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## **2024 Year-End Servicing Allocation Review Staff Report to Council**

Report Number: 2024-72

Department(s): Planning and Building Services

Author(s): Andria Sallèse, Senior Planner – Policy

Meeting Date: December 2, 2024

### **Recommendations**

1. That the report entitled 2024 Year-End Servicing Allocation Review dated December 2, 2024, be received; and,
2. That the conditional servicing allocation commitment of 32 persons for 172-178 Old Main Street be rescinded; and,
3. That the distribution of the available servicing capacity of 6,873 persons (year-end available capacity of 2,701 persons and 4,703 persons of committed but unused allocation) be considered as part of the 2025 annual servicing allocation review; and,
4. That Council adopt the updated Servicing Allocation Policy, updated December 2024, included as Attachment 1 to this Report; and,
5. That a copy of this report be forwarded to York Region for information; and,
6. 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 update Council on the following: 1) the 2024 year-end available servicing capacity; 2) the status of applications that have received allocations or are recommended to have their servicing allocation rescinded; and 3) the Town's Servicing Allocation Policy, along with proposed amendments, detailed further in this report and Attachment 1, for Council's consideration for adoption.

## Background

On April 29, 2024, Council received staff report [2024-24](#), titled “2024 Annual Servicing Allocation Review”. In that report, Staff advised that the Town’s remaining Servicing Allocation Reserve of 1,330 persons be maintained for future development, of which 150 persons to be held in the Small Developments Reserve.

This report will update Council on the status of 172-178 Old Main Street and 43 Lundy’s Lane, 592 Watson Avenue, 32, 36, 40 Bolton Avenue, as well as new Small Developments or Additional Residential Units requiring servicing allocation and provide recommendations on the same. This report will provide an update on the 2024 year-end available capacity and discuss future capacity assignments and its role in meeting the Town’s housing target of supporting 6,400 new units by 2031. Finally, this report outlines recommended amendments to the Town’s Servicing Allocation Policy as described in this report.

As per the Town’s usual practice, the distribution of available servicing capacity will be reviewed in the Spring of 2025 through the annual servicing capacity review.

## Discussion

### **Draft Plan of Subdivision for 172 – 178 Old Main Street Was Not Registered by the October 29<sup>th</sup> Deadline**

In the April 2024 report, staff advised that the property at 172 – 178 Old Main Street had changed ownership, and the last time the applicant engaged with the Development Coordination Committee was in August 2023. Staff recommended Council add a condition that the owner register the draft Plan of Subdivision by October 29, 2024. Staff also recommended that Council rescind the committed servicing allocation of 32 persons if the Subdivision agreement was not executed by the October deadline and report back on the status of the application in the 2024 year-end servicing allocation review. Given that the draft Plan of Subdivision was not registered by the Oct 29<sup>th</sup> deadline, staff are recommending that the allocation of 32 persons be rescinded.

### **Site Plan Agreement for 43 Lundy’s Lane, 592 Watson Avenue, 32, 36, 40 Bolton Avenue Not Executed**

The proposed development at 43 Lundy’s Lane, 592 Watson Avenue, and 32, 36, and 40 Bolton Avenue was subject to an Ontario Land Tribunal (OLT) appeal which was settled at the OLT in June 2022. In accordance with the Minutes of Settlement, Council agreed to grant servicing allocation to the above noted development upon the execution of the Site Plan Agreement. As such, Council had authorized staff to commit 132 persons of servicing allocation to the development upon execution of the Site Plan Agreement.

As of the date of this report, Staff are still waiting for the required financial securities and fees before executing the Site Plan Agreement; therefore, no servicing allocation has been committed. Staff have been working with the applicant on an encroachment agreement for construction activities in the road allowance. Staff will continue to work with the applicant towards a fully executed Site Plan Agreement and will commit 132 persons of allocation to the development at that time as directed by Council. The Town Reserve balance will be updated when the commitment is made.

### Small Developments Reserve

The Small Developments Reserve is used to allocate servicing for additional residential units (ARUs), consents, and developments that are less than 10 units. The remaining Small Developments Reserve balance from 2023 was 150 persons.

In March 2024, 353 Ontario Street received a Certificate of Approval for a consent application, having cleared its conditions. Staff are recommending servicing allocation for this property for one new single detached dwelling.

34 new additional residential units (64.6 persons) were created in 2024, and together with the one single detached dwelling referenced above (3.25 persons) this totals 68 persons to be allocated from the Small Developments Reserve. With the allocation granted in 2024 for these units, the Small Developments Reserve balance is reduced to 82 persons.

### Current Town Reserve Balance and Available Capacity

The 2024 year-end available capacity is 6,873 persons. This is a sum of the April 2024 Town Reserve balance of 1,330 persons (uncommitted allocation), allocations which have been rescinded (32), committed allocations from the Small Development Reserve (68), the Marianneville I&I Reduction Repayment (876), and 4,703 persons of unused committed allocation (i.e., Site Plan or Draft Plan of Subdivisions that have not been registered). Details of the calculations in number of persons is shown in **Table 2** below:

**Table 2: 2024 Year-End Available Capacity**

<b>Town Reserve Balance (April 2024)</b>	<b>1,330</b>
+ Allocation Rescinded (December 2024)	<b>32</b>
- Small Developments Allocation	68
<b>Subtotal</b>	<b>1,294</b>
+ 2024 Capacity From I&I Reduction Repayment (Marianneville)	876
<b>2024 Year-End Available Capacity</b>	<b>2,170</b>
+ Unused Committed Servicing Allocation From Previous Years	<b>4,703</b>
<b>2024 Year-End Available Capacity + Previously Committed Servicing Allocation</b>	<b>6,873</b>

## York Durham Sewage System Expansion (YDSSE)

York Region and Durham Region are working together on a long-term wastewater infrastructure project (York Region Sewage Works Project), which will upgrade the existing York Durham Sewage System (YDSS). The project involves building new or expanded wastewater sewers and pumping stations and enhancing the Duffin Creek Water Pollution Control Plant. Specifically, the project will be divided into multiple projects: North YDSS Expansion, South YDSSE, and YDSS Primary System Expansion. In accordance with the York Region [2023 Servicing Capacity Assignment](#) report, York Region assigned 7,767 persons of additional capacity to the Town, which is expected to be released upon the completion of the Phase 1 North YDSSE. The project schedule anticipates that Phase 1 of the North YDSS Expansion (YDSSE) will be completed by 2028, according to York Region’s project management team. The Region has indicated that it will work with the local municipalities to track development timing and advance allocation in anticipation of the project completion date above.

### Inflow and Infiltration (I&I) Reduction Program Repayments

York Region has approved a capacity release request of 876 persons from Marianneville Developments Limited which reduces the outstanding I&I repayment to 575 persons. This release increases the Town’s Reserve Balance to 2,170 people (see **Table 2**).

### Existing and Future Capacity

**Table 3** below shows a summary of the existing and future capacity expected to be available to the Town. Staff estimate that going into 2025 the Town should have capacity for 2,170 persons plus the unused committed servicing allocation from previous years for a total of 6,873 persons.

In the near term, the Town expects to receive an additional 500 persons of servicing capacity from York Region through the Centres and Corridors Reserve (334 persons) and the Interim Solutions Project (166 persons) and future repayments from the Marianneville agreement (575) persons for a total of 1,075 persons.

**Table 3: Summary of Existing & Future Capacity**

	Supply
<b>2024 Year-End Servicing Allocation Capacity</b>	<b>6,873</b>
Total Outstanding Allocation to be Paid Back by Developer - Marianneville Agreement (Glenway & Kerbel) Future Repayments	575
Centres & Corridors Reserve & Interim Solutions Project	500
	<b>7,948</b>
Future capacity from York Region (Phase 1 North YDSSE) – Anticipated in 2028*	7,767

<b>Existing &amp; Future Capacity</b>	<b>15,715</b>
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\*anticipated date as per York Region

## **York Region Capacity Assignment Working Group**

In early 2024, York Region formed a Capacity Assignment Working Group. The Working Group is chaired and coordinated by the Region with representation from the Region’s Planning and other departments, and from planning and/or engineering staff from all nine local municipalities. The purpose of the Working Group is to provide a forum for collaboration and to modernize data exchange to ensure future Regional water and wastewater capacity assignments align with local municipal needs.

Based on the information shared in this working group, and the information shared with Council in the 2024 Annual Servicing Allocation Review, Staff are recommending a review of the Town’s [Servicing Allocation 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 York Region’s servicing capacity allocation assignment process, the processes of other jurisdictions, updates to the Town’s Official Plan policies, and the timing of the Phase 1 of the North YDSSE.

As part of the process in developing the updated policies, the following tasks are anticipated:

- A jurisdictional scan of other municipalities;
- A review to reflect the updated Official Plan (anticipated in 2025/2026);
- An update to the policies to reflect changes to definitions in the Provincial Planning Statement (2024);
- Consultation with the development industry; and,
- Consultation with internal Town departments.

Staff will present a detailed report at a future Committee of the Whole meeting, outlining the findings and recommendations from the review of the Town’s Servicing Allocation Policy.

## **Immediate Servicing Allocation Policy Amendment**

Council has adopted a Housing Pledge to support a municipal housing target of 6,400 new housing units in the Town by 2031. This includes a target of 1,250 rental units and 400 non-profit/subsidized units.

Currently, the Servicing Allocation Policy (SAP) (2022) prioritizes applications within the Urban Centres Secondary Plan that include a “meaningful number of affordable units, to the satisfaction of Council...”. The term “meaningful” allows Staff and Council to interpret the quantity at their discretion. However, under the current Policy, an affordable housing component, while encouraged, is not a mandatory requirement for receiving servicing allocation. To help achieve the Town’s Housing Pledge targets while managing the remaining servicing allocation reserve balance, staff recommend amending the SAP.

The amendment would introduce a new town-wide policy that prioritizes applications that contribute to the Town's affordable housing goals as follows:

**Policy 1.0(a):**

*Allocation will be prioritized to those applications that include a meaningful number of affordable housing units and/or financial contributions that contribute to the Town's Housing Pledge targets for rental units and/or non-profit/subsidized units, and/or contribute to meeting the Official Plan's affordable housing targets, to the satisfaction of Council. Allocation will be prioritized in order in the following areas:*

- i. Urban Centres Secondary Plan Area;*
- ii. Historic Downtown;*
- iii. Residential Areas as identified in Schedule "A", Land Use Plan to the Town of Newmarket Official Plan.*

*Respective legal agreement(s) will be executed detailing occupant eligibility, affordability rates and secured duration periods, among other items.*

The above revision is seen as the first step in providing more clarity around the affordable housing requirements in this Policy. Staff are currently working with consultants on a Housing Needs Assessment, Inclusionary Zoning Framework and related policy directions through the Official Plan Review, the results of which may establish a more precise percentage-based approach regarding affordable housing requirements.

Regarding transition matters, the policy will not apply retroactively to applications with committed allocation, or to the Small Developments Reserve. However, it will apply to applications that were previously granted servicing allocation but have not met conditions of approval or applications which lapse and have their allocation rescinded.

Staff also recommend housekeeping amendments to the Small Developments Reserve Policy 2.0 to reflect the new name (formerly Severance Reserve) and to remove the cap of 20 persons. Additionally, the policy has been updated to reflect that the Small Developments Reserve now applies to new residential lots created through the Severance process under Section 53 of the *Planning Act*, for the registration of new Additional Residential units on existing lots, and developments proposing 10 units or less that do not require site plan approval.

**Conclusion**

The total available servicing capacity, including previously committed but unused servicing allocation, is 6,873 persons. As per the regular process, Staff will provide recommendations on servicing allocation for pipeline development applications in the Annual Servicing Allocation Report in Q2 2025. This report also recommends a new

policy to the Town's Servicing Allocation Policy that prioritizes affordable housing applications for Council's consideration and housekeeping amendments to reflect recent changes to the Small Developments Reserve.

## **Business Plan and Strategic Plan Linkages**

- Living Well
- Well-Equipped and Managed

## **Consultation**

York Region staff were consulted regarding future capacity assignments.

## **Human Resource Considerations**

None

## **Budget Impact**

None

## **Attachments**

Attachment 1: Servicing Allocation Policy, December 2024

## **Submitted by**

Andria Sallese, Senior Planner – Policy

## **Approved for Submission**

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Jason Unger, Director, Planning and Building Services

Peter Noehammer, Commissioner, Development & Infrastructure Services

## **Contact**

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