



OAKVILLE

REPORT

Council

Meeting Date: March 18, 2023

FROM: Planning Services Department
DATE: March 5, 2024
SUBJECT: Halton Region 2023 Allocation Program
LOCATION: Town-wide
WARD: Town-wide

Page 1

RECOMMENDATION

1. That the report entitled Halton Region 2023 Allocation Program, from the Planning Services, dated March 5, 2024, be received;
2. That Halton Region be requested to allocate servicing to lands in North Oakville, in accordance with this report;
3. 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,
4. 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 just 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.
 - The Confirmed Expression of Interest for the Allocation Program (within the Designated Greenfield Area) in Oakville totalled 28,312 units. 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.
 - The number of units within the Built Up Area (generally south of Dundas Street) that are currently approved or within the review timeframe is 15,884 units. These units must be accounted for as part of the total units provided to Oakville.
 - Staff has evaluated each of developer 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.

Halton Region historically determined the amount of servicing needed according to the amount of distributed population for a given area. Infrastructure was then planned to coincide with supporting that population and was measured as a ratio of 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

The premise of the 2023 Allocation Program is different because it is based on achieving the local housing pledges and servicing capacity until 2031, across each local municipality.¹ While the Allocation Program continues to work in SDEs, the housing pledges are reported in units, and as such, this report speaks primarily to housing units.

Previous Allocation Programs

There have been several previous allocation programs which have facilitated growth across Oakville. A total of approximately 12,800 units from the 2012 and 2020 allocation program are unbuilt in Oakville. This total is expected to drop rapidly over the coming year as a number of subdivision applications have been, or are nearing, registration and earthworks and construction commences.

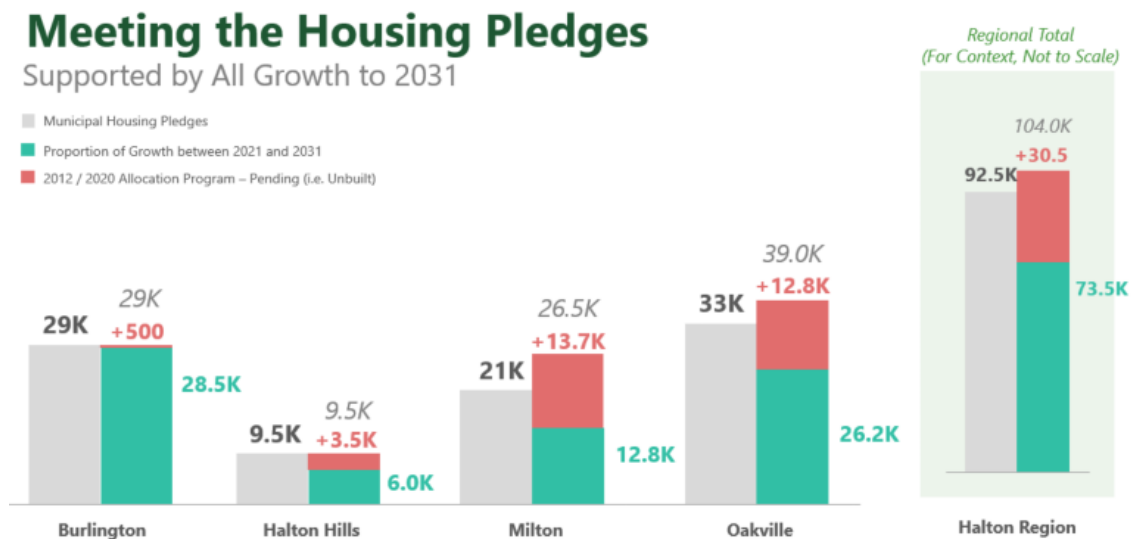
¹ Local Municipal Housing Pledges total 92,000 units across Halton, as follows: Burlington: 29,000 units; Halton Hills: 9,500 units; Milton: 21,000 units; and, Oakville: 33,000 units

2023 Allocation Program

The 2023 allocation program was prepared in the context of Bill 23, and the housing pledges the local municipalities have made 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 for committed servicing up to November 2022. This review was to determine the available water and wastewater system capacity 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, support employment growth and deliver servicing from past approvals.

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



In Oakville’s context, 26,178 units are identified in the 2023 Allocation Program. The balance of units illustrated in the graph are accounted for from past allocation programs (2012 and 2020), and progressing through the approval process towards construction.

Another aspect of the 2023 allocation program is the inclusion of a Special Purpose pool of 5,000 units (approximately 2,760 SDEs) to be used to facilitate developments of key public interest. As an example, this could include capacity for new school sites.

To account for future employment, commercial, institutional development, infrastructure capacity was also reserved for the equivalent of 14,000 equivalent residential units.

Infrastructure Dependent Units

As Halton Region worked through the creation, and approval, of the 2023 program, a new element was added to the program to address the timing of infrastructure delivery. There is finite capacity in the water and wastewater system, and to plan, design and construct new infrastructure often takes years and can exceed the quantum of units provided through each allocation program. Initiating the planning for subsequent development phases is a way in which to compromise the demand and supply of available allocation in the 2023 program.

Developers can purchase “Infrastructure Dependent Units” (IDUs) which will allow the review of development applications which will assist in co-ordinating infrastructure review and planning development areas expected in the longer term. The use of IDUs will be dependent on the availability of ‘new’ capacity – that beyond the current program, whether created through enhancements to the system, or brought on-line with the construction of new infrastructure.

Monitoring

Moving IDUs to active development applications, or moving units from built boundary applications to greenfield applications is not automatic and will be subject to review by both town and region staff. For example, if a development application south of Dundas is proceeding at a much slower rate compared to another development north of Dundas that is nearing completion and needs additional capacity, units may be moved to the latter application. There may also be circumstances where a developer has paused a development proposal for market reasons. In such a case, the units reserved for that application may be moved to another that is nearing approval, but without sufficient servicing allocation.

Town staff will work with the Region to establish the parameters of a monitoring program such that as units are committed, they can be deducted from the overall Oakville amount. It will be important to keep a ‘running total’ of available units such that they can be moved, if appropriate, to other developments. The intent is to ensure that development is proceeding at a pace that will allow the town to achieve its Housing Pledge by 2031.

Oakville's Allocation

Halton Region notes that the distribution of units between greenfield and built boundary is flexible; however, units that are built, approved and appealed are considered committed units. The balance of units that are under review are essentially 'reserved', but the monitoring program may be able to re-allocate those units where projects have stalled or not immediately proceeding.

Staff has accounted for development that has been built, approved, appealed and is currently under review for lands south of Dundas, as of November 2022.

Status	Amount
Built	23
Approved	3,177
Appealed	8,542
Under Review	4,142
Total	15,884

These units are deducted from the total 26,178 units apportioned to Oakville, and the balance of units that can be distributed to the Designated Greenfield Area is 10,294. The number of requested units confirmed through the expression of interest is 28,312.

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 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.

In support of the Town's urban structure, and approach of coordinating growth with infrastructure in complete communities, sufficient allocation has been distributed to the Built-Up Area to coincide with existing development applications. 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 Estimates² (JBPEs). The balance of units is distributed to the greenfield area north of Dundas Street primarily to where there is existing development.

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, or which is currently underway. All of the properties recommended to receive allocation have the required planning policy in place for residential land uses. Where some sites require further infrastructure planning, it is recommended that IDUs be distributed.

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

² Version 3.032

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 almost three 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 proceed to construction 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 28,312 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 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 Program³, 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 prevent the Town from achieving its Housing Pledge.

Although no immediate allocation is recommended for Palermo north of Dundas Street at this time, staff suggest providing IDUs to two appealed development proposals in this area. This will allow the town to continue to work towards informing engineering solutions in the event there is a resolution to the appeals of the Palermo OPAs and the developments.

³ Staff report dated March 4, 2020.

The area west of Neyagawa Boulevard and Burnhamthorpe is within Phase 3 of the NOESP and will not be eligible to commence development until the previous phase has reached 75% completion – meaning within a registered plan of subdivision or zoned. The Phase 2 area is quickly nearing this milestone. To ensure development is able to continue and growth appropriately managed, infrastructure planning for the Phase 3 lands should be undertaken in the coming years. Staff therefore recommend granting IDUs to those developments.

In other areas of North Oakville, landowners are requesting top-up allocation to complete their subdivision proposals while sites along Dundas Street are looking to proceed with 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 three-year timeframe. Given the limited supply of capacity, the town will encourage the Region to exercise this authority to ensure housing projects are progressing methodically such that the Town can meet its housing pledge.

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 further 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 adversely affect property tax levels. 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

Halton Region has extended agreements to those landowners who have confirmed interest in the program. Region staff are intent to expedite execution of the program in advance of the 1st April, 2024 Development Charge indexing. It is expected that 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’, including the distribution of IDUs. The Town will also continue to co-ordinate the review of development applications and infrastructure planning with Halton Region, and proponents. It is staff’s intent to ensure the town can respond to its housing pledge and have a clear understanding of future development pressures.

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 its 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 adversely affect 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 and implementation 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 Region Report Dated 14 February, 2024 (CA-02-24/PW-04-24/FN-05-24)

Prepared and Recommended by:

Paul Barrette, MCIP, RPP
Manager, Current Planning West
District

Leigh Musson, MCIP, RPP
Manager, Current Planning East
District

Submitted by:

Gabriel A.R. Charles, MCIP, RPP
Director, Planning Services