

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. DS-2024-0041

**FOR THE CONSIDERATION OF
COUNCIL**

September 18, 2024

**SUBJECT: SANITARY SEWER AND WATER SERVICING ALLOCATION
ASSIGNMENT PROGRAM AND CAPACITY UPDATE – KESWICK
WATER RESOURCE RECOVERY FACILITY**

1. RECOMMENDATIONS:

1. That Council receive Report No. DS-2024-0041 prepared by the Development Planning Division, Development Services Department, dated September 18, 2024 respecting the Sanitary Sewer and Water Servicing Allocation Assignment Program and Capacity Update for the area served by the Keswick Water Resource Recovery Facility;
2. That staff complete its review of the Sanitary Sewer and Water Servicing Allocation Assignment Program and Capacity Update and report back to Council by the end of Q4 2024 with recommendations on potential interim adjustments to the program, redistributing servicing allocation amongst categories, and/or rescinding servicing allocation from projects that have not advanced to construction in order to release and potentially reassign servicing allocation to other projects that are aligned with the Town's key priorities;
3. That notice of the future Council meeting be provided in advance to any parties who have formally requested same; and,
4. That the Town Clerk forward a copy of Report No. DS-2024-0041 and Council's Resolution thereon to the Georgina Developers Association and all landowners/applicants identified in Attachment 7.

2. PURPOSE:

The purpose of this report is to provide an overview of the Town's Sanitary Sewer and Water Allocation Assignment Program and a Capacity Update for the area served by the Keswick Water Resource Recovery Facility (KWRRF) in light of current servicing capacity constraints and ongoing pressure to deliver new housing.

3. **BACKGROUND:**

3.1 **MUNICIPAL SERVICING ALLOCATION**

York Region owns and operates two Water Resource Recovery Facilities in the Town, one being in Keswick (KWRRF) and the other in Sutton (SWRRF), as well as two Water Treatment Plants (WTPs), one being in Keswick and the other in Willow Beach. These facilities provide municipal sewage treatment and drinking water supply to the municipally serviced areas of the Town. Specifically, the KWRRF serves Keswick, the Keswick Business Park, Willow Beach and the surrounding Serviced Lakeshore Residential Areas.

The Region is responsible for the operation of the facilities through the treatment of sewage and the provision of drinking water, as well as the provision of “servicing capacity” for the Town to assign and the establishment of the “persons per unit” (ppu) or “persons equivalent” (p.e.) rates by development type. The Town uses the term “persons equivalent” (p.e.). The current p.e. for specific development types are as follows:

Table 1

Allocation Assignment Factors		
Development Type	Rate	Unit
Single Detached	2.78	p.e.
Semi-Detached	2.63	p.e.
Townhouse	2.74	p.e.
Apartments * Note: accessory apartments do not require a specific assignment of allocation	2.08	p.e.
Retirement Developments	2	p.e.
Seniors Apartments	1.5	p.e.
Institutional having overnight accommodation (i.e. Nursing Homes)	1.5	per unit
	1	per bed
Commercial having overnight accommodation (i.e. Hotels, Motels) * Note: all other forms of commercial and institutional uses do not require a specific assignment of allocation	1.5	per unit
	1	per bed
Industrial	15	per gross acre
	37	per gross hectare

The Town is responsible for the actual assignment of sewage / water capacity, or commonly referred to as “servicing allocation”, to applicable development proposals. The amount of allocation that can be assigned is based on the capacity of the individual facilities and is monitored by the Development Planning Division in

consultation with the Region to ensure that the capacity of the facilities is not exceeded. Servicing allocation is formally committed by Council resolution at the time of execution of the development agreement with the proponent.

Capacity Assignment is currently implemented in four (4) phases (RRCG):

1. **Requested** – allocation is assigned by Staff to complete applications under the *Planning Act* based upon the established p.e. factors. At this time, the allocation required for a development proposal is recorded as “Requested” as the project moves through the approval process.
2. **Reserved** – once an application has been approved (e.g. Draft Approved Plan of Subdivision, Provisional Consent) or a complete Site Plan application is received, the required allocation is now considered “Reserved” rather than “Requested”.
3. **Committed** – upon receiving Regional clearance for application conditions and the formal assignment of allocation by Council resolution, the required allocation is now considered “Committed” rather than “Reserved”.
4. **Gone** – once a plan of subdivision is registered, a certificate of consent is issued, a building permit is issued and/or Regional development charges paid, the required allocation is now considered “Gone” rather than “Committed”. At this point, the assignment is removed from the available allocation.

It has not been the past practice of the Town to redeploy Reserved or Committed allocation from applications which are not advancing approved development to a building permit. In addition, the general practice has been to assign allocation to an entire development rather than limit assignment to the smaller individual phases of the construction program.

3.2 KESWICK WATER RESOURCE RECOVERY FACILITY (KWRRF)

In 2012, an Environmental Assessment (EA) was approved for an upgrade to the KWRRF to accommodate a population and employment equivalent of 49,000 persons (18,000 m³/day). Through this upgrade, an increased capacity of 16,000 persons equivalent (p.e.) of capacity was added to the facility. This additional capacity was released in phases or installments in accordance with ongoing monitoring by York Region that demonstrated the KWRRF was meeting the required effluent quality criteria.

The EA approved for this facility supports an ultimate expansion to service a population and employment equivalent of 66,000 persons (24,000 m³/day). The

Region of York Water and Wastewater Master Plan indicates that once flows reach 70% of capacity then the KWRRF expansion will be identified as a project on the Region's 10-Year Capital Plan. At that time, the project will be considered for funding together with other Regional Capital projects. The expansion of the KWRRF is not currently included on the Region's 10-Year Capital Plan as the plant is currently operating at approximately 60% of the rated capacity.

4. ANALYSIS:

4.1 HISTORY OF SERVICING ALLOCATION ASSIGNMENT IN KESWICK

Through a series of decisions starting in 2008, Council considered the distribution of the future 16,000 p.e allocation capacity release from York Region to the KWRRF, which would increase the capacity of the KWRRF from 33,000 p.e. to 49,000 p.e. Council resolved to split the future capacity equally between residential and commercial development in Keswick and the Keswick Business Park. Attachment 1 outlines the history of allocation assignment to different development categories.

With the Region's release of 4,000 p.e. allocation capacity in 2021, 2,000 p.e. was added to the Keswick Business Park (KBP) increasing its total allocation assignment to 8,000 p.e., and 2,000 p.e was added to the residential development category (which had a negative balance at the time) for future development in Keswick.

On May 5, 2021, Council received Report DS-2021-0038 which provided an update on Sanitary Sewer and Water Servicing Allocation Distribution, and adopted recommendations which:

- Rescinded Council Resolution C-2019-0423 which froze new allocation assignments from the KWRRF pending the expansion of the facility to a capacity of 49,000 p.e.;
- Transferred 3,190 p.e of allocation from the Keswick Business Park to Keswick to advance development in Keswick; and,
- Reorganized the allocation categories to better align them with the character, form and location of development as contemplated in the Keswick Secondary Plan.

Report DS-2021-0038 is available at this link to the [May 5, 2021 Council Agenda](#).

4.2 SERVICING CATEGORIES IN KESWICK

Assignment of allocation of capacity in the KWRRF is managed under separate Development Categories as recently updated by Council on May 5, 2021.

4.2.1 *Category 1 – Existing*

This category recognizes existing development that has taken place and is now utilizing the system. It serves to document the approved demand on the system that is now in place.

4.2.2 *Category 2 – Major Residential Development – Built-Up Area*

This category applies to more significant residential development projects (greater than three (3) dwelling units) within the built-up area normally associated with a plan of subdivision / condominium and / or site plan control. Attachment 2 is Schedule “A”: Growth Management from the Keswick Secondary Plan 2023, which shows the Built-Up Area. Allocation in this development category serves to implement the intensification targets and policies of the Province and York Region.

4.2.3 *Category 3 – Minor Infill and Intensification*

This category accommodates small-scale intensification (three (3) or fewer dwelling units/lots) that traditionally takes place through the consent process before the Committee of Adjustment. This has primarily represented development that has taken place within the Built-Up Area.

4.2.4 *Category 4 – Minor Infill within the Sutton/Jackson’s Point Secondary Plan Area Serviced by the KWRRF (Judge’s Plan 602)*

This category accommodates an older residential neighbourhood at the northwest quadrant of Sutton/Jackson’s Point on the south side of Metro Road North, which was included in the servicing program for the Willow Beach area. A map of the area is provided in Attachment 3. In 2006, the Town completed a planning exercise, which resulted in new zoning for the area that both recognized the recent installation of municipal services while seeking to preserve the larger-lot character of the area.

4.2.5 *Category 5 – Willow Beach / Serviced Lakeshore Residential*

This category accommodates the Willow Beach and surrounding Lakeshore Residential Serviced Area generally comprised of the largely developed beach communities along the south shore of Lake Simcoe between Keswick and Sutton/Jackson’s Point that are serviced or partially serviced. A map of this area is

provided in Attachment 4. Under the Town Official Plan, limited infilling, primarily by way of consent is permitted to a maximum of 50 lots. The original servicing allocation to Category 5 reflects the 50-lot capacity of the applicable Official Plan policies.

4.2.6 *Category 6 – Designated Greenfield Area*

This category accommodates development in the Designated Greenfield Area as identified on Attachment 2. These areas are generally in the South Keswick Development Plan Area and in The Queensway North Development Plan Area under the current KSP, the new KSP (under appeal), and along the Woodbine Avenue corridor where the current *Commercial/Employment Area* designation is proposed to be designated as *Mixed-Use Corridor 2 – Woodbine Avenue* in the new KSP. This designation would permit mid-rise and high-rise residential development.

4.2.7 *Category 7 – Purpose Built Rental Housing*

This category was added by Council in 2021 and serves to accommodate purpose built rental housing projects. Encouraging the provision of a greater range and choice of housing options by tenure and type is an established public policy objective in the Town and Regional Official Plan. This allocation is available to projects either within the Built-Up Area or the Designated Greenfield Area in Keswick.

4.2.8 *Category 8 – Non-Profit Housing*

This category was added by Council in 2021 and serves to accommodate non-profit housing projects generally serving vulnerable populations or addressing core need, and are typically advanced by community groups or social housing providers like the Region of York.

4.2.9 *Category 9 - Industrial or Commercial / Institutional Having Overnight Accommodations*

This category accommodates industrial uses and commercial (e.g. hotels, motels) or institutional (e.g. long term care facilities, senior residences) uses having overnight accommodations.

4.3 SERVICING ALLOCATION DISTRIBUTION FOR KWRRF DEVELOPMENT CATEGORIES

Table 2 below summarizes the allocation assigned by Council by development category:

Table 2

KWRRF Development Category for Allocation Assignment	Council Allocation Assignment	Total RRCG Allocation Assignment	Total Remaining Allocation in Category (Assignment - RRCG)	Total RCG Allocation Assignment Excluding Requested	Total Remaining Allocation in Category Excluding Requested (Assignment - RCG)
Keswick Business Park	4810.00	4145.11	664.89	3421.76	1388.24
Category 1 - Existing Development	24935.70	24921.78	13.92	24921.78	13.92
Category 2 - Proposed Major Development (Built-Up Area)*	2201.08	2777.96	-576.88	1650.96	550.12
Category 3- Minor Infill	190.00	157.48	32.52	113.32	76.68
Category 4 - Minor Infill for Lands Within SJPSP Served by KWRRF	84.80	79.22	5.58	68.10	16.70
Category 5- Willow Beach Project Area	7407.20	7325.40	81.80	7286.62	120.58
Category 6 - Designated Greenfield Area*	7943.52	8383.28	-439.76	6451.22	1492.30
Category 7 - Purpose Built Rental	250.00	221.88	28.12	221.88	28.12
Category 8 - Non-Profit Housing	250.00	0.00	250.00	0.00	250.00
Category 9 - ICI	811.70	700.20	111.50	508.20	303.50
Total (Count)	48884.00	48712.31	171.69	44643.84	4240.16

The above table includes the transfer of greenfield development applications from Category 2 to the newly created Category 6. This table illustrates the limited amount of servicing allocation (171.69 p.e.) which has not been requested, reserved, committed, or gone. The table also demonstrates that a substantial amount of servicing allocation is dedicated to applications which are pending approval.

4.4 SERVICING ALLOCATION – KESWICK BUSINESS PARK

The approved planning framework for the KBP completed in 2009 was formulated on the basis that overall, planned employment uses would develop at a density of

approximately 37 persons per hectare (15 persons per acre) from a servicing capacity utilization perspective.

On May 11, 2016, Council authorized draft approval to Plan of Subdivision 19T-13G02 (Glenwoods Gateway) and assigned 3,308 p.e. of allocation based on a developable lands area of 89.4 hectares. The lands were purchased by Panattoni Development Company operating under the marketing name of 404 Logistics Park ("Panattoni"). On April 13, 2022, Council approved a revised draft plan for the Panattoni lands as shown on Attachment 5. This draft approval applies to all the developable employment lands in the KBP north of Glenwoods Avenue (refer to Attachment 6). Based on the approved revisions to the draft plan, the developable area has increased to 96.15 hectares, meaning that a total of approximately 3,558 p.e. of servicing allocation is required to develop the entire landholding.

The sanitary servicing scheme set out in the Keswick Business Park Secondary Plan and related Functional Servicing Plans is based upon redirecting sanitary flows presently directed to The Queensway South sewer, south to Joe Dales Drive and forcemains on Woodbine Avenue that would pump sanitary flows northward to Morton Avenue and then westerly to the KWRRF. This system includes a pumping station located on the Panattoni lands.

In 2021, the Region advised that there were insufficient flows being generated in the South Keswick Development Plan Area to meet the minimum volumes necessary to commission the Joe Dales Pumping Station and activate the Woodbine Avenue forcemain. In this regard, it was estimated that the municipal sanitary sewer system would not be available for the lands south of Glenwoods Avenue for several years.

The initial phases of the Panattoni subdivision are currently being developed based upon an interim municipal servicing solution consisting of a smaller sized temporary private sanitary pumping station connecting to the existing sanitary sewer at Riverglen Drive and Woodbine Avenue, which outlets to the sewer on The Queensway and is then conveyed to the KWRRF. This interim servicing solution will be utilized until the Woodbine Avenue forcemain is operational, at which time the larger, permanent KBP sanitary pumping station and supporting infrastructure will be installed and will outlet to the Woodbine Avenue forcemain. Once this sanitary sewage infrastructure is in place, the remainder of the lands in the KBP will be in a position to connect and be developed on municipal sanitary and water services as well. Based on recent discussions and meetings with York Region, the Region is aiming to commission the forcemain in Q4 2026 pending the results of a condition assessment.

Given the anticipated timeline before the overall municipal sanitary system would be operative to service the KBP, and the exhausted supply of servicing capacity

assigned to Keswick, the opportunity existed to temporarily reassign servicing allocation set aside for the KBP south of Glenwoods Avenue to advance proposed development in Keswick. On that basis, Council directed Staff to temporarily reassign 3,190.00 p.e. of allocation from the KBP development to Keswick leaving 1,502.20 p.e. of servicing capacity for the KBP south of Glenwoods Avenue which would support the development of approximately 40.6 hectares (100 acres) of serviced employment lands.

Since 2021, the Town has experienced increased development interest in this area in the form of pre-consultation meetings and formal planning applications. Below is a summary table of the current servicing allocation status in the KBP.

Table 3 – Summary of Allocations in the KBP

Applicant	File	Allocation Assignment (p.e.)	Capacity Remaining (p.e.)	Comment
404 Logistics Park (Panattoni)	01.136 (19T-13G02)	3,307.8	2,056.09	Registration of Phase 1A progressed 296 p.e. as Gone Registration of Phase 1B is imminent and will progress 955.71 p.e. as Gone
Lands South of Glenwoods Avenue – Total Allocation Assignment of 1,500 p.e.				
Scott Woods Transport	01.161 (19T-22G03)	189.07	75.85	Requested capacity required to connect when municipal services are available. Phase 1 will require 113.22 p.e. of Committed allocation
Canadian Life Science and Technology Park (Calderaro)	01.162 (19T-22G04)	648.24	389.24	Phase 1 will require 259 p.e. of Reserved allocation
	Total Assignment	4,145.11 p.e.	2,521.18 p.e.	KBP allocation remaining

The Keswick Business Park Secondary Plan (KBSP) contemplates the development of a modern and diverse business park with a wide range of employment and

complementary service, ancillary retail and office uses. The KBPSP and associated servicing allocation contemplate the long-term development that will intensify over time. The servicing assumptions for the KBPSP established by the Region of York for the KWRRF require that employment uses be assigned allocation on the basis of 37 p.e. per hectare (15 p.e. per acre). This is reflective of the possible range of intensive uses that might eventually materialize in the KBP. However, it is apparent that based on the initial types of development on the Panattoni lands in the form of larger format warehousing/logistics uses, that the employment density and demand on services originally contemplated by the Region may not materialize.

Given the finite nature of servicing capacity within the KWRRF and the need to find efficiencies, an alternative approach to the assignment program should be explored with the Region in consideration of phasing allocation related to intensity of use and a more realistic reflection of actual servicing utilization.

4.5 KESWICK SECONDARY PLAN 2004 (KSP 2004)

Keswick Secondary Plan 2004 (KSP 2004) remains in force and effect pending final approval by the Ontario Land Tribunal (OLT) of the new Keswick Secondary Plan 2023 (KSP 2023). The KSP 2004 contains policies respecting Sanitary Sewage and Water Supply Services, including Section 13.1.5 g) related to Site Plan Control which specifies that:

“The Town shall assign municipal water and sewer servicing allocation for development requiring site plan approval according to the following procedures:

- (i) confirmation from the Town that servicing allocation is available to serve the development;
- (ii) if allocation is available, the applicant shall submit a completed site plan application. Servicing allocation shall be set aside for a one-year period from the date of the receipt of the application to allow the applicant to execute a site plan agreement with the Town;
- (iii) if an agreement is not executed within the one-year time frame, a report will be brought to Council recommending either the extension or revocation of the preliminary assignment of servicing allocation. The Town, at that time, may revoke the municipal servicing allocation in whole or in part; and/or,
- (iv) if an agreement is executed within the one-year time frame, the agreement shall stipulate that a building permit shall be obtained within six months of said execution date, otherwise the agreement is deemed to be null and void, unless further extension is given by the Town. “

For Draft Plans of Subdivision, Sections 13.1.5 h) and i) provide the following:

- “h) The Town shall assign preliminary municipal water and sewer servicing allocation for draft plans of subdivision at the time of draft plan approval by the Town.
- i) If a Draft Plan of Subdivision is not registered within two years from the date of Draft Plan approval, or the Draft Plan has not proceeded to the satisfaction of the Town within the term of Draft Plan approval, the Town, at the time of considering extension of the Draft Plan approval, may revoke the preliminary assignment of municipal servicing allocation, in whole or in part. Prior to revoking allocation, the Town shall afford the developer an opportunity to address the Town on the matter.”

Section 13.1.5 j) related to infilling or redevelopment proposals provides that if approved infilling or redevelopment proposals have not proceeded within one year of Town approval, the Town may revoke municipal servicing allocation in whole or in part.

4.6 KESWICK SECONDARY PLAN 2023 (KSP 2023)

Section 13.1.7.2 of the new KSP 2023 contains sanitary sewage and water supply services policies. Subsections n) through r) specifically address relevant municipal sewage and water allocation policies and are provided below:

- “n) The Town shall only approve development that can be allocated municipal servicing allocation, in conformity with Town and York Region policies, procedures and by-laws. The assignment of servicing allocation to development is at the sole discretion of the Town. Depending on the amount of servicing allocation available, not all development proposals may be able to proceed.
- o) The Town may choose to allocate municipal sewer and water servicing based on a servicing allocation assignment program.
- p) No dwelling, dwelling unit or other form of development requiring servicing allocation shall be constructed unless such land has been assigned the appropriate amount of sewage and water supply servicing allocation by the Town.
- q) If a Draft Plan of Subdivision and/or Draft Plan of Condominium is not registered in the appropriate land registry office within three years from the date of Draft Plan approval, or the Draft Plan has not proceeded to the

satisfaction of the Town within the term of Draft Plan approval, Council, at the time of considering an extension of the Draft Plan approval, may revoke the preliminary assignment of municipal servicing allocation, in whole or in part. Prior to revoking the allocation, the Town shall afford the proponent an opportunity to address Council on the matter.

- r) Following the receipt of a complete Site Plan Control application and prior to the issuance of a building permit for the proposed development or any portion thereof, Council may review the progress and status of the project. Where the project has not proceeded to the satisfaction of the Town after three years from the time of the submission of a complete Site Plan Control application, Council may revoke the assignment of municipal servicing allocation, in whole or in part. Prior to revoking the allocation, the Town shall afford the proponent an opportunity to address Council on the matter.”

4.7 KESWICK BUSINESS PARK SECONDARY PLAN (KBPSP)

Policies pertaining to sanitary sewage and water supply services for the Keswick Business Park are set out in Section 13.4.5 of the KBPSP. Subsections (f) to (i) specifically pertain to allocation assignment and are provided below:

- “f) The Town shall assign municipal water and sewer servicing allocation for development requiring site plan approval according to the following procedures:
 - (i) confirmation that servicing capacity is available to serve the proposed development;
 - (ii) if allocation is available, the applicant shall submit a completed Site Plan application. Servicing allocation shall be set aside or preliminarily assigned for a one year period from the date of the receipt of the application to allow the applicant to execute a Site Plan agreement with the Town;
 - (iii) if an agreement is not executed with the one year time frame, a report will be brought to the Town to either extend or revoke preliminary assignment of servicing allocation. The Town, at that time, may revoke the municipal servicing allocation in whole or in part; and/or,
 - (iv) if an agreement is executed within the one year time frame, the agreement shall stipulate that a building permit shall be obtained within six months, or other time period as determined by the Town, of said execution date,

otherwise the agreement is deemed to be null and void, unless further extension is given by the Town.

- g) The Town shall only approve developments that can be allocated municipal sewer and water servicing capacity, in conformity with all applicable Town and York Region policies. The assignment of allocation to development is at the sole discretion of the Town and, furthermore, depending on the amount of servicing allocation and infrastructure available, not all development proposals may be able to proceed and/or be approved.
- h) The Town shall assign preliminary municipal water and sewer servicing allocation for draft plans of subdivision or condominium at the time of draft plan approval by the Town.
- i) If a Draft Plan of Subdivision or condominium is not registered within two years from the date of Draft Plan approval, or the Draft Plan has not proceeded to the satisfaction of the Town within the term of Draft Plan approval, the Town, at the time of considering extension of the Draft Plan approval, may revoke the preliminary assignment of municipal servicing allocation, in whole or in part. Prior to revoking allocation, the Town shall afford the developer an opportunity to address the Town on the matter.”

Despite the enabling policies in the KSP and KBPSP they have not been practically or historically put into operational practice.

4.8 MAJOR ALLOCATED AND UNBUILT DEVELOPMENTS

There is a significant amount of servicing allocation that has been reserved or assigned to development proposals that have not advanced to final approval and/or building permit. This is in part due to the fact that allocation has been assigned “on mass” to larger developments that are multi-phased and would normally take several years to build out. This capacity is currently unavailable for other developments that require servicing allocation and may be in a better position to proceed expeditiously.

Table 4 below outlines the Major Unbuilt Developments which have been assigned allocation, a more detailed table which also shows smaller unbuilt applications is included as Attachment 7.

Table 4

File Number	Name	Category	Allocation	Comment
C.3.20 SPA	Crates Landing (now Cortel)	2	198	Various approvals up to 2014, allocation credited to revised plan, has not proceeded to construction
02.207, 03.1176	Crates Landing (now Cortel)	2	592.40	Includes credit for 2014 assignment, Council denied new applications in 2024, appealed to OLT
19T-05G05 19CDM-05G04 19CDM-05G05	Crates Landing (now Cortel)	9	210	140 hotel units, revised plan with no hotel units, Council denied new applications in 2024, appealed to OLT
n/a	Rykka Care Homes	9	192	No planning application(s) submitted to date
02.198 03.1150	MTCO Retirement Home	2	780	Approved in 2021, no progress toward construction
03.1154	508-514 TQS	3	19.14	Approved in 2021, no progress toward construction
19T-14G01	Greystone / Middleburg	6	519.86	Draft approved in 2017, obtained Earthworks Agreements in 2024 and now progressing toward registration of Phase 1 (314.14 p.e.)
19T-17G02	Sunrise	2	93.16	Residential cannot proceed in

				advance of commercial
19T-18G03	12-18 Circle Ridge Drive	2	11.12	Draft approved on October 16, 2019, no progress toward registration
19T-14G02	Simcoe Landing Phase 9	6	2,394.4	Plan of subdivision with 813 lots registered 2018, 515 building permits issued
19T-18G01	Simcoe Landing Phase 10	6	1,642.02	Draft approved 2018, Earthworks Agreement in 2023, progressing toward Pre-Servicing Agreement
03.1157	New Building Blocks Inc. (Risi) Rental Apartment	7	167.08	Approved in 2023, no progress toward passing amending zoning bylaw, refer to Section 4.9 below

This represents a level of inefficiency in the current system that must be addressed given the relative scarcity in available allocation, the need for existing capacity to be utilized in order for the next phase expansion of the KWRRF to be considered by the Region, and in consideration of the overall public policy prerogative to address the current housing crisis as reflected in the Provincial legislative program (e.g. Bill 23, Bill 109, Bill 185) and recently, the Town of Georgina Housing Target and Pledge as described in Section 4.10 below.

4.9 IMMEDIATE PRESSURES AND DEMAND ON SERVICING CAPACITY

There are a number of active development proposals and initiatives that are magnifying the Town's servicing constraints and impacting the ability to deliver new housing, as described below:

- New Building Blocks Inc. – Uptown Keswick Development Area

On June 21, 2023, Council approved a Zoning By-law Amendment application (File 03.1157) by New Building Blocks Inc., 1750582 Ontario Inc. and 2680682

Ontario Inc. which proposes the construction of an apartment building with 84 rental units in the Uptown Keswick Urban Centre. Council assigned 167.08 persons equivalent of servicing capacity from Category 7 – Purpose Built Rental - to facilitate the development proposal.

In April 2024, the Town received a request on behalf of the owner to re-assign servicing allocation to facilitate condominium ownership rather than rental tenure within the proposed apartment building. The proposal has yet to be advanced as the number of requests for servicing allocation within Category 2 – Major Residential Development – Built-Up Area currently exceed the available capacity.

- Ballymore Homes - Queensway East Development Area

On September 13, 2023, Council approved Zoning By-law Amendment and Draft Plan of Subdivision applications (Files 01.150, 03.1138) submitted by Ballymore Development (Georgina) Corp. which propose the construction of 91 single detached dwelling units in north Keswick. Only 136.22 persons equivalent of servicing allocation (49 units) has been assigned to advance detailed design and construction since the number of requests for servicing allocation within Category 6 – Designated Greenfield Area - currently exceed the available capacity.

- Stylux Homes – South Keswick Queensway Urban Corridor

On October 18, 2023, Council considered Official Plan and Zoning By-law Amendment applications (Files 02.206, 03.1178) submitted by Stylux Keswick Incorporated which propose the construction of 42 stacked townhouse dwelling units in south Keswick. Although a decision on the applications has yet to be rendered, the number of requests for servicing allocation within Category 2 – Major Residential Development – Built-Up Area currently exceed the available capacity to advance final approval and construction.

- 1439468 Ontario Inc. – Uptown Keswick Urban Centre

On October 18, 2023, Council considered Official Plan and Zoning By-law Amendment applications (Files 02.204, 03.1176) submitted by 1439468 Ontario Inc. which propose the construction of a mixed use development with a total of 88 apartment and townhouse dwelling units on Simcoe Avenue in Uptown Keswick. Although a decision on the applications has yet to be rendered, the number of requests for servicing allocation within Category 2 – Major Residential Development – Built-Up Area currently exceed the available capacity to advance Site Plan approval and construction.

- Treasure Hill Homes – South Keswick Development Area

On April 17, 2024, Council approved Zoning By-law Amendment and Draft Plan of Subdivision applications (Files 01.157, 03.1161) submitted by Garland Community (BT) Corp. which propose the construction of 409 single detached and street townhouse dwelling units in the South Keswick Development Area. No servicing allocation has been assigned to advance detailed design and construction since the number of requests for servicing allocation within Category 6 – Designated Greenfield Area - currently exceed the available capacity.

- Treasure Hill Homes – Queensway East Development Area

On August 21, 2024, a request was received from Orchidtrail Building Corp (Phase 1) for approval of minor redline revisions to Draft Approved Plan of Subdivision 19T-20G01 that would facilitate eight (8) additional single detached lots. The number of requests for servicing allocation within Category 6 – Designated Greenfield Area currently exceed the available capacity.

- Housing Accelerator Fund - 4 Units As-of-Right

On September 11, 2024, Council considered and approved an Action Plan as part of the federal Housing Accelerator Fund – Intake 2 grant funding application. A minimum requirement for consideration of HAF funding is the implementation of 4 unit as-of-right permissions per residential lot. While the existing permissions for up to 3 units as-of-right (e.g. accessory apartments) do not currently require the separate assignment of servicing allocation, it is unclear at this point if the Region will require additional servicing allocation to implement the federal requirements. In this regard, there may be a need to set aside servicing allocation for this form of development in the appropriate category.

- Treasure Hill Homes – Queensway East Development Area

On September 18, 2024, Council will be considering Zoning By-law Amendment and Draft Plan of Subdivision applications (Files 01.160, 03.1169) submitted by Orchidtrail Building (BT) Corp. which propose the construction of 125 single detached and 114 street townhouse dwelling units as the next phase of development within the Georgina Heights community in north Keswick. The number of requests for servicing allocation within Category 6 – Designated Greenfield Area currently exceed the available capacity.

4.10 TOWN OF GEORGINA HOUSING TARGET AND PLEDGE

On August 22, 2023, the Minister of Municipal Affairs and Housing formally assigned a Housing Target to the Town of Georgina of 6,200 new homes to be constructed by 2031. The target represents the Town's expected contribution towards meeting the current and future housing need in Ontario.

On October 4, 2023, Council considered Report No. [DS-2023-0089](#) and adopted a resolution supporting the assigned Housing Target of 6,200 new homes by 2031, with an acknowledgement of the challenges and pre-conditions associated with achieving the Housing Target as outlined in the Staff Report. Council also resolved that the Building Industry and Land Development Association (BILD) request their members with approved development projects and committed servicing allocation in the Town to proceed expeditiously with the construction of new homes. Refer to the [October 4, 2023 Council Minutes](#) for the full Council resolutions C-2023-0342 to C-2023-0344 on this matter.

4.11 BILL 185 – CUTTING RED TAPE TO BUILD MORE HOMES ACT, 2024

Bill 185, the *Cutting Red Tape to Build More Homes Act, 2024*, received Royal Assent on June 6, 2024. Bill 185 amends various statutes but specifically repeals Section 70.3 of the *Planning Act* which permitted the making of regulations to authorize municipalities to pass by-laws establishing a system for allocating sewage and water services to land that is subject to an application under Section 51 (Subdivision Control). Regulations pursuant to Section 70.3 of the *Planning Act* were never made by the Minister.

Further, Bill 185 amends the *Municipal Act* to provide that a municipality may, by by-law, adopt a policy providing for the allocation of water supply and sewage capacity. In this regard, Section 86.1 of the *Municipal Act* provides that such a policy may include a system for tracking the water supply and sewage capacity available to support approved developments, as well as criteria to determine: (1) the circumstances for when allocation of water supply and sewage capacity is assigned to an approved development; (2) the circumstances for when the allocation of water supply and sewage capacity is withdrawn; and (3) the circumstances for when an approved development, after having its allocation of water supply and sewage capacity withdrawn, may be reallocated water supply and sewage capacity.

Despite this new authority, many municipalities such as the Town, already have some operational policy or protocol to govern the assignment of servicing capacity. The inclusion of specific provisions in Bill 185 would seem to signal a recognition from the province that making the best and efficient use of servicing allocation is key to unlocking development potential and advancing the objective of increasing

housing supply in Ontario. This new provincial approach evokes the term “Use it or Redistribute it” to describe a more rigorous approach to ensuring efficiency in the utilization of valuable servicing capacity.

The potential implications of Bill 185 are still being reviewed in the context of any recommended changes to the Town’s servicing allocation assignment program, including a new requirement that the administration of such a policy must be assigned or delegated to staff.

4.12 OTHER MUNICIPAL SERVICING ALLOCATION POLICIES

A review of some relevant and local municipal servicing allocation policies is provided in Attachment 8 and reflects a number of different practices depending upon specific circumstances. These include:

- A type of formal mechanism by which to expire or rescind allocation that is not utilized or does not advance development to an outcome (i.e. building permit or registration) within a defined timeframe.
- Various policy objectives or point systems for development to qualify for allocation such as sustainable development indices or the provision of certain forms or price of housing.
- The use of geographical or locational objectives for the assignment of allocation to implement the objectives of the Official Plan.

In many respects, the operational policies and official plans of other municipalities have similar approaches to providing a mechanism for re-assigning dormant allocation based on timeframes or milestones.

The Town’s Policy as currently structured has evolved over time. It has historically been focused on specific categories or “pools” of allocation to address the various forms of development requiring allocation reflecting the overall direction of the Official Plan and/or applicable Secondary Plans. Most recently on May 5, 2021, the Policy was adjusted to reflect the Town’s housing policy objectives by modifying the allocation categories to, amongst other matters, include Category 7 - Purpose Built Rental Housing and Category 8 - Non-Profit Housing.

Despite having the ability, and in some cases policies such as those in the KSP that would enable reassignment of allocation under certain circumstances, there is no operational practice or standard concerning the expiration of allocation assignment on projects that have not advanced to final approval and construction. Increasingly, this is frustrating the advancement of the Town’s development and housing program

where certain developments are ready to proceed in a timely fashion, but for servicing allocation being unavailable as it is otherwise assigned to projects that are not advancing.

There can be a number of legitimate reasons for which approved projects do not proceed as planned or desired, including market considerations, financing, labour shortages and costs, infrastructure issues and business considerations amongst others. Despite this, long term delays in advancing development projects should not immobilize large banks of servicing capacity when other projects without allocation are better positioned to proceed.

4.13 NEXT STEPS

Staff recommend that a comprehensive review of current servicing allocation assignments and the overall sanitary sewer and water allocation servicing program be conducted to develop future recommendations and policy direction to more effectively assign allocation to projects which will advance the residential development program in Keswick. This review may consider matters such as:

- Limiting the assignment of allocation to development phases which can be constructed in a reasonable timeframe (e.g. 3 years);
- Implementing a rigorous “use it or redistribute it” allocation assignment by-law under the *Municipal Act*;
- Recommending servicing allocation re-assignment for projects which have not substantially progressed in a reasonable timeframe;
- Initiating a review of employment area allocation factors with York Region;
- Forecasting realistic allocation requirements over the next 7 to 10 years in the KBP, and determining whether re-assignment of allocation is required;
- Promoting the need for an earlier expansion of the KWRRF to York Region;
- Strategically planning for the implementation of the 17,000 p.e. of allocation associated with the future KWRRF expansion to appropriately implement the KSP and the KBPSP from a growth management and land budgeting perspective;
- Reducing the number of development categories to enable flexibility in assigning servicing allocation to development projects that are best positioned to build quickly and use the capacity;
- Prioritizing the development applications which have “Requested” servicing allocation based on which have the ability to deliver housing quickly;
- Monitoring applications with servicing allocation to ensure progression toward building permit issuance within two to three years of assignment; and,
- Delegating authority to Staff for the assignment and reassignment of servicing allocation.

5. RELATIONSHIP TO STRATEGIC PLAN:

This Report addresses the following Town of Georgina Strategic Goal: Ensuring Balanced Growth.

6. FINANCIAL AND BUDGETARY IMPACT:

There are no financial nor budgetary impacts on the Town as a result of this report.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

Not applicable.

8. CONCLUSIONS:

This report provides an overview of the Town's Sanitary Sewer and Water Allocation Assignment Program and a Capacity Update for the area served by the Keswick Water Resource Recovery Facility (KWRRF).

Despite the temporary transfer of 3,190 p.e. of allocation assigned from the Keswick Business Park to Keswick by Council in May 2021, the demand for allocation has exceeded available supply particularly in Category 2 - *Proposed Major Residential Development – Built Up Area* and Category 6 – *Designated Greenfield Area*.

The Sanitary Sewer and Water Allocation Assignment Program should be reviewed with a view towards finding efficiencies in the operational manner in which allocation is assigned and deployed. Bill 185 introduces enabling provisions in the *Municipal Act* that allow for a Servicing Allocation Assignment program and bylaw.

This report has further identified allocation assignments for proposed developments in Keswick that have not advanced toward a building permit.

If Council adopts the recommendations in this report, Staff will return with a report to Council in late Q4 2024 with recommendations on potential interim adjustments to the Sanitary Sewer and Water Allocation Assignment Program, redistributing servicing allocation amongst categories, and/or rescinding servicing allocation from projects that have not advanced to construction in order to release and potentially reassign servicing allocation to other projects that are aligned with the Town's key priorities.

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Attachment 1 – History of KWRRF Allocation Assignment
Attachment 2 – Schedule A: Growth Management – Keswick Secondary Plan 2023
Attachment 3 – Location of Judge's Plan 602
Attachment 4 – Location of Serviced Lakeshore Residential Area
Attachment 5 – Revised Draft Approved Plan of Subdivision 19T-13G02 (Panattoni)
Attachment 6 – Schedule L1 – Land Use and Transportation – Keswick Business Park Secondary Plan
Attachment 7 – Unbuilt Developments with Allocation Assignments
Attachment 8 – Other Municipal Servicing Allocation Policies