



REPORT

TO: Mayor Lawlor and Members of Council

FROM: Jeff Markowiak, Director of Development Review

DATE: March 11, 2024

REPORT NO.: PD-2024-024

SUBJECT: Region of Halton 2023 Allocation Program – Recommended Distribution of Servicing Allocation to Landowners

RECOMMENDATION:

THAT Report No. PD-2024-024, dated March 11, 2024, with respect to the “Region of Halton 2024 Allocation Program – Recommended Distribution of Servicing Allocation to Landowners”, be received;

AND FURTHER THAT Council request Halton Region to allocate servicing to each of the landowners in the Town’s Designated Greenfield Area (DGA) that are seeking to participate in the 2023 Allocation Program, consistent with their submitted Request for Expression of Interest (REOI), in the form of SDE generally equal to the ensuing number of units:

- Georgetown Country Properties – 525 units;
- Lormel Developments – 371 units;
- Master Built Homes (Remington) – 185 units;
- Shelson Properties/Coryville Construction – 1,205 units;
- Mattamy Limited – 300 units;
- El-Zoeiby Inc. – 75 units;
- Russell Pines Property Corp. (Fieldgate) – 363 units;

AND FURTHER THAT Council request Halton Region to allocate servicing to 2602151 Ontario Inc. & 1732216 Ontario Inc. (Di Blasio Corp.) consistent with their submitted Request for Expression of Interest (REOI) in the form of Infrastructure Dependent Units (IDU) equal to 96 units;

AND FURTHER THAT the Commissioner of Planning & Development be authorized to endorse any minor changes to the distribution of servicing allocation that may be required as the Region of Halton advances the 2023 Allocation Program;

AND FURTHER THAT the Commissioner of Planning & Development be granted the authority to advise the Region on how any unsubscribed capacity may be distributed in the future.

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.
- On February 14, 2024, Halton Region Council approved the advancement of the 2023 Allocation Program, which was designed to ensure that sufficient water and wastewater servicing capacity is allocated to each local municipality to achieve their individual housing pledge targets. The Town has been assigned a housing pledge target of 9,500 homes to be constructed by 2031.
- Through the 2023 Allocation Program Halton Hills has been allocated Single Detached Equivalents (SDE) equal to 3,413 units for the Town's Designated Greenfield Area.
- The Region is now seeking direction from the four local municipalities as to how their respective allocation will be distributed amongst the landowners who have submitted REOIs to participate in the Program in order for them to negotiate and execute Allocation Agreements with the necessary landowners prior to April 1, 2024.
- The Region received Requests for Expression of Interest (REOIs) from 7 landowners within the Halton Hills Designated Greenfield Areas seeking to participate in the 2023 Allocation Program representing a total SDE equal to 3,024 units.
- This report recommends that Town Council request that Halton Region allocate SDE equal to 3,024 units to the following landowners within Vision Georgetown and Southeast Georgetown, consistent with their submitted REOIs, as follows:
 - Georgetown Country Properties – 525 units;
 - Lormel Developments – 371 units;
 - Master Built Homes (Remington) – 185 units;
 - Shelson Properties/Coryville Construction – 1,205 units;
 - Mattamy Limited – 300 units;
 - El-Zoelby Inc. – 75 units; and,
 - Russell Pines Property Corp. (Fieldgate) – 363 units.
- As part of the 2023 Allocation Program the Region has also introduced Infrastructure Dependent Units (IDU), which are additional servicing capacity units that could be made available upon Regional infrastructure projects being completed that create more system capacity. The Region received a Request for Expression of Interest (REOI) from 1 landowner within Stewarttown seeking IDU equal to 96 units. Staff is recommending that Town Council request that Halton Region allocate the IDU equal to 96 units to Di Blasio Corp., consistent with their submitted REOI.

BACKGROUND AND DISCUSSION:

1. Context

In response to substantial interest expressed by the development community in securing additional servicing capacity to accommodate residential growth, Halton Region Council directed Regional staff in July 2023 to develop a new Allocation Program to support growth across the four local municipalities for the period of 2023 to 2031, inclusive. On February 14, 2024, Halton Region Council approved the advancement of the 2023 Allocation Program; see SCHEDULE 1 – HALTON REGION 2023 ALLOCATION PROGRAM REPORT. The Program allocates Single Detached Equivalents (SDE) equal to 3,413 residential units to the Town of Halton Hills for growth within the Town's Designated Greenfield Area.

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. Through the 2020 Program the Region also allocated servicing capacity equal to 3,500 units (3,000 SDE) to Halton Hills to support development within the Vision Georgetown lands.

2. 2023 Allocation Program Designed to Meet Housing Targets

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. 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 92,500 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	92,500

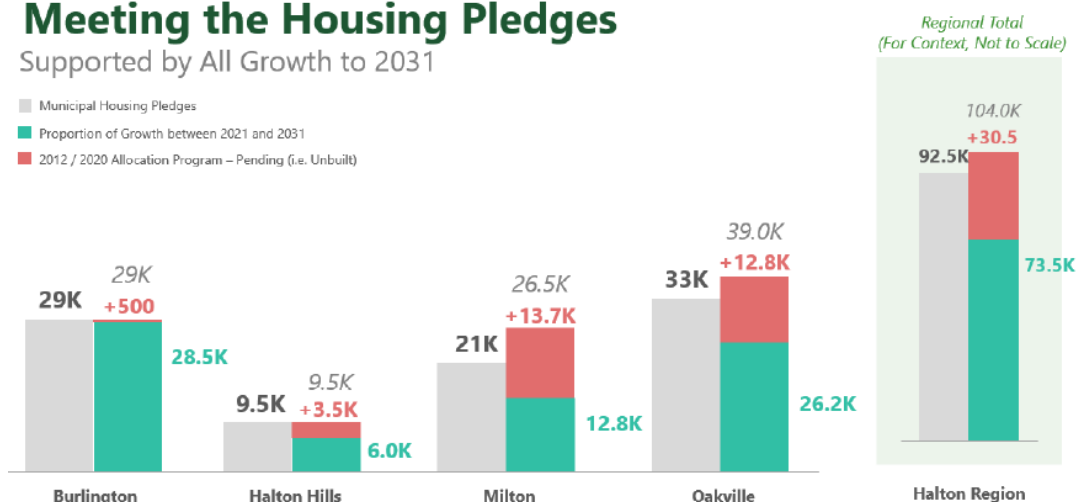
Regional staff have confirmed that there is sufficient gross capacity in the water and wastewater system to accommodate the housing pledge targets; however, there are limitations in the conveyance of plant capacity (pumping and pipes) in some areas that could impact where capacity exists. As a result,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

The graph below outlines how the 2023 Allocation Program, in combination with remaining capacity from previous Allocation Programs, will support each municipality to meet or exceed its housing pledge target:

Meeting the Housing Pledges

Supported by All Growth to 2031

- Municipal Housing Pledges
- Proportion of Growth between 2021 and 2031
- 2012 / 2020 Allocation Program – Pending (i.e. Unbuilt)



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

In the Halton Hills context, SDE equal to 3,413 units is being 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 suggests will make an additional 2,641 units of system capacity available from the ground based system to support intensification opportunities elsewhere in Georgetown; see SCHEDULE 2 for a map identifying which lands in Georgetown South will convert to the lake-based system. The Region has combined these two numbers to indicate a total SDE equal to 6,054 housing units have been allocated to the Town through the 2023 Allocation Program.

Municipality	Designated Greenfield Area (DGA) (units)	Built Up Area (BUA) (units)	Total Allocation (units)
Halton Hills	3,413	2,641	6,054

As mentioned previously, the Region is suggesting that servicing capacity being made available 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 SDE equal to 3,500 units for the Vision Georgetown lands through the 2020 Allocation Program. When combined with the 6,054 units of servicing capacity provided through the 2023 Program, the Town would have enough servicing for 9,554 units, which just exceeds the Town’s 9,500-unit housing pledge target.

Municipality	Allocation Programs			Housing Pledge Target (units)
	2020 Program (units)	2023 Program (units)	Total (units)	
Halton Hills	3,500	6,054	9,554	9,500

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 (i.e. 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. ICI landowners do not participate in Allocation Programs, instead they pay for servicing through the collection of Development Charges.

3. Introduction of Infrastructure Dependent Units (IDU)

As mentioned above, the Region designed the 2023 Allocation Program to help the local municipalities to meet their housing pledge targets, while recognizing there is currently finite capacity within the Regional water and wastewater trunk and treatment infrastructure to accommodate new growth. However, throughout 2023 there was overwhelming interest from the development community to have additional allocation made available. To respond to this need the Region introduced Infrastructure Dependent Units (IDU), which are additional servicing capacity units that could be made available through the 2023 Program upon Regional infrastructure projects being completed that could create more system capacity. Both IDU and the traditional SDE stream of servicing capacity units will enable developments to proceed through the planning approval process. The only difference between the two forms of units is that IDU are dependent on those larger Regional infrastructure projects (approximately 5+ years) coming online (or for existing capacity to be “found” or transferred through established monitoring programs) before a development can obtain the necessary building permits. Developers that are interested in participating in the 2023 Allocation Program but do not obtain SDE can be eligible for IDUs if/when they become available. There has been no indication of a maximum number of IDU being made available

through the Program; the amount is simply dependent on how much is created as a result of new infrastructure coming on-line.

4. Requests for Expression of Interest (REOI)

In May 2023 the Region requested that the development community submit Requests for Expression of Interests (REOI) to identify which landowners would be interested in participating in a new Allocation Program, what their near-term residential growth plans are and to identify the number of units of servicing capacity they have interest in obtaining to support their plans. The Region indicated they required a minimum of 29,787 units of servicing capacity to be secured by the development community in order to financially support the advancement of the 2023 Allocation Program. Through the submission of the REOI in the Spring of 2023 the Region received a level of interest that exceeded the number of SDE that could be made available through the 2023 Program. In the Halton Hills context, at that time the Region received REOIs from 8 landowners representing a total of 4,506 units of servicing capacity, which exceeded the 3,413 units being allocated to the Town development in the Designated Greenfield Areas.

Following release of the financing details for the Program and introduction of the Infrastructure Dependent Units (IDU), in January 2024 the Region asked the landowners to resubmit their REOIs and identify which form of servicing capacity they were interested in securing through the 2023 Program – SDE or IDU. Through the subsequent REOI resubmission the Region received enough interest to advance the 2023 Program, but less than originally identified in May 2023. In regard to Halton Hills, the Region received REOIs from 8 landowners within the Town’s designated greenfield areas, representing a total request of 3,024 units of SDE and 96 units of IDU, as follows:

Landowner	Submitted REOI	
	SDE (units)	IDU (units)
Vision Georgetown (6 landowners)	2,661	
Southeast Georgetown (1 landowner)	363	
Stewarttown Expansion Lands (1 landowner)		96
Total	3,024	96

This means that if servicing capacity was allocated to all landowners within Halton Hills that submitted REOIs, the Town would still have 389 units of capacity (SDE) remaining through the 2023 Program. The Region has confirmed that this unsubscribed capacity would remain dedicated to the Town because it is necessary for the Town to support development to meet the 9,500-unit housing pledge target. The unsubscribed capacity could be used to convert IDU to SDE at a later date or be distributed to an eligible DGA landowner who requests additional capacity in the future.

5. Recommended Distribution of Allocation:

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. The Region is seeking to obtain direction from each of the local municipalities as soon

as possible in order to execute the necessary Allocation Program agreements with the participating landowners prior to the April 1, 2024, Development Charge (DC) indexing.

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 3,413 DGA units of SDE should be distributed amongst interested landowners; and,
- if the Town supports the IDU request made by the Stewarttown landowner.

Once made available by the Region, the 2,641 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.

Staff’s recommendations in regard to the SDE and IDU requests are outlined below:

- **Single Detached Equivalent (SDE) Servicing Request**

The table below outlines the individual SDE allocation requests submitted by landowners within the Vision Georgetown and Southeast Georgetown lands:

Landowner	Submitted REOI (Units)
Vision Georgetown	2,661
Georgetown Country Properties	525
Lormel Developments	371
Master Built Homes (Remington/Neamsby)	185
Shelson Properties/Coryville Construction	1,205
Mattamy Limited	300
El-Zoeiby Inc.	75
Southeast Georgetown	363
Russell Pines Property Corp. (Fieldgate)	363
Total	3,024

Town staff is recommending that Council request that Halton Region allocate Single Detached Equivalent to each of the Vision Georgetown and Southeast Georgetown landowners, consistent with the requests made through their REOIs and outlined in the table above, for the following reasons:

- the Vision Georgetown Secondary Plan was approved by the Ontario Land Tribunal (OLT) in 2023 and development of the lands is anticipated to start by 2026 and continue throughout and beyond the 2031 horizon;

- the Southeast Georgetown Secondary Plan has advanced to a stage where staff anticipate approval to occur in a timeframe to accommodate development of those lands prior to the 2031 period; and,
- the endorsement of allocation to these landowners is necessary for the Town to meet its 9,500-unit housing pledge target by 2031.

The unsubscribed 389 units of servicing capacity will remain dedicated to the Town for distribution at a later date. It is recommended that the Commissioner of Planning & Development or delegate be granted the authority to advise the Region on how that capacity may be distributed in the future. This would be in keeping with By-law 2023-0046 which has delegated the allocation of well and stream based servicing capacity to staff.

For reference, should Council support the REOI allocation requests outlined above, staff has attached a map illustrating the total servicing capacity (between the 2020 and 2023 Programs) each of the landowners within Vision Georgetown will have available to accommodate development prior to 2031; see SCHEDULE 3 – VISION GEORGETOWN LANDOWNERS MAP. It is anticipated that another allocation program will be required for the full build out of the Vision Georgetown lands.

- **Infrastructure Dependent Unit (IDU) Servicing Request**

The Region received an REOI from 1 landowner in Halton Hills (Di Blasio Corp.) seeking to obtain Infrastructure Dependent Units (IDU). This report is recommending that Town Council support Di Blasio Corp's request for IDU equal to 96 units to accommodate future development within the Stewarttown Expansion Lands, consistent with their submitted REOI, for the following reasons:

- while the Stewarttown Secondary Plan remains ongoing, staff is satisfied once finalized the Plan can support the development of 96 units; and,
- Regional staff has suggested that local municipal support for IDU requests will help the Region secure funding to advance additional infrastructure projects beyond those already planned for within the 2031 horizon.

However, given the status of the Secondary Plan, the nature of the unresolved issues and that substantial infrastructure extensions are required to support the future development of the lands, staff believe IDU are the appropriate form of servicing capacity at this time.

6. Allocation Program Next Steps:

Once the Region receives direction from the four local municipal Councils as to how the allocation each municipality is receiving should be distributed amongst the landowners who submitted REOIs, the Region will work to execute the allocation agreements with each participating landowner. Once the agreements have been executed the Region will formally launch the 2023 Allocation Program and begin work on planning for construction of the infrastructure projects being funded through the Program.

It should be noted that despite the 2023 Allocation Program referencing the amount of servicing capacity being allocated to the four local municipalities in units, the allocation agreements themselves will still reference how many SDE or IDU each landowner is obtaining. At the time of drafting the agreements the Region will determine the appropriate conversion. Because the REOs were required to identify how many low, medium or high-density units each landowner intends to build as a result of securing allocation, the eventual final SDE amount allocated to each municipality will be lower than the unit totals referenced in this report as a result of the following conversion rates:

Single detached home	= 1 SDE
Townhouse unit	= 0.54 to 0.81 SDE (depending on how many bedrooms)
Apartment unit	= 0.36 to 0.49 SDE (depending on how many bedrooms)

STRATEGIC PLAN ALIGNMENT:

This report identifies a safe and welcoming community 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, Transportation and Public Works staff and the Town Solicitor (Thomson Rogers – J. Wilker).

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