



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Jeff Markowiak, Development Review

DATE: December 4, 2023

REPORT NO.: PD-2023-079

SUBJECT: Region of Halton 2023 Allocation Program

RECOMMENDATION:

THAT Report No. PD-2023-079, dated December 4, 2023, regarding the “Region of Halton 2023 Allocation Program”, be received for information;

AND FURTHER THAT staff prepare a report for Town Council’s consideration that addresses the Single Detached Equivalents (SDE) being allocated to the Town through the Region of Halton 2023 Allocation program and how the SDE may be distributed to the individual landowners who have identified interest in participating in the Program.

KEY POINTS:

The following are key points for consideration with respect to this report:

- In July 2023 Halton Region Council directed Regional staff to develop a new Allocation Program following substantial interest expressed by the development community in securing additional servicing capacity.
- Regional staff brought forward a Recommendation Report for consideration on October 18, 2023; however, Council referred the 2023 Allocation Program back to the Halton CAOs and local municipalities for further discussion.
- The 2023 Allocation Program Recommendation Report will now be considered by Regional Council at their December 13, 2023, meeting.
- The 2023 Program has been designed by the Region to support the local municipalities in meeting their individual housing pledge targets. The Town has been assigned a housing target of 9,500 homes to be constructed by 2031.
- Single Detached Equivalents (SDE) equal to approximately 3,400 units are proposed to be allocated to Halton Hills for the Town’s Designated Greenfield Areas through the 2023 Program.

- The Region received REOIs from 8 landowners within the Halton Hills Designated Greenfield Areas representing a total of 4,506 units.
- Town staff will bring forward a report at a later date providing recommendations as to how the 3,400 units of system capacity may be distributed to the landowners requesting to participate in the 2023 Allocation Program.
- While the Allocation Program works in SDE, the housing pledges are reported in units. As such, this report may speak in either units or SDE as required.

BACKGROUND AND DISCUSSION:

In July 2023 Halton Region Council directed Regional staff to develop a new Allocation Program for 2023 to accommodate residential growth across the four local municipalities for the period of 2023 to 2031, inclusive. The 2023 Allocation Program proposes to provide Single Detached Equivalents (SDE) to the Town to facilitate the construction of approximately 3,400 units within our designated greenfield areas, which would be in addition to the 3,000 SDE (approximately 3,500 units) allocated to the Town under the 2020 Program. Unlike previous Allocation Programs which were developed on the basis of the Region's Best Planning Estimates (BPEs), the 2023 Program has been designed to support the local municipalities in meeting their individual housing pledge targets.

Allocation Programs are a financing tool used by Halton Region to ensure that the development industry is contributing its share of the cost of infrastructure required to support growth to maintain the principle that "growth pays for growth", to the extent possible. The Region requires that new growth within greenfield areas only advance once a financing plan for infrastructure has been approved by Regional Council. The financing plan obliges developers to pay their share of infrastructure costs up-front before the Region undertakes construction of the necessary road and water/wastewater projects required to make greenfield lands held by participating landowners available for development. The Region has used similar Allocation Program tools since the mid-1980s; however, the Town of Halton Hills did not participate until the 2020 Allocation Program as the Programs have traditionally been used to fund infrastructure costs associated with residential development relying on lake-based servicing. The 2020 Program funded the construction of the infrastructure to connect the Vision Georgetown lands to lake-based services; all previous residential growth within the Town had been facilitated through the ground water-based system.

On August 22, 2023, the Ministry of Municipal Affairs and Housing assigned a housing pledge target of 9,500 homes to Halton Hills to be constructed by 2031. The intent of the housing target is to help support the Province's goal of constructing 1.5 million new homes in Ontario by 2031 to address the housing supply crisis. In October 2023, the Mayor confirmed in writing the Town's commitment to meet the 9,500 homes target. Similarly, the other three local municipalities were assigned housing pledge targets by the Province, which they also agreed to meet. In total, the local municipal housing pledges equal 92,000 units to be constructed by 2031 across Halton, as follows:

Municipality	Pledge Target (units)
Burlington	29,000
Halton Hills	9,500
Milton	21,000
Oakville	33,000
Total	92,000

Regional staff have confirmed that there is sufficient gross capacity in the water and wastewater system to accommodate the housing pledge targets; however, there are limitations in the conveyance of plant capacity (pumping and pipes) in some areas that could impact where capacity exists. As a result, the Region structured the 2023 Allocation Program to reserve water and wastewater capacity for each municipality based on their housing pledge targets. Regional staff are recommending that Regional Council support the distribution of 73,500 units of servicing capacity being made available through the 2023 Program.

In the Halton Hills context, SDE equal to 3,400 units is proposed to be allocated to the Town through the 2023 Allocation Program for development within the Designated Greenfield Area (DGA). Additionally, the extension of lake-based servicing to Georgetown will allow for existing properties in Georgetown South to convert from the current ground water-based system to the lake-based servicing system in 2024, which the Region is suggesting will make an additional 2,600 units of system capacity available from the ground based system to support intensification opportunities elsewhere in Georgetown. The Region has combined these two numbers to suggest a total SDE equal to 6,000 housing units would be made available to the Town through approval of the 2023 Allocation Program.

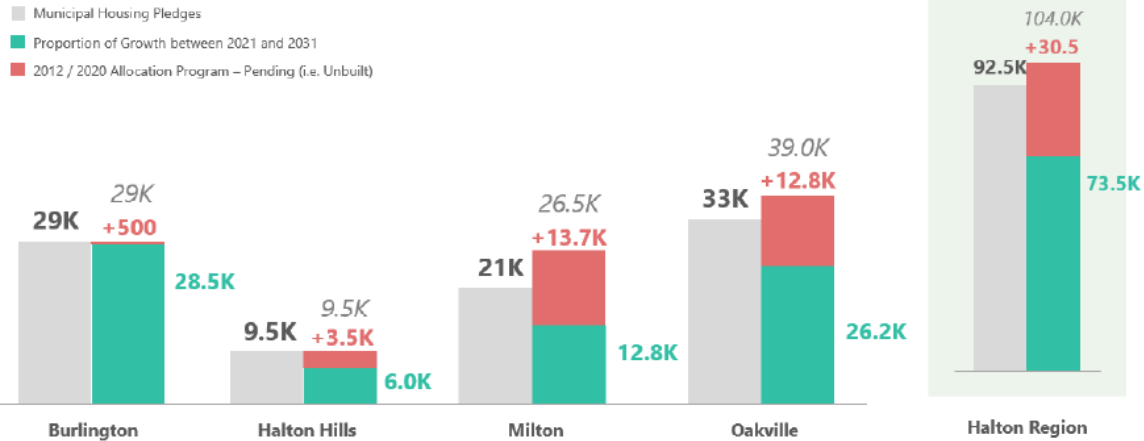
Municipality	Designated Greenfield Area (DGA) (units)	Built Up Area (BUA) (units)	Total Allocation (units)
Halton Hills	3,400	2,600	6,000

The Region is suggesting that the recommended distribution of servicing capacity through the 2023 Allocation Program, when combined with the existing servicing capacity allocated to each municipality through previous Programs, would allow each of the four local municipalities to meet their housing pledge targets. As a reminder, the Town received 3,000 SDE for the Vision Georgetown lands through the 2020 Allocation Program, which the Region considers equal to 3,500 units; see the Town's 2020 Allocation Program Report attached as SCHEDULE 1.

The graph below outlines how the proposed 2023 Allocation Program would support each municipality meeting or exceeding its housing pledge target:

Meeting the Housing Pledges

Supported by All Growth to 2031



Note: the grey bar represents the housing pledge targets; the green colour represents servicing capacity made available in the built up area (BUA) and designated greenfield area through the 2023 Allocation Program; the salmon colour represents existing remaining capacity from previous allocation programs.

Above and beyond the allocation to the four local municipalities, the Region has also allotted 5,000 units of servicing capacity to a Special Purpose pool (approximately 2,760 SDE) to be used to facilitate developments of key public interest across the Region (ie. for new school sites). In addition, infrastructure capacity equivalent to 14,000 residential units has been set aside for Institutional / Commercial / Industrial (ICI) development across the Region as well. ICI landowners do not participate in Allocation Programs, they pay for servicing through the collection of Development Charges.

Requests for Expression of Interest (REOI)

Through a Request for Expression of Interest (REOI) in May 2023 the Region put out a call to the development community to share their near-term residential growth plans and identify and the number of units they have interest in developing under the 2023 Allocation Program. The Region received a significant amount of interest from property owners across the Region, with demand substantially greater than the number of units available through the 2023 Allocation Program.

The Region received REOIs from 8 landowners within the Halton Hills designated greenfield areas, representing a total of 4,506 units, as follows:

Landowner	Submitted REOI (units)
Vision Georgetown (6 landowners)	4,009
Southeast Georgetown (1 landowner)	247
Stewarttown Expansion Lands (1 landowner)	250
Total	4,506

This means that the 3,400 designated greenfield area units of capacity proposed to be allocated to Halton Hills in the 2023 Allocation Program will have to be distributed between the different greenfield landowners requesting to participate in the program.

As illustrated in the table above, the 3,400 DGA units is not currently sufficient to accommodate the REOIs submitted by the landowners within the Vision Georgetown lands prior to 2031, let alone accommodate the development of Southeast Georgetown and Stewarttown as well. A table outlining which landowners within Vision Georgetown submitted REOIs is attached as SCHEDULE 2.

Comments

Due to demand expressed through the REOIs exceeding servicing capacity being made available through the 2023 Allocation Program, the four local municipalities are being asked by the Region to determine how and where the proposed allocation will be distributed within their respective municipality.

Burlington, Milton and Oakville will have the opportunity to distribute the servicing capacity between their built boundary and greenfield areas as all of their urban lands are serviced by lake-based water. However, that opportunity does not exist within Halton Hills as the majority of the built boundary will continue to be serviced by the ground-based system, whereas the greenfield areas (and Georgetown South below Hungry Hollow) will be serviced by lake-based water. There is no opportunity to distribute/share servicing capacity between the two systems. Therefore, the Town is only required to identify how the 3,400 DGA units of SDE will be distributed; once made available by the Region, the 2,600 units of capacity for the built-up area will be on the ground based system and presumably can be allocated by Town staff on a project-by-project basis at the appropriate time.

The Region has yet to indicate a timeframe for the local municipalities to provide their recommendation for the distribution of servicing capacity. Once clarified, Town staff will bring forward a report to Council with recommendations as to how the 3,400 units of greenfield servicing capacity proposed through the 2023 Allocation Program may be distributed amongst the landowners who have submitted REOIs. Factors that will be taken into consideration to inform staff's recommendation will include:

- input from the 8 landowners who submitted REOIs to the Region for the 2023 Allocation Program;
- technical servicing constraints or logistics that could prevent certain land holdings from developing within the 2031 timeframe, which would have an impact on the Town's ability to meet our 9,500 unit housing target; and,
- the ability for lands to develop consistent with the policies and objectives set out in approved Secondary Plans. The Vision Georgetown lands currently have an approved Secondary Plan; the Secondary Plan processes for Southeast Georgetown and Stewarttown are still on-going.

It should be noted, the Region has indicated there will be limited opportunities for additional capacity beyond the 2023 Allocation Program to accommodate development prior to 2031. Significant water and wastewater plant expansions will be necessary to support additional capacity, which already need to be accelerated to ensure there is capacity to accommodate development beyond 2031. However, Regional staff is recommending that "future capacity units" be made available through the 2023

Program, above and beyond the servicing allocation currently available. Local municipalities still need to identify priority lands to receive the initial allocations; the “future capacity units” can be reserved by landowners in the event that planned infrastructure projects come online and potentially free up additional capacity.

Region of Halton Council will be considering the 2023 Allocation Program Recommendation Report at their December 13, 2023, meeting. As outlined above, staff will report back to Town Council with an update and recommendations at the appropriate time.

STRATEGIC PLAN ALIGNMENT:

This report aligns to the Town’s Strategic plan recognizing the value to achieve sustainable growth to ensure that growth is managed so as to ensure a balanced, sustainable, well planned community infrastructure and services to meet the needs of its residents and businesses.

This report also identifies shaping growth as one of the Town’s Strategic priorities.

RELATIONSHIP TO CLIMATE CHANGE:

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

PUBLIC ENGAGEMENT:

Public Engagement was not needed as this report is administrative in nature.

INTERNAL CONSULTATION:

The 2023 Allocation Program has been discussed with the CAO and Transportation and Public Works staff.

FINANCIAL IMPLICATIONS:

This report is administrative in nature and does not have any financial implications.

The 2023 Region of Halton Allocation Program is required to facilitate the development of the Town’s greenfield lands. Development triggers collection of various monies (e.g. application fees, Development Charges) throughout the approvals process and ultimately results in the expansion of the Town’s assessment base.

Reviewed and approved by,

John Linhardt, Commissioner of Planning & Development

Chris Mills, Chief Administrative Officer