



OAKVILLE

REPORT

Council

Meeting Date: December 18, 2023

FROM: Planning Services Department

DATE: December 5, 2023

SUBJECT: Halton Region 2023 Allocation Program

LOCATION: Town-wide

WARD: Town-wide

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RECOMMENDATION

1. That the report entitled Halton Region 2023 Allocation Program, from the Planning Services and Finance Departments, dated December 5, 2023, be received;
2. That Halton Region be requested to allocate servicing to lands in North Oakville, generally in accordance with this report;
3. That Halton Region be requested to accelerate the servicing of lands north of Dundas Street between Tremaine Road and Regional Road 25;
4. That the Director of Planning Services be authorized to endorse any minor changes to the distribution of servicing allocation which may arise as Halton Region advances the program, and the subsequent transfer of allocation units between other Oakville properties; and,
5. That the Town Clerk provide a copy of this report, and Council's resolutions, to Halton Region, the City of Burlington and the Towns of Milton and Halton Hills.

KEY FACTS

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

- As part of the Town's housing pledge of 33,000 units to be achieved by 2031/2032, the Town committed to work in co-operation with the Province of Ontario and Halton Region to deliver infrastructure (i.e., water and wastewater services).
- In order to support the Local Municipalities in meeting their pledges, on July 12, 2023, Halton Region Council directed staff to develop Allocation Program options.
- Halton Region's allocation program is a financing tool used to ensure adequate funding is available to support growth-related infrastructure. The program identifies the extension of servicing infrastructure needed for residential land uses in designated greenfield areas.
- While the housing pledge applies to the whole of Oakville, the allocation program only applies to greenfield areas (typically north of Dundas Street) and does not apply to the "built-up area" being south of Dundas Street.
- The current allocation program is unique from past programs because it is considering the servicing of the whole of the region, not only the extension of trunk and road infrastructure to new greenfield areas. In past programs, the town considered the distribution of single-detached equivalent units and now is considering total housing units, in line with the town's housing pledge.
- Oakville has been allocated 26,178 units of the 92,500 units of capacity available, which when added to developments in North Oakville with existing allocation, Oakville will be able to service enough units in accordance with its housing pledge.
- A total of 11,856 units are dedicated to the Designated Greenfield Area, with the balance being directed to the Built-Up Area. This is reflective of the Town's urban structure and would support development of the town's strategic growth areas.
- The Requests for Expression of Interest (REOI) for the Allocation Program (within the Designated Greenfield Area) in Oakville totalled 43,757 units – well in excess of the allocation available. The Region requested the area municipalities to recommend the distribution of allocation units to eligible developers as part of this program. The recommended distribution of these units is illustrated in the Appendices.

- Staff has evaluated each of these requests in accordance with the growth management policies of the Town's Official Plan, as well as additional criteria which will foster the creation of complete communities in North Oakville and support the Town's urban structure. This allocation program helps implement the planned communities that Council has already approved and helps achieve the Vision for North Oakville.
- Service area master plans (Fire, Transportation, Parks, Recreation and Library), for the town are currently underway, which will identify the infrastructure required to support the accelerated growth needed to meet the town's housing pledge. The town will utilize the growth funding tools of development charges, parkland dedication, and community benefits charges to the greatest extent allowable under legislation to finance new infrastructure.

BACKGROUND

Halton Region uses an "Allocation Program" as a tool to manage how the Region's Official Plan is implemented in the greenfield areas – those lands being outside of the Built Boundary. This program requires the pre-payment of the hard services component of the Region's Development Charges (water, wastewater and roads DCs) and landowners enter into financial agreements with the Region to front-end the proportionate costs based upon the number of dwelling units the landowners intend to construct.

In October, 2023 Regional Council considered a financing plan for the 2023 allocation program, but ultimately deferred approval pending further review and consultation with local municipal staff on potential infrastructure servicing constraints.

In discussions with the Region, town staff examined where, if any, there may be concerns with providing sufficient servicing. Any currently known limitations relate to water pumping. There are several pumping stations and reservoirs that support areas north and south of Dundas Street. Because the overall infrastructure system is complex, future development will be assessed based on location to ensure capacity – specifically south of Dundas Street.

The Region has also initiated its "Integrated Master Plan" (IMP) which will review the system's capacity. It also reflects the Joint Best Planning Estimates presented to Town Council in August 2023. These estimates provide the basis for the IMP to determine where to increase additional capacity to support the built-up area, and the designated greenfield area.

Halton Region historically determined the amount of servicing needed according to how much population is planned for a given area using the 2006 Best Planning Estimates ('BPEs'). The 2023 Allocation Program is based on achieving the local housing pledges and servicing capacity until 2031, across the entire municipality.¹ A residential unit type has a corresponding demand on servicing and this ratio is referred to as a "Single detached Equivalent" (SDE). The SDE ratios are as follows:

Residential Unit Type /	Category SDE Factor
Single / Semi Detached Dwelling	1.00
Multiple Dwelling	0.76
Apartment Dwelling	0.45
Special Care/Special Need/Accessory Dwelling	0.32

While the Allocation Program continues to work in SDEs, the housing pledges are reported in units, and as such, this report speaks to either units or SDEs as required.

2012 Allocation Program

The 2012 allocation program was expected to last four years, allowing the next program to start in 2016. The 2012 program provided Oakville with 4,897 SDEs. Including high density units, a total of 5,450 SDEs ultimately resulted. The high-density units that were set aside by Halton Region were used on a "first come, first served" basis. Some Oakville projects benefitted from this pool of SDEs.

2020 Allocation Program

The 2020 program was intended to last until 2022, and the allocation was distributed with the following SDEs:

Burlington: 495
 Halton Hills: 3000
 Milton: 8716
 Oakville: 7118

With the 2020 program, the Region set aside 1,500 SDEs to be used for unforeseen circumstances that could arise over the life of the program. A further 1,500 SDEs was reserved to support Purpose Built Affordable Rental Housing.

A total of 12,800 units (approximately 9,186 SDEs) from the 2012 and 2020 allocation program are unbuilt in Oakville. This total is expected to decrease over

¹ Local Municipal Housing Pledges total 92,000 units across Halton, as follows: Burlington: 29,000 units; Halton Hills: 9,500 units; Milton: 21,000 units; and, Oakville: 33,000 units

the coming year as a number of subdivision applications have been, or are nearing, registration and earthworks and construction have commenced.

2023 Allocation Program

The 2023 allocation program was prepared in the context of Bill 23, and the housing pledges to 2031/2032. The housing pledges constituted over 70% acceleration of growth in Halton Region, above and beyond what was anticipated in the Region's Infrastructure Master Plans.

A capacity review of Halton's region-wide water and wastewater systems was conducted to determine whether adequate water and wastewater system capacity exists to support the fulfilment of the housing pledges to 2031. This review reflected infrastructure currently built, infrastructure under construction, and infrastructure that is planned to be in service prior to 2031. The review confirmed that there will be sufficient system capacity to meet the housing pledges across the Region, however, to achieve this level of growth, residential development will need to coincide with where capacity exists.

In order to determine the demand in greenfield areas, Halton Region put out a call to developers through a Request for Expression of Interest (REOI) in May 2023. Expressions of Interest from 173 properties were received totalling approximately 97,000 dwelling units (53,000 SDEs) across Halton Region (43,757 units in Oakville).

While the distribution of units between greenfield and built boundary are flexible, each municipality has a maximum number of serviceable units available based on infrastructure capacity limits, as follows:²

Table 1: Unit Distribution to Enable Local Municipal Housing Pledges

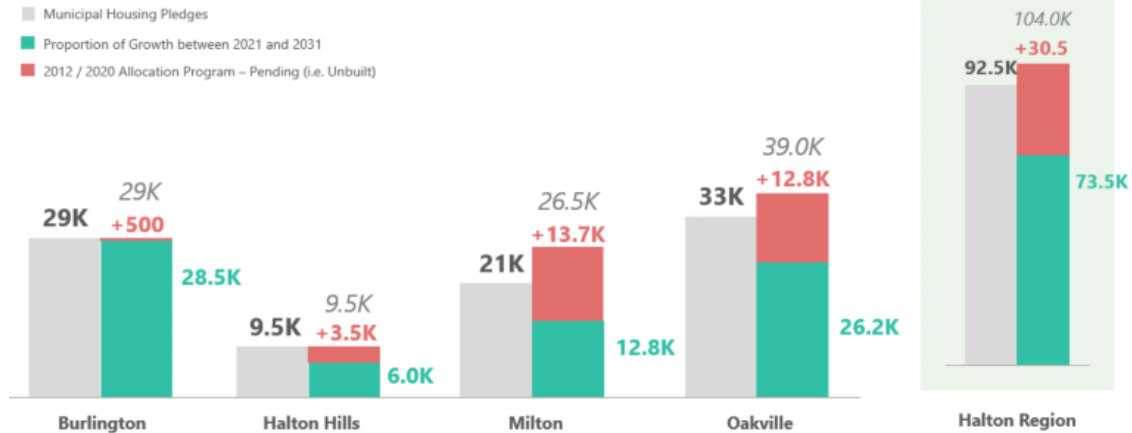
Municipality	Maximum Program Units
Burlington	28,452
Halton Hills	6,054
Milton	12,816
Oakville	26,178
Halton Region	73,500

The following graphic illustrates this unit distribution in the context of the respective housing pledges and unbuilt units from the 2012/2020 Allocation Program:

² 2023 Allocation Program Report No. CA-08-23/PW-40-23/FN-36-23

Meeting the Housing Pledges

Supported by All Growth to 2031



In Oakville’s context, a total of 11,856 of the 26,178 units under the 2023 Allocation Program would be dedicated to the greenfield, with the balance being allocated to the Built-Up Area south of Dundas Street.

In addition, a Special Purpose pool of 5,000 units (approximately 2,760 SDEs) of servicing capacity was established, similar to the 2020 program, to be used to facilitate developments of key public interest. As an example, this could include capacity for new school sites. As part of the servicing capacity review, infrastructure capacity was also reserved for the equivalent of 14,000 equivalent residential units for Institutional / Commercial / Industrial development.

COMMENTS

Planning Policy

Decisions already made by Council, such as the adoption of Oakville’s Urban Structure and the *Livable Oakville* Plan, have determined how Oakville will grow to 2031 and implement Provincial policy in the local context. Council approved the Town’s Urban Structure in 2017 which applies town-wide – to lands both north and south of Dundas Street. The Urban Structure protects natural heritage, open space and cultural heritage, maintains the character of residential areas and directs growth to identified centres and corridors. The Town’s Urban Structure has the effect of providing a framework for where and how the town grows, establishes the basis for Official Plan policy and the basis for making future planning decisions through 2041.

This growth management framework informed the Town’s approach to implementing the housing pledge. The following is an excerpt from the Town’s housing pledge outlined in the staff report dated February 21, 2023:

Directing new housing in Oakville will be in accordance with the Official Plan, and its urban structure. As noted in the December 2022 staff report: “the town’s urban structure is comprehensive and provides certainty to guide major infrastructure investment and to maximize cost effectiveness. It is the basis for the policies in the town’s Official Plan and for making planning decisions”. Growth will be directed to the Strategic Growth Areas (i.e. Midtown, Bronte GO, Uptown, Hospital District) and corridors because these areas are equipped to support further intensification and they are well served by transit infrastructure. Dundas Street and Trafalgar Road are corridors identified for future Bus Rapid Transit in both Halton Region’s Official Plan and Metrolinx’s 2041 RTP.

Oakville strives to build complete communities, as defined by the Growth Plan. To that end, the town completed two critical studies which will guide intensification within its Major Transit Station Areas - one for the Bronte GO Major Transit Station Area and another for the Midtown Urban Growth Centre. The latter is benefitting from an update which has involved a close working relationship with both Halton Region and Metrolinx. Midtown Oakville is the second busiest GO station on the entire network after Union Station, and is slated to house a minimum of 20,600 people and jobs.

As previously noted, a total of 26,178 serviceable units are available until 2031 based on Region’s infrastructure capacity. In support of the Town’s urban structure, and approach of coordinating growth with infrastructure in complete communities, a total of 14,322 units has been distributed to the Built-Up Area. This is particularly important to support the Town’s urban growth centre, and other strategic growth areas and is consistent with Halton Region’s current Joint Best Planning Estimates³ (‘JBPEs’). This breakdown results in 11,856 units being distributed to the greenfield area north of Dundas Street.

The lands in North Oakville represent the last greenfield lands in the municipality and they have been comprehensively planned since the mid-2000s. The land use planning framework provided in the North Oakville East Secondary Plan (NOESP) was completed in consideration of the 2006 Growth Plan. The North Oakville West Secondary Plan conforms to the 2006 Growth Plan and was recently consolidated with the *Livable Oakville* Plan through the approval of Official Plan Amendment #37 (and is now under appeal).

The allocation program is undertaken in consideration of the land use planning exercise completed for these lands. There are no lands as part of the Request for Allocation received from landowners that propose a conversion of land uses. All of

³ Version 3.032

the properties recommended to receive allocation have the required planning policy in place for residential land uses.

Town Council approved updates to the North Oakville East Secondary Plan (OPA #321) which advanced the direction of the Urban Structure – being intensifying the town’s corridors and centres. This directly translates to continued development of the Dundas Street and Trafalgar Road corridors, and in the areas of Uptown and Neyagawa Urban Core.

The North Oakville West Secondary Plan was updated with Official Plan Amendment #306 and more recently OPAs 34, 37 and 38 wherein a mixed-use area, including residential land uses, was planned around Old Bronte Road, north of Dundas Street. OPAs 34, 37 and 38 were appealed to the Ontario Land Tribunal and no decision has been made.

Evaluation Criteria

The allocation program recognizes that growth in the NOESP area has been appropriately planned for, and the land use policy is approved and in-effect. The program ensures anticipated growth can be sequenced in a logical manner, and infrastructure can be appropriately financed as envisioned by the Official Plan. Due to the high degree of interest in the allocation program, wherein the demand is approximately four times the supply, it is appropriate to use criteria to identify those sites which should proceed towards developing at this time.

Within the context of the housing pledge, it is of particular importance that the 2023 program provide servicing capacity for development that will advance in the short term. Otherwise, this development capacity may be frozen and compromise the Town’s ability to meet its housing pledge. Accordingly, a pre-requisite to the evaluation criteria is the ability of the project to reasonably construct all requested units by 2031. The balance of the criteria listed below are not weighted in terms of importance and not listed in any preferred order.

- Conformity with Official Plan objectives and policies,
- Completion of neighbourhoods and communities,
- Availability and co-ordination of required Local and Regional infrastructure that benefits multiple landowners, without the need to construct new Regional infrastructure (i.e. trunks or pumping stations),
- Advancing higher density forms of development that support the Urban Structure’s centres and corridors,
- Facilitating development that will provide for social infrastructure such as schools and parks, and the seamless extension of local transit service,
- Manageable operational costs to the Town,
- Status of required *Planning Act* approvals / development applications,

- Economic benefits to the Town, for example ensuring town designated employment lands are shovel-ready,
- Member of the landowner's group (executed Master Parkland Agreement).

The foregoing criteria reflects sound planning principles and relate to some of the matters Council has raised previously, such as the need to secure additional school sites and balance the amount of grade-related housing with higher density residential uses.

Summary of Allocation Requests

Staff has used the foregoing criteria to evaluate how to narrow the request of 43,757 units to meet the housing pledge, ensure complete communities per the Urban Structure, provide for the logical extension of infrastructure, make community amenities available through new development (i.e. school and park sites), and recognize Council's desires to advance higher density residential sites. **Appendix 'C'** provides the details as to which landowners sought allocation, how many units, and how staff recommends distributing the 11,856 units.

Staff has sought to find an equitable balance in the distribution of allocation, primarily to completing existing neighbourhoods, and ensuring there is a logical progression of new greenfield growth supportive of the Town's urban structure as well as complete communities.

Sites along Dundas Street and Trafalgar Road, where there are higher densities in mid-rise and tall building forms, have been carefully considered since the Town's Urban Structure seeks to place transit-supported growth in the Town's centres and corridors.

As part of the Council resolution adopted through the 2020 Allocation Program⁴, Halton Region was requested to accelerate the servicing of lands north of Dundas Street between Tremaine Road and Regional Road 25. To support these efforts Council approved the Palermo Village Growth Area Review through Official Plan Amendments 34, 37 and 38. These policies would guide development-related decision making in Palermo Village north of Dundas Street, however they were appealed to the Ontario Land Tribunal ('OLT'), and as such, there are no land use policies in place which permit residential development.

With the Council-approved land use policy framework under appeal, and no certainty of timing of an OLT decision, there is a risk that allocating to this area could lock up allocation that could otherwise be used for lands in the NOESP where the land use policy is already in-effect and servicing has been defined or built. This will

⁴ Staff report dated March 4, 2020.

prevent the Town from achieving its housing pledge. As a result, no allocation is recommended for Palermo north of Dundas Street at this time.

As Council may recall, it requested Halton Region to accelerate servicing for employment lands north of Dundas, between Tremaine Road and Regional Road 25. This has not progressed as timely as preferred. Staff maintain that it is desirable to service these employment lands especially since Council approved a new employment lands subdivision (bcIMC Realty Corp., File No.: Z.1333.01 and 24T-11001).

It is also anticipated that servicing the Palermo area north of Dundas Street will be reconsidered as soon as the next allocation program, provided there is confirmation of the land use policies by the OLT and servicing capacity is made available.

Likewise, the Neyagawa Urban Core Growth Area Review is underway, and the policy framework is being updated. Discussions are ongoing with the Ministry of Transportation regarding a proposed transit station as part of the 407 Transitway which is central to the land use framework for this area. This segment of the 407 Transitway is not anticipated to be completed before 2031. Accordingly, without the new land use policy confirmed, no allocation is recommended for the lands designated as Neyagawa Urban Core along Highway 407 at this time. This may be reconsidered provided there is confirmation of land use policies.

Some landowners are requesting top-up allocation to complete their subdivision proposal, while other sites along Dundas Street are looking to commence higher density development on lands already registered, and only needing site plan approval. This is similar to sites along Trafalgar Road which will be progressing north of Dundas Street when servicing is made available through the allocation program.

Once landowners are in a position to sign agreements with the Region for their share of allocation, some minor changes to the overall distribution may be necessary, or transferring allocation between properties within the municipality, if owned by the same development company. As with previous allocation programs, staff has included a recommendation that these minor changes can be facilitated by the Director of Planning.

Allocation programs thus far have included clauses that allow Halton Region to revoke allocation if not used within a reasonable timeframe – three years. Given the limited supply of capacity, the town will encourage the Region to exercise this authority to ensure housing projects are progressing quickly such that the Town can meet its housing pledge.

Leading into the 3-year mark of the program, Regional staff will conduct a review of infrastructure capacity to identify whether a reallocation of servicing is required to support residential development that is projecting a faster timeline. This may result in revocation of servicing capacity, which would be considered in consultation with the Town.

Financial Implications of Growth

The housing pledge of 33,000 units to be achieved by 2031/2032 is above and beyond what was anticipated in the town's previous service area master plans (Fire, Transportation, Parks, Recreation and Library). New master plans are underway, and these plans will identify the infrastructure required to support this accelerated pace of growth and maintain the town's service levels.

The town utilizes the growth funding tools ('GFTs') of development charges, community benefits charges, and parkland dedication to deliver the land and infrastructure required to maintain service levels as the town grows, while minimizing the financial impact of growth on existing residents and businesses. Once the town's master plans are complete and infrastructure needs are identified, reviews of these funding tools will be required to ensure that the town is optimizing the use of GFTs to finance growth-related infrastructure.

While the town aims to ensure that "growth pays for growth" through the use of GFTs, there are legislative restrictions in the *Development Charges Act, 1997* and *Planning Act* that restrict the town's ability to do this. Changes from Bill 23 have resulted in lower than expected revenue from GFTs, and there remain pending regulations that could significantly limit the ability of the town to utilize GFTs to finance growth infrastructure. The province has not yet indicated how they will keep municipalities whole, which could result in delays in key infrastructure required due to growth or impacts to property taxes. Due to the uncertainty of pending regulations and how the province may keep the town whole, the ability of the town to finance the required growth-related infrastructure to support growth to 2031/2032 may be challenged.

NEXT STEPS

Over the next few months, Halton Region will continue to advance the allocation program, and proceed to request landowners for firm commitment to the program.

The Town will continue to work with the Region on any refinements to the proposed distribution of units in North Oakville, as illustrated in Appendices "B" and "C". The Town will also co-ordinate the review of development applications with Halton Region, and proponents, for properties with previous allocation allotments and those

which may not yet qualify for allocation through the 2023 program. It is staff's intent to ensure the town can respond to its housing pledge and have a clear understanding of future development pressures in anticipation of a subsequent allocation program.

CONSIDERATIONS

(A) PUBLIC

This matter is not subject to public consultation. Future development applications will follow the normal legislative requirements and be brought forward to Council per the usual practices, and legislative requirements.

(B) FINANCIAL

The allocation program will provide capacity for the town to meet the housing pledge of 33,000 units to be achieved by 2031/2032. The growth-related town infrastructure required to support this level of growth is currently being examined through service area master plans.

Development charges, parkland dedication, and community benefits charges provide mechanisms to finance the costs of growth from new development. The town will continue to maximize the use of these financial tools to the extent allowable under legislation, so that services can continue to be provided at established levels, while minimizing the financial impact of growth-related needs on existing residents and businesses. There remains significant uncertainty on the ability of the town to finance growth related infrastructure due to recent and pending legislative changes from Bill 23, and in the absence of the province keeping municipalities whole, could delay required infrastructure or have an impact on property taxes.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

The implementation of the allocation program is co-ordinated among Town departments through the review of development applications.

(D) COUNCIL STRATEGIC PRIORITIES

This report addresses Council's strategic priority/priorities: Growth Management, Community Belonging, Environmental Sustainability and Accountable Government.

(E) CLIMATE CHANGE/ACTION

The allocation program allows the town to ensure the sustainability of social, economic and environmental initiatives, as outlined in this report.

CONCLUSION

Moving forward with the allocation program ensures the Town continues to grow in a logical, measured fashion, and according to the in-effect planning framework which reinforces and implements the Town's Urban Structure. Residential development has been planned for North Oakville since the NOESP's approval in 2008 and the allocation program allows for the realization of that Plan.

APPENDICES

Appendix A – NOESP Master Plan and NOW 2 (Land Use Plan)

Appendix B – Allocation Map

Appendix C – Distribution of Allocation

Appendix D – 2023 Allocation Program Halton Staff Report Dated Oct. 18, 2023

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