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2022 Year-End Servicing Allocation Review Staff Report to Council

Report Number: 2022-56

Department(s): Planning and Building Services

Author(s): Phoebe Chow, Senior Planner - Policy

Meeting Date: December 5, 2022

Recommendations

1. That the report entitled 2022 Year-End Servicing Allocation Review dated December 5, 2022 be received; and,
2. That the Town's remaining servicing capacity (the Town Reserve) of 2727 persons of allocation be maintained for future development, of which, 20 persons is to be held in the Severance Reserve; and,
3. That the conditional servicing allocation commitment for 680 Gorham Street be extended until March 31, 2023; and,
4. That the Commissioner of Development and Infrastructure Services be authorized to amend the agreement between the Town of Newmarket and 16250 Yonge Street Inc. and Shining Hill (St. John's) Inc. by extending the servicing allocation repayment deadline from December 1, 2022 to December 1, 2023; and,
5. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to:

1. Provide Council with an update on the 2022 year-end servicing allocation Town Reserve balance;
2. Seek Council's concurrence on Shining Hill's request to extend the servicing allocation repayment deadline; and

Seek Council's concurrence to extend the conditional servicing allocation assignment for the development at 680 Gorham Street (8 people) until March 31, 2023.

Background

On May 9, 2022, Council received staff report 2022-26 titled [2022 Annual Servicing Allocation Review](#) (2022 Annual Review). As part of the 2022 Annual Review, Council committed to reinstating servicing allocation to two developments with conditions (Kerbel Group Inc. at Yonge and Millard, and Maple Lane Lands & Development at 680 Gorham Street). This report will update Council on the status of those developments and provide staffs' recommendations on those conditional servicing allocation commitments. In addition, after the 2022 Annual Review, staff received two servicing capacity assignments/credits from York Region, which will be discussed further in this report.

Discussion

Kerbel Group Inc. Satisfied the Condition Imposed in the 2022 Annual Review

In the 2022 Annual Review, Council reinstated 665 persons of servicing capacity to 17365 and 17369 Yonge Street (Yonge Street and Millard Avenue) with a condition that the Site Plan submission be deemed complete by September 30, 2022. The Site Plan application was deemed complete before the deadline and circulated for review in June, 2022. Staff will review the status of the application and re-evaluate the committed servicing allocation in the 2023 annual review.

Request for an Extension of Conditional Servicing Allocation for 680 Gorham Street

In the 2022 Annual Review, Council reinstated 8 persons of servicing capacity to 680 Gorham Street with a condition that the Site Plan Agreement for 680 Gorham Street be fully executed and all associated fees as outlined in the Site Plan Agreement must be paid by September 30, 2022. On September 30, 2022, Maple Lane Lands & Development requested an extension of the deadline to March 31, 2023 (see Attachment 1). The reason for the request as indicated by the developer is the shortage of building supplies and labour.

Planning staff have no objections to extending the conditional servicing allocation commitment to March 31, 2023; however, if the outlined conditions are not met by March 31, 2023, then Planning staff will recommend rescinding the 8 persons of allocation in the 2023 annual review.

Briarwood (NWMKT) Inc. Sustainable Development Through LEED Incentive Program Credit

Briarwood (NWMKT) Inc. participated in [York Region's Sustainability Development Through LEED Incentive Program](#) (LEED Incentive Program). The LEED Incentive Program offers additional servicing capacity assignment credits to the local municipality as an incentive to promote sustainable residential developments in buildings that are four storeys or more in York Region. On August 17, 2022, Regional staff advised the Town that the development at 693 and 713 Davis Drive has met the requirements identified in the LEED Implementation Guide and assigned 147 persons of servicing allocation to the Town. In accordance with the LEED Incentive Program, the capacity assignment is to be used by Briarwood; however, since Council had already committed servicing allocation to this development, the 147 persons of servicing allocation has been added to the Town Reserve.

Inflow and Infiltration Reduction Program Repayments

On May 17, 2022, York Region released 291 persons of servicing capacity to the Town in accordance with the Tri-party Inflow & Infiltration Reduction agreement (I&I reduction agreement) made between York Region, the Town, and Marianneville.

As of the writing of this report, York Region has assigned a total of 2195 persons of servicing capacity to the Town through the Marianneville and the Shining Hill I&I reduction agreements, of which, 468 persons of servicing capacity have been added to the Town's Reserve for the Town's use. Between the two I&I reduction agreements, there are total of 1770 persons of servicing allocation repayment, including the Town's 25% portion, to be recovered through future I&I reduction assignments.

Table 2 below summarizes the amount of I&I reduction servicing capacity received to-date and capacity expected to be received in the future per each agreement.

Table 2 Summary of I&I Reduction Servicing Capacity (Persons)

	Marianneville Agreement (Glenway and Kerbel)	Shining Hill (Phase 1) Agreement
Required Repayment including Town's 25%	3318	647
Allocation Paid Back by Developer to-date, excluding the Town's 25%	1605	122
Town's 25% added to Town's Reserve	427	41
Outstanding Allocation to be Paid Back by Developer, including Town's 25%	1286	484
Total Outstanding Repayment between two agreements	1770	

Current Town Reserve Balance

At the end of 2022, the Town Reserve balance is 2727 persons and is calculated as follows:

May 2022 Town Reserve Balance	2289 Persons
2022 I&I Reduction Repayment (Marianneville)	291 Persons
+ LEED Incentive Program Credit (Briarwood)	147 Persons
2021 Year-End Town Reserve Balance	2727 Persons

No additional new residential lots were created through consent since May 2022.

Future Capacity

Table 3 below shows a summary of the 2022 year-end Town Reserve balance, the amount of anticipated future capacity from York Region, and I&I repayments.

Table 3 Future Capacity Summary Table (Persons)

	Supply	Demand
2022 Year-End Town Reserve Balance	2727	
Interim Solutions Project (2023)	166	
Centres and Corridors Reserve (2023)	334	
I&I Reduction Repayments:	1770	
<ul style="list-style-type: none"> • Shining Hill (484 persons) • Marianneville (1286 persons) 		
Anticipated Future Capacity	4997	
Historic Growth Rate in Newmarket		1000

As shown in Table 3 above, staff estimate the Town will have approximately five years of servicing capacity supply based on the longstanding historic growth rate of approximately 1000 persons per year. It is important to note that in more recent years Council has been committing on average approximately 1300 persons of servicing allocation each year since 2020, indicating a slightly higher demand than the historic growth rate. If the average of 1300 persons per year was applied, the Town Servicing Allocation Reserve may run out before 2026.

On October 25, 2022, the Province of Ontario (the Province) introduced [Bill 23, the More Homes Built Faster Act, 2022](#), and [assigned housing targets](#) to 29 selected municipalities in southern Ontario. The Town of Newmarket is one of the 29 municipalities, which has an assigned housing target of 12,000 new homes to be built by 2031. To put the assigned housing target into servicing capacity perspective, if all new homes were apartment units, the Town would require a minimum of 23,520 persons of servicing capacity to meet this assigned housing target. Any other housing forms or combination thereof would require more servicing capacity. Staff will be reporting

separately in the new year on the Municipal Housing Pledge requested by the Province by March 1, 2023.

In addition to the assigned housing targets, the Province also introduced the [Supporting Growth and Housing in York and Durham Regions Act, 2022](#). This proposed Act, if passed, would require York and Durham Regions to work together to enlarge and improve the existing York Durham Sewage System and would terminate the Upper York Sewage Solutions project. On November 10, 2022, York Region staff provided a [report](#) on the proposed Act to Regional Council and indicated that Regional staff will continue to review the Act and provide comments to the Province to ensure the Act accommodates York Region's growth needs.

Extending Shining Hill (Phase 1) Servicing Capacity Repayment Deadline by 12 Months

In [May 2019](#), Council committed 485 persons of servicing capacity to Shining Hill to facilitate the development of 179 residential units at 16250 Yonge Street, subject to the following conditions:

- 1) Shining Hill enters into an agreement with the Town establishing a timeframe and associated conditions/securities for the servicing allocation repayment, and
- 2) Shining Hill enters into an Inflow and Infiltration Reduction agreement with the Town and York Region.

Shining Hill subsequently entered into an agreement with the Town to repay the 485 persons of allocation plus an additional 162 persons of servicing allocation (total of 647 persons) to the Town by December 1, 2020. As well, Shining Hill entered into an I&I Reduction agreement with the Town and York Region.

In accordance with the agreement, Shining Hill was to repay the Town a total of 647 persons of servicing capacity through the I&I reduction program by December 1, 2020. Since the execution of the agreement, Council has extended the repayment deadline twice, once to December 1, 2021 and another extension was granted last year which extended the deadline to December 1, 2022.

Shining Hill is requesting a further extension of the repayment deadline by another 12 months to December 1, 2023. Since the applicant has been actively finding sources in the field and York Region is currently reviewing a submission for approximately 330 persons of servicing capacity to be released the Town in the near future, Planning and Development Engineering staff have no objection to once again extending the repayment deadline.

Conclusion

The 2022 year-end Town Reserve balance is 2727 persons, of which, 20 persons is to be held in the Severance Reserve. As per regular process, staff will provide

recommendations on servicing allocation to current development applications in the Annual Servicing Allocation Report in Q2 2023.

Business Plan and Strategic Plan Linkages

None

Consultation

Planning staff consulted Development Engineering staff on Shining Hill's request to extend the I&I repayment deadline.

Human Resource Considerations

None

Budget Impact

None

Attachments

On May 9, 2022, Council received staff report 2022-26 titled [2022 Annual Servicing Allocation Review](#) (2022 Annual Review). As part of the 2022 Annual Review, Council committed to reinstating servicing allocation to two developments with conditions (Kerbel Group Inc. at Yonge and Millard, and Maple Lane Lands & Development at 680 Gorham Street). This report will update Council on the status of those developments and provide staffs' recommendations on those conditional servicing allocation commitments. In addition, after the 2022 Annual Review, staff received two servicing capacity assignments/credits from York Region, which will be discussed further in this report.

Submitted by

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Approved for Submission

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