

Committee of the Whole Report (2)

DATE: Tuesday, December 10, 2019

WARD(S): ALL

**TITLE: ALLOCATION OF SERVICING CAPACITY
ANNUAL DISTRIBUTION AND UPDATE**

FROM:

Nick Spensieri, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

This Report updates Council on the new assignment of Regional servicing capacity, outlines the City's new Allocation of Servicing Capacity Policy, and requests Council approval of same.

Report Highlights

- To update Council on York Region's 2019 water and wastewater capacity assignment to support growth as presented to Regional Committee of the Whole on September 12, 2019
- To secure Council approval of the City's new Allocation of Servicing Capacity Policy
- To recommend distribution of servicing capacity to active development applications
- To inform stakeholders that short-term capacity needs have been met

Recommendations

1. "THAT the Allocation of Servicing Capacity Policy (included in Attachment No. 1) be approved by Council;
2. "THAT development application File Numbers DA.11.073, DA.13.038 and 19T-16V002 be ALLOCATED servicing capacity from the York Sewage / Water Supply

System for a total of 50 persons equivalent”;

3. THAT servicing capacity be RESERVED from the York Sewage / Water Supply System as noted below:
 - a. 24,035 persons equivalent for distribution to active development applications city-wide (excluding the Kleinburg Water Resource Recovery Facility service area);
 - b. 5,125 persons equivalent (approximately 4,000 apartment units) for distribution to active development applications in Regional Centres/Corridors;
 - c. 4,000 persons equivalent (approximately 2,000 apartment units) for distribution to active development applications at the discretion of Council (Council’s Reserve); and
 - d. 2,492 persons equivalent for distribution to active development applications within the Kleinburg Water Resource Recovery Facility service area.
4. THAT an annual review of the City’s available servicing capacity and related Policy be undertaken by staff and brought forward to a future Committee of the Whole meeting; 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 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 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 this capacity to individual land development applications. A formal servicing capacity allocation process is necessary to efficiently manage the distribution of the limited Regional capacity.

The City’s last Servicing Capacity Allocation Strategy Annual Distribution and Update was dated February 21, 2018. Since then, Regional servicing capacity equivalent to

approximately 30,000 persons was allocated, primarily to high-rise development applications supporting the Provincial Growth Plan, thereby allowing development of high-density communities around major transit investments underway by York Region and the Province. Accordingly, to date all previously assigned Regional servicing capacity has been fully utilized.

York Region presented its 2019 water and wastewater capacity assignment to local area municipalities at their September 12, 2019 Committee of the Whole meeting

The distribution of Regional servicing capacity amongst local area municipalities is typically based on historical growth rates and future growth projections and is reviewed on an annual basis with the objective of sustaining short-term growth forecasts and market trends.

On September 12, 2019, York Region confirmed a new capacity assignment to Vaughan for approximately 45,000 people from the York Sewage / Water Supply System (excluding the Kleinburg Water Resource Recovery Facility service area). The capacity assignment includes 36,869 persons equivalent of capacity to be utilized city-wide, and an additional 8,000 persons equivalent specific to Centres and Corridors.

In addition, a 4,000-person Regional reserve was established to support new private purpose-built rental developments throughout the Region.

Previous Reports/Authority

https://www.vaughan.ca/council/minutes_agendas/AgendaItems/CW_0206_18_2.pdf

Analysis and Options

A formal Corporate Policy has been prepared for the allocation of servicing capacity to active development applications

In November 2005, Council approved the City's Servicing Capacity Distribution Protocol. The protocol has been effectively utilized and periodically updated ever since. 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 protocol document and to convert it to an official City policy. As part of this process the following tasks were completed to develop the new policy:

- An industry scan / comparison with other municipalities;

- An analysis of historical growth trends for Vaughan;
- Presentations and discussions with the City's Policy Committee;
- Various City Growth Management Committee presentations / discussions;
- Discussion and coordination with Regional staff;
- Consultation with the Building Industry and Land Development Association (BILD); and
- Consultation with internal City departments.

The original protocol, approved in 2005, needs to be updated and formalized into a corporate policy in order to:

- Ensure allocated capacity does not sit idle and may be redistributed if necessary;
- Better align with York Region's latest processes and procedures; and
- Place greater importance on sustainable servicing incentive programs.

Based on the new Policy, development applications are placed in one of two priority categories prior to receiving final allocation. Development applications are generally prioritized based on the status of planning approvals and anticipated timing of development. Reservation of capacity is broken down into two priority categories, as noted below:

Priority 1 Reservation

For applications proceeding to final approval within the next 12 months.

Priority 2 Reservation

For applications proceeding to final approval within the next 12 – 36 months.

From a planning approval status perspective, immediate consideration is given to active development applications which have received LPAT, Draft Plan of Subdivision or Site 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.

City to encourage participation in Regional servicing incentive programs to realize additional servicing capacity

York Region's servicing incentive programs provide ability for new growth in local municipalities to gain servicing capacity beyond the Regional assignment while promoting sustainable residential development.

Innovative and sustainable water and wastewater reduction initiatives such as the Servicing Incentive Program (SIP), Sustainable Development Through Leadership in Energy and Environmental Design (LEED) Incentive Program and Developer-funded

Inflow and Infiltration (I & I) Reduction Program have proven successful in realizing additional servicing capacity throughout the Region.

The Region continues to encourage municipalities to optimize capacity allocation by implementing servicing best practices and water and wastewater sustainability strategies.

The implementation of “use it or redistribute it” policy provisions will ensure efficient use of assigned capacity

The new Policy will ensure allocated capacity will not sit idle. Provisions have been added to ensure Council may consider the redistribution of capacity post allocation if an application does not proceed pay City and Regional Development Charges within a 36-month period.

A comprehensive stakeholder consultation program was completed to finalize the new Policy

On May 15, 2019, staff met with the Policy Committee to present the draft Distribution of Servicing Capacity Policy. In May to July, presentations were made to the City’s Growth Management Committee (GMC) and BILD. As well, in August and September, staff met with internal stakeholders to provide an overview of the proposed Policy and to solicit comments specific to internal departments.

All stakeholders consulted have expressed their support of the final policy document included as Attachment No. 1. Accordingly, it is recommended the Policy be approved by Council.

Local Planning Appeal Tribunal (LPAT) approved development applications and previously approved developments requiring additional units are formally allocated servicing capacity

Three development applications have been approved by LPAT or require additional servicing capacity as a result of a unit count increase. They are as follow:

- 1) Avenue on 7 (DA.11.073). Two (2) additional apartment units (4 persons equivalent) are required. The application was previously approved and allocated servicing capacity on May 15, 2015 (230 apartment units or 508 persons equivalent) and December 19, 2015 (46 apartment units or 102 persons equivalent) by Vaughan Council.
- 2) Centreville Development Corporation (DA.13.038). Four (4) semi-detached units (14 persons equivalent) were approved by LPAT. Its decision was issued on November 29, 2018.
- 3) Centra (BT1) Inc. (19T-16V002). Nine (9) single-family units (32 persons equivalent) was verbally approved by LPAT on December 2, 2019.

Accordingly, and in accordance with the new Policy, it is recommended the above noted development applications be allocated capacity by Council resolution.

An 8,000-person reserve is created for Regional Centres and Corridors

York Region has assigned an 8,000 persons equivalent servicing capacity reserve for Regional Centres and Corridors. This capacity is specifically dedicated to areas such as the Vaughan Metropolitan Centre (VMC). To date, 2,875 persons equivalent has been allocated. Accordingly, it is recommended the balance (5,125 persons equivalent) be reserved for future active development applications.

A 4,000-person Council reserve is available for allocation to active development applications at Council's discretion

This reserve has been re-established thereby allowing Council the ability to allocate capacity to development applications of strategic importance. As this capacity is allocated, the reserve may be topped up on a yearly basis (if required).

Staff will continue to closely monitor Regional servicing limitations in the Jane Rutherford and Humber Pumping Station sewer shed areas to mitigate potential gaps to 2028

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. The combined service area of both projects account for 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. York Region's anticipated in-service date has not changed at 2028.

In order to address more immediate servicing requirements, the City has embarked on an Interim Servicing Strategy Study for Vaughan's New Community Areas and intensification corridors. The intent of the Study is to analyze the City's local sanitary sewage system to identify residual servicing capacity. This capacity will be strategically distributed by the City and utilized by new growth as necessary and available. This available capacity is intended to allow growth to continue and to bridge the gap between the present and the in-service date (2028) of Regional infrastructure.

Capacity remains available for 2,492 new residents in Kleinburg-Nashville from the Kleinburg Water Resource Recovery Facility

Servicing capacity remains available to the Kleinburg Water Resource Recovery Facility for an additional 2,492 persons. This capacity may be distributed to active development applications located with the Kleinburg-Nashville service area.

York Region has committed to monitoring the capacity of standalone wastewater facilities 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 Municipal Comprehensive Review (MCR) and the Regional Water and Wastewater Master Plan Update.

Financial Impact

Not applicable.

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.

York Region's anticipated capital delivery timing for the necessary Northeast Vaughan infrastructure improvements are programmed for 2028. This timing remains a concern for City staff and for members of the Building Industry and Land Development Association (York Chapter).

Accordingly, staff will continue to discuss and explore options to advance delivery timing of Regional infrastructure as necessary to service Vaughan's new community areas.

The timely delivery of Regional water and wastewater related infrastructure for Vaughan and the resulting distribution of Regional servicing capacity to the City will:

- Maximize population and employment land development potential;
- Accelerate Development Charge revenue collections for York Region and the City;
- Support Provincial, Regional and City objectives to create jobs, economic growth and housing options;
- Maximize intensification potential along Regional corridors and within the Vaughan Metropolitan Centre by dedicating existing residual water and wastewater system capacity to these areas; and
- Capitalize on the 20,000 transit riders expected to be moving through the Vaughan Metropolitan Centre daily.

Regional water and wastewater infrastructure projects should be advanced in a timely manner, so the City can continue to grow and the benefits of the Provincial infrastructure investments in Vaughan can be fully realized.

Conclusion

York Region provided a capacity assignment update to support growth to 2026 to its Council on September 12, 2019. York Region confirmed an additional capacity distribution to Vaughan for approximately 45,000 people. The capacity assignment includes unrestricted capacity that can be utilized city-wide and 8,000 persons equivalent specific to Centres and Corridors.

In accordance with the City's Policy, it is recommended an annual review of available servicing capacity be undertaken by staff and brought forward to a future Committee of the Whole meeting.

It is further recommended a copy of this report be forwarded to York Region and to the Building Industry and Land Development Association (BILD) – York Chapter.

For more information, please contact: Vince Musacchio, Director, Infrastructure Planning and Corporate Asset Management (Ext. 8311).

Attachments

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

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