved development applications with servicing allocation were either revised or determined to be over-allocated. The allocated servicing capacity from these applications for a total of 50 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 two development applications that were reconciled are as follows:

Development Application File Number	Original Approval & Persons Equivalent	Over-allocation/Revision Reason	Reconciled Servicing Capacity (persons equivalent)
46 Centre Street	One (1) Single-Family Unit – 4 persons equivalent	Servicing Capacity for One (1) Apartment Unit approved for DA.19.024	4 persons equivalent
19T-13V008	15 Townhouse Units – 46 persons equivalent	Servicing Capacity for 28 Townhouse Units approved for DA.22.051	46 persons equivalent
Total:			50 persons equivalent

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, to the end of 2023, should the recommendations in this report be approved

and adopted by Council (excluding the Kleinburg Water Resource Recovery Facility service area):

Allocation Milestone	Amount Allocated (Persons Equivalent)
York Region 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 in 2023	-7,499
Vaughan's 2023 Approved Committee of Adjustment Applications	-241
Vaughan's Reconciled Servicing Capacity 2023	+50
Total Remaining City of Vaughan Unrestricted Servicing Capacity available for City-Wide Utilization until 2025 (excludes Block 27)	10,259

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

The City currently has 10,259 persons equivalent of Regional servicing capacity assignment remaining to allocate for development planning applications (excluding the Kleinburg Water Resource Recovery Facility service area) until York Region's next Capacity Monitoring Assignment, anticipated for 2025.

Addressing the City's Remaining Servicing Capacity until York Region's Next Servicing Capacity Assignment

City staff foresee a continued demand for servicing capacity in 2024 based on the number of high-density active development applications currently in the queue specifically located in Regional Centres and Corridors, Secondary Plan Areas, and Major Transit Station Areas such as Vaughan Metropolitan Centre; Yonge-Steeles; Weston and Highway 7; Vaughan Mills Mall; and Weston and Major Mackenzie Drive. In addition, the City is also experiencing the introduction of Community Infrastructure and Housing Accelerator (CIHA) development applications which essentially provides accelerated zoning approvals for high-density residential development in areas that

were not previously considered for residential use (i.e., originally intended for employment uses) such as at Langstaff Road and Highway 400; and Jane Street and Highway 7.

Based on the increasing demand for residential development, the remaining 10,259 persons equivalent of available unrestricted servicing for city-wide development planning application approvals may be exhausted prior to York Region's next servicing capacity assignment anticipated in 2025.

Discussions with York Region's Servicing Capacity Monitoring Department regarding existing available servicing capacity are ongoing and given the City's commitment to building more homes, City staff and York Region staff have agreed to initiate discussions on further servicing capacity needs when half of York Region's 2023 servicing capacity assignment to Vaughan has been reached.

Bill 109 Implications to the City's servicing capacity allocation

Bill 109 was introduced by the Province on March 30, 2022, and received Royal Assent on April 14, 2022. Bill 109 introduces the mandatory delegation of Site Plan approvals in the Planning Act, effective as of July 1, 2022. On June 28, 2022, the Deputy City Manager, Planning and Growth Management or designate was granted delegated authority by Council to approve site plan development applications.

Notwithstanding Bill 109 coming into effect and the delegated authority for the Deputy City Manager, Planning and Growth Management or designate to approve site plan development applications, Development Engineering will continue to request formal assignment of servicing capacity allocation for site plan development applications through Council approval. Staff intend to report to Council on a quarterly basis to allocate to site plan's approved via delegated authority with the first Report scheduled in April 2024.

It should be noted that formal assignment of servicing capacity allocation related to draft plan of subdivision applications remains unchanged and are provided through Council approval.

Staff recommend a detailed review of the City's Allocation of Servicing Capacity Policy to assess for improvements.

Staff recommends a detailed review of the City's Allocation of Servicing Capacity Policy to assess whether revisions of the policy should be considered to effectively improve the assignment of servicing allocation and ensure timely utilization, taking into consideration industry concerns along with York Region's servicing capacity allocation assignment process and policy. It is recommended that staff bring forth a recommendation report to a future Committee of the Whole meeting.

Financial Impact

None.

Operational Impact

In early 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 because of the increase in complex high-rise type development applications. Vaughan's servicing capacity assignment from York Region in November 2023 was 43,375 persons equivalent for the next 2-years (includes 28,837 persons equivalent committed to Block 27 and 14,538 persons equivalent city-wide commitment) and was calculated using annual growth projections (2023-2026) based on York Region's historic registration tracking of Vaughan's allocated servicing capacity.

At the City's current pace of allocating regional servicing capacity to development applications, it is anticipated that the City's current assignment will likely be fully utilized in 2024. 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

Annual allocation status reports serve to inform York Region of the City's short-term development projections and demonstrate the City's effectiveness in managing Regional capacity and overall growth.

Staff have worked closely with York Region on the West Vaughan Sanitary Sewage Servicing Class Environmental Assessment and Northeast Vaughan Water and Wastewater Servicing Class Environmental Assessment. Both class environmental assessments are complete and have advanced to detailed design. The combined

service area of both projects contains the majority of the City's remaining white-belt developable land area. Therefore, the implementation of the recommendations of both projects is crucial in realizing and effectively servicing anticipated targets of projected new growth city-wide.

Conclusion

In 2023, 7,738 persons equivalent was allocated for approved development planning applications city-wide (excluding the Kleinburg Water Resource Recovery Facility service area), of which 4,298 persons equivalent were designated to developments in the Vaughan Metropolitan Centre. Following the reconciliation and allocation of regional servicing capacity to 2023 development planning applications, the City will have 10,259 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. In addition, City Block 27 has been assigned 28,837 persons equivalent for approved development planning applications within the Block in accordance with the York Region and City Agreement's with the Block 27 Landowners Group.

There were two (2) development applications approved in the Kleinburg Water Resource Recovery Facility service area and therefore 1,824 persons equivalent of Regional servicing capacity assignment remains available for this area.

Given the increasing demand for residential development and 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 York Region's 2023 servicing capacity assignment to Vaughan has been reached.

Staff have initiated a review of the City's current Allocation of Servicing Capacity Policy to assess whether revisions of the policy should be considered to effectively improve the assignment of servicing allocation and ensure timely utilization.

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

Attachment

1. Allocation of Servicing Capacity (Corporate Policy No.08.C.01)

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