



Report to: Development Services Committee Date Report Authored: October 25, 2011

SUBJECT: Update on Servicing Allocation
PREPARED BY: Jamie Bosomworth, Manager Strategy and Innovation

RECOMMENDATION:

- 1) That the October 25, 2011 report titled "Update on Servicing Allocation" be received;
- 2) And that Council authorize the distribution of exchanged allocation to low density developments outlined in Table 1 of this report and authorize Staff to advise Developer's, Trustees and the Region of York of this exchange;
- 3) And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to provide an update on servicing allocation distributed by Council in January of this year. As part of the January 2011 allocation distribution, Council endorsed the exchange of longer term allocation for high density developments to near term allocation for low density in order to allow the low density projects to proceed without impacting the availability of allocation to high density projects when required based on scheduling. A letter has now been received from the Region of York authorizing release of a portion (51.9%) of the low density previously endorsed by Council as part of the allocation exchange. It is recommended that Council authorize the immediate distribution, to low density developments, of 51.9% of the allocation made available through the exchange of 2013 allocation with high density developments on a pro rata basis.

BACKGROUND:

Council approved a report on January 25, 2011, authorizing the distribution of servicing allocation assigned to Markham by the Region, permitting the units with allocation to occupy on January 1, 2013. For low density developments registrations leading to building permits could be completed 6 months before the occupancy date which is July 1, 2012 and for high density developments building permits could be issued 18 to 36 months prior to the January 1, 2013 occupancy date, depending on the complexity of the building construction. For these high density buildings, permit issuance could be between January 1, 2010 and July 1, 2011. These dates were conditional on the Town receiving a release letter from the Region that was dependent on the construction and completion of the South East Collector sewer.

OPTIONS/ DISCUSSION:

The Region has now let the contract for the South East Collector sewer with a completion date confirmed for January 1, 2015; this represents a one year delay from the previous schedule. The Region has adjusted the date for occupancy of the units distributed in January of this year by 6 months to July 1, 2013. The adjusted dates for release for

building permits for low density developments is now January 1, 2013. For high density developments, the Region has recently provided a release letter permitting building permit issuance for buildings that would occupy after July 1, 2013.

As part of the Council report in January of this year, Council authorized the exchange of existing high density allocation (e.g. allocation granted for 2012 or earlier) with 2013 low density allocation. This would allow low density developments that benefit from this exchange to move through the system to a building permit right away rather than wait until 2013. Allocation would still be available for the high density projects as required, based on the longer construction lead times for high density. This allocation exchange was subject to the Town receiving a release letter from the Region. The report identified the specific secondary plan areas and projects that would receive the exchange (Table 6 on page 13 of Attachment A). Now that a release letter has been received from the Region, the Town can implement this exchange to mitigate some of the delay resulting from the timing of the sewer construction.

Based on the Region's release letter and the type of high density developments that are allowed to proceed, staff has projected a population of 4,277.8 related to high density developments with real allocation that can be used for this exchange. This amount of population converts to 51.9% of the allocation originally endorsed by Council in January of this year to low density developments. To be fair to each development and development area, Staff are proposing to pro rate this percentage to each development or development area that received low density allocation. Table 1 below, provides the breakdown of this share of allocation to each development or development area:

Table 1: Low Density Developments Receiving Exchanged Allocation						
Development or Development Area	Allocation Distributed to Low Density in Jan. 2011		Permitted Exchange Based on 51.9%		Remaining Low Density Allocation	
	Units	Pop.	Pop.	Equivalent single Units (3.7 ppu)	Pop.	Equivalent single Units (3.7 ppu)
Berczy Village Trustee	300 SD	1,110.0	576.1	155.7	533.9	144.3
EMK	88 SD	325.6	169.0	45.7	156.6	42.3
Cathedral Trustee	250 SD	925.0	480.1	129.8	444.9	120.2
Cornell Trustee	500 SD	1,850.0	960.2	259.5	889.9	240.5
Greensborough Trustee		1,248.7	648.1	175.2	600.6	162.3
South Unionville		386.4	200.5	54.2	185.9	50.2
Swan Lake Trustee	160 TH	451.2	234.2	63.3	217.0	58.6
Wisner Commons Trustee	500 SD	1,850.0	960.2	259.5	889.8	240.5
Symmetry Construction	33 TH	93.1	48.3	13.1	44.8	12.1
		8,240.0	4,276.6	1,155.8	3,963.4	1,071.2

Staff will keep Development Services Committee informed as information becomes available from the Region on the status of the South East Collector sewer and servicing allocation to Markham.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

There are no financial considerations.

HUMAN RESOURCES CONSIDERATIONS

There are no human resources considerations.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Growth Management and Infrastructure..

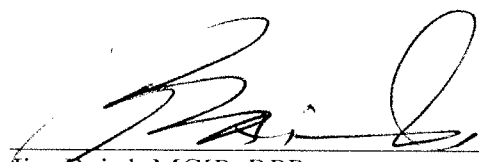
BUSINESS UNITS CONSULTED AND AFFECTED:

Not Applicable.

RECOMMENDED BY:



Rino Mostacci, MCIP, RPP
Director of Planning and Urban Design



Jim Baird, MCIP, RPP
Commissioner, Development Services

ATTACHMENTS:

Attachment A: Servicing Allocation Report, dated January 18, 2011



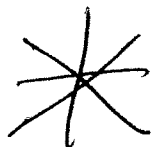
RESOLUTION OF COUNCIL MEETING NO. 3 DATED JANUARY 25, 2011

REPORT NO. 6 - DEVELOPMENT SERVICES COMMITTEE (January 18, 2011)

(5) **SERVICING ALLOCATION UPDATE (5.5)**

Presentation Report Attachment A Attachment B Attachment C

- 1) That the January 18, 2011 report entitled "Servicing Allocation Update" be received; and,
- 2) That Council redistribute "existing" allocation as noted in Table 1; and,
- 3) That Council endorse the following Regional conditions for distribution of the 2013 servicing allocation:
 - A. In partnership with the Region, agree to determine what constitutes adequate funding and resources to support the reduction of inflow and infiltration (I/I) into wastewater systems with the objective of generating I/I reduction within existing local and Regional systems by:
 - a. Actively participating in a Regional I/I Task Force
 - b. Continuing to seek out the sources of I/I
 - c. Adopting standards and guidelines intended to reduce I/I in new developments and within existing systems, and
 - d. Developing funding and cost sharing principles to address future remediation projects;
 - B. Continue to support Regional water efficiency plans and policies;
 - C. Endorse and promote participation in both the Sustainable Development Through LEED program for high density residential development and Sustainable Homes Incentive Program (SHIP) for ground related residential development; and,
- 4) That Council distribute 2013 conditional servicing allocation as noted in Table 2 and shown in detail in Attachment "A" to this report; and,
- 5) That Council endorse the conditions for the distribution of 2013 conditional allocation as identified in Table 4; and,
- 6) That Council authorize the exchange of "existing" high density allocation for 2013 "conditional" allocation to free up "existing" allocation for use by low density developments as shown in Table 5, subject to the Town receiving notice from the Region of York releasing high density developments with 2013 servicing allocation for building permits and subject to the Town's Chief Building Official approval; and,
- 7) That Council endorse the Sustainable Home Incentive Program (SHIP) for ground related residential development to accommodate those developments that wish to voluntarily abide by such program; and,



- 8) That the written submissions regarding servicing allocation, included in Attachment "C", be received; and further,
- 9) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

CARRIED

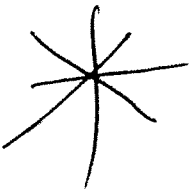
Report to: Development Services

Date Report Authored: January 18, 2011

SUBJECT: Servicing Allocation Update
PREPARED BY: Jamie Bosomworth, Manager of Strategy & Innovation

RECOMMENDATION:

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- 3) That Council endorse the following Regional conditions for distribution of the 2013 servicing allocation:
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 - b. Continuing to seek out the sources of I/I
 - c. Adopting standards and guidelines intended to reduce I/I in new developments and within existing systems, and
 - d. Developing funding and cost sharing principles to address future remediation projects;
 - B. Continue to support Regional water efficiency plans and policies;
 - C. Endorse and promote participation in both the Sustainable Development Through LEED program for high density residential development and Sustainable Homes Incentive Program (SHIP) for ground related residential development;
- 4) That Council distribute 2013 conditional servicing allocation as noted in Table 2 and shown in detail in Attachment "A" to this report;
- 5) That Council endorse the conditions for the distribution of 2013 conditional allocation as identified in Table 4;
- 6) That Council authorize the exchange of "existing" high density allocation for 2013 "conditional" allocation to free up "existing" allocation for use by low density developments as shown in Table 5, subject to the Town receiving notice from the Region of York releasing high density developments with 2013 servicing allocation for building permits and subject to the Town's Chief Building Official approval;
- 7) That Council endorse the Sustainable Home Incentive Program (SHIP) for ground related residential development to accommodate those developments that wish to voluntarily abide by such program;



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- 8) That the written submissions regarding servicing allocation, included in Attachment "C", be received;
 - 9) And That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Since the last round of servicing allocation in May 2009, staff have been proceeding with draft plan approval and site plan approval of developments with existing allocation (real allocation and 2011/12 conditional allocation). It is important that the Town continue to monitor developments with existing allocation carefully and ensure all units move through the approval system in a reasonable time frame.

This report includes an update and redistribution of existing allocation distributed in May 2009 and February 2008 and, discusses the Regional conditions for distributing 2013 allocation. It also provides a recommended distribution of 2013 allocation along with conditions to be met, and proposes an exchange of "existing" high density allocation for 2013 allocation to free up "existing" allocation for low density developments in a manner that ensures the intensification goals continue to be met. Further, the report discusses the Regional Sustainable Home Incentive Program (SHIP), and identifies the Town's challenges with respect to servicing allocation.

For residential developments to proceed to occupancy, clean treated water and sanitary sewage conveyance and treatment is required. Both services are dependent on Region of York systems and servicing allocation. Since 1996 the construction and delivery of these services have not kept pace with the market demand for residential development, and has required allocation and monitoring of servicing capacity. The Region has restricted the amount of residential development based on the available services being in place by providing servicing allocation to each municipality which are connected to the southern water system and the York Durham Sewage System (YDSS). This servicing allocation is provided by population assignments by the Region to local municipalities and converted to unit type by using a person per unit multiplier for singles, semi-detached, townhouse and apartment units.

The Town has been monitoring servicing allocation since 1996, keeping track of all unit types (singles, semi-detached, townhouses and apartments) for each residential development approved and constructed. Over the past few years the Region has been distributing allocation on a yearly basis. Most recently, in May 2009, the Town distributed allocation for 11,700 population. This allocation and the previous allocation of 10,185 people distributed by the Town in February 2008, (referred to as "2011/12 conditional" allocation) was dependent on the Duffin Creek Water Pollution Control Plant (WPCP) and an interim YDSS flow control structure being operational. Both of these infrastructures are now in place and are operational. This means all of this earlier "conditional" allocation now has no restrictions, allowing developments to proceed directly to final approval or building permit stage. Staff are continuing to process developments based on this "existing" allocation.

Through the last report in May 2009, Council endorsed an incentive program the Region has established for high density developments. This program provides a servicing allocation incentive between 20% and 40% for high density developments that meet the “Sustainable Development Through LEED” criteria. Council adopted the requirement that all high density developments in Markham must meet the “Sustainable Development Through LEED” criteria as a condition of servicing allocation. The distribution of allocation completed in May 2009 by Markham included a minimum benefit of 35% reduction in servicing allocation for all high density developments, freeing up allocation for distribution to other developments Town wide.

Staff have reviewed the “existing” allocation that has been approved or used to date and recommend adjustments to the distribution identified in Table 1 of this report. In summary, this redistribution reflects developments that have been reduced since the original distribution, a release of allocation from one development as it has received allocation from the Regional reserve for affordable housing, and an exchange of allocation between high density developments with future 2013 allocation that can be utilized in the near term by low density developments.

The Southeast Collector (SEC) sanitary trunk sewer is one of the last remaining major pieces of infrastructure to be completed by the Region. The Region has received Environmental Assessment approval with conditions, and is currently meeting the conditions before construction can begin. The latest schedule for completion of the SEC is mid, 2014.

The Region has authorized an additional one year supply (2013) of allocation to local municipalities dependent on the YDSS, releasing a total population of 36,328 people for development of which Markham’s share is 11,259 people. This release of 2013 “conditional” allocation is conditional on each local municipality agreeing to the following conditions through a Council resolution:

- A) In partnership with the Region, agree to determine what constitutes adequate funding and resources to support the reduction of inflow and infiltration (I/I) into wastewater systems with the objective of generating I/I reduction within existing local and Regional systems by:
 - a. Actively participating in a Regional I/I Task Force
 - b. Continuing to seek out the sources of I/I
 - c. Adopting standards and guidelines intended to reduce I/I in new developments and within existing systems, and
 - d. Developing funding and cost sharing principles to address future remediation projects;
- B) Continue to support Regional water efficiency plans and policies;
- C) Endorse and promote participation in both the Sustainable Development Through LEED program for high density residential development and Sustainable Homes Incentive Program (SHIP) for ground related residential development.

Staff are currently working with the Region and other municipalities in addressing the Inflow/Infiltration issues associated with existing sewers. A Task Force has been put in place with representation from our Engineering and Operations departments. Recommendations from this Task Force addressing the inflow/infiltration reduction strategy will be presented to Committee on January 25, 2011 with a report to follow in February.

Subject to the adoption of a Council resolution included in this report agreeing to these conditions, staff are proposing to distribute this allocation according to our criteria established in previous reports and as noted in Table 2 and in more detail in Attachment "A". Town infrastructure to be constructed is identified in Table 4 as conditions for this distribution of allocation and will be finalized as developments proceed through the planning process.

The proposed distribution was vetted through Development Services Committee on June 22, 2010, through the Developers Round Table meeting on June 23, 2010 and a smaller group of Developers representing a cross section of development types in July 2010. Development community representatives have generally indicated support for the distribution proposed by Town staff.

Due to the long lead time in constructing high density developments, 2013 "conditional" allocation distributed to high density developments may be released with no restrictions by July 2011 (if not earlier for more complex buildings) permitting an exchange of "existing" high density allocation for "conditional" high density 2013 allocation, freeing up "existing" allocation for low density developments that are ready to proceed. This is dependent on the Town receiving a letter from the Region releasing high density developments with 2013 allocation for final approval (building permit issuance) and is subject to the Town Chief Building Official approval. This exchange continues to allow high density developments to proceed to construction as planned, maintaining both the Town and Regional goals for achieving intensification. Staff are proposing this exchange, as noted in Table 5, subject to receiving this letter from the Region which is anticipated shortly.

The Region has implemented a voluntary incentive program for ground related developments called the Sustainable Home Incentive Program (SHIP). This will allow developers to receive a 10%-20% reduction in allocation by meeting certain sustainable development practices. Staff are recommending Council endorse this program on a voluntary basis, satisfying one of the Region's conditions for receiving 2013 allocation. Town staff will report back to Committee identifying additional incentives to enhance this program and to consider making it mandatory for all ground related developments.

Markham continues to face a number of challenges related to servicing allocation constraints: the risk of not having sufficient servicing allocation in future years to continue with our 5-year average building activity; ensuring assigned allocation moves through the system to maintain our application activity; reduced fee revenue and development charges to fund capital projects; tracking of residential units and population

in relation to water and sewer capacity; having approximately 21,800 units still in the development review process that do not have current existing or 2013 “conditional” allocation; and only a limited supply of ground related product remaining in the existing urban boundary. Staff will continue to monitor the servicing allocation situation and report regularly to Committee and Council to ensure that the use of Markham’s allocation is maximized in a reasonable time frame.

PURPOSE:

This report is to advise Committee of the following:

- an update and redistribution of “real” allocation and 2011/12 “conditional” allocation distributed in February, 2008 and May, 2009, now all identified as simply “existing” allocation;
- endorsement of Regional conditions for distributing 2013 allocation including the Regional SHIP incentive for ground related developments;
- recommendation for distribution of 2013 “conditional” allocation;
- identify conditions to be met for the distribution of 2013 allocation;
- proposal to exchange “existing” high density allocation for 2013 allocation to free up “existing” allocation for low density developments
- A brief discussion of the Town’s challenges with respect to servicing allocation constraints.

BACKGROUND:

The Town has been managing development under Regional servicing allocation restrictions (water and sanitary sewer capacity) since 1996. Since that time, allocation and our ability to approve residential developments have been constrained. The Region has been distributing a yearly supply of servicing allocation to each municipality. Most recently, in May 2009, Council adopted a Staff report that recommended a distribution of additional one year supply of 2011/12 “conditional” allocation. The May 2009 report also approved re-distribution of “real” allocation and authorization to apply the “Sustainable Development Through LEED” incentive for high density developments.

In 2007, the Region established a protocol to release 2011 servicing allocation to permit developments to proceed through the review process concurrently with construction of major servicing infrastructure. This allows occupancy of units to correspond with the required infrastructure being operational. The release of 2011 and 2012 allocation was dependent on infrastructure being operational, namely the expansion of the Duffin Creek Water Pollution Control Plant (WPCP). This infrastructure is now operational, thereby making the 2011/12 “conditional” allocation “real”. Markham received 2011 allocation of 10,185 people in 2008 and 2012 allocation of 11,700 people in 2009 for distribution which staff are currently processing through the system. Note: As allocation associated with the distribution in 2008 and 2009 (previously referred to as 2011/12 “conditional”), is now considered “real” allocation with no restrictions and combined with previous “real” allocation will now be referred to in this report as simply “existing” allocation.

Draft Approval with no Allocation

Where allocation is not available the Region has allowed local municipalities to continue approval of draft plan of subdivisions. This is intended to keep development applications advancing through the lengthy review and approval time frames. The Region's flexibility with regard to draft approval without allocation is subject to the following being met:

- Official Plan (containing growth management policies, phasing provisions and holding by-law provisions) and Secondary Plan are adopted;
- Detailed infrastructure needs have been determined through Master Servicing Plan, Community Design Plan and Phasing Plan;
- Section 34(5) By-law (municipal servicing) is in place;
- No pre-sales agreement and indemnity agreement being in place; and
- Hold provisions on zoning with regard to timing of servicing allocation

Region's Policy for Sustainable Development

Markham Council, in 2008, adopted the requirement for all high density developments to meet a minimum 35% incentive level by satisfying the "Sustainable Development Through LEED" criteria developed by the Region. Developments must satisfy the following criteria to receive this incentive:

- Significant water conservation is achieved
- Location is served by Viva transit or other major YRT route
- Site is within a Regional Centre or Corridor, or Local Centre
- Building meets Regional Transit Oriented Development (TOD) guidelines including supporting an overall, long-term density target of 2.5 Floor Space Index
- Three stream waste reduction is incorporated into the building
- A minimum LEED Silver certification is achieved

The distribution of allocation completed in May 2009 included, at a minimum, a 35% incentive for all high density developments.

OPTIONS/ DISCUSSION:**"Existing" Allocation Update**

As the 2011/12 "conditional" allocation has no further restrictions, staff have combined the update of previous "real" allocation and 2011/12 allocation into one summary considered as "existing" allocation in this report. From the report in May 2009 after redistribution of "real" allocation and distributing all the 2011/12 allocation there remained a combined total of 87.1 people in the Town reserve. Table 1 provides a summary of the currently proposed update and redistribution of "existing" allocation:

TABLE 1: UPDATE AND REDISTRIBUTION OF EXISTING ALLOCATION

	Project	Map #	Units	Pop.
Remaining in Reserve				87.1
Reduced Development	Markham Village Shoppes	P33	5.0 apts	11.4
Allocation provided from Regional Affordable Housing Reserve	Kennison (Micah)	P31	120.0 apts	272.4
Exchange of Existing High Density Allocation for 2013 allocation	46 Main St.	P19	62.0 apts	140.7
	Times/Galleria	G3	48.5 apts	110.1
Additional Development	Tridel	H 13	6.0 apts.	-13.6
	Jolie Home (S. Unionville)	L15	34.0 apts	-77.2
	S. Unionville Trustee		4.0 singles	-14.8
	Digram	F14	4.0 towns	-11.3
	Cornell Trustee for Green Park	E13	13.1 apts	-29.7
	Delpark homes	P35	29.0 towns	-81.8
	Town Project Reserve		28.0 apts	-63.6
	EMK	D29	12.0 singles	-44.4
	Woodbine Mackenzie	D20	12.0 singles	-44.4
	S. Unionville Trustee		35.0 singles	-129.5
	Greensborough Trustee		36.0 towns	-105.7
Total remaining in reserve				5.7

The following list includes details of this redistribution:

- The Markham Village Shoppes Development on Main Street Markham reduced by 5 apartments
- 120 apartments (Kennison/Micah development) were accommodated through a reserve set aside by the Region for affordable housing developments, thereby freeing up allocation for redistribution
- Exchange of “existing” allocation from high density developments that are not being used within the next year for 2013 allocation
 - 46 Main Street, Markham (Colonia Treuhand Ltd.) will not be proceeding to development in the next year; and
 - The remaining “existing” allocation for Times Galleria can be transferred to 2013 as they require additional allocation from 2013 to complete their overall development.
- Additional development:
 - Tridel Circa in Markham Centre with 5 additional apartments;
 - Increase of 4 floors requiring additional 46 apartments for the Jolie Home development in South Unionville. With the LEED incentive the allocation required is 34 apartments;
 - Additional allocation of 4 singles to Trustee of South Unionville to complete existing low density developments that are currently proceeding;
 - An increase of 13.1 apartments is required for development of stacked Towns by Lindvest in Cornell as they are developing within the next year.

These units will be assigned to the Trustee for distribution to this development.

- A new development (Delpark Homes located on the south side of 14th Avenue east of Highway 48) with 29 townhouses that will be proceeding within the next year
- Increase Town reserve for heritage properties to 50 apartments requiring an additional 28 apartments
- EMK and Woodbine Mackenzie in Cathedral have 24 single lots that are part lots on each development. Assign 12 singles to each development to allow these infill lots to proceed
- Assign additional singles to the trustee of both South Unionville and Greensborough as developments are ready to proceed to building stage.

2013 “Conditional” Allocation from Region

Due to the Southeast collector (SEC) sanitary sewer being delayed with completion now expected by mid 2014, the Region has authorized an additional one year (2013) supply of allocation to those municipalities serviced by the YDSS. To mitigate risks of sewers surcharging, the Region is releasing a total population of 36,328 people (Markham's share is 11,259) for growth in 2013 to the municipalities serviced by the YDSS on condition the serviced local municipalities confirm the following through a Council resolution:

- A) In partnership with the Region, agree to determine what constitutes adequate funding and resources to support the reduction of inflow and infiltration (I/I) into wastewater systems with the objective of generating I/I reduction within existing local and Regional systems by:
 - a. Actively participating in a Regional I/I Task Force
 - b. Continuing to seek out the sources of I/I
 - c. Adopting standards and guidelines intended to reduce I/I in new developments and within existing systems, and
 - d. Developing funding and cost sharing principles to address future remediation projects;
- B) Continue to support Regional water efficiency plans and policies;
- C) Endorse and promote participation in both the “Sustainable Development Through LEED” program for high density residential development and “Sustainable Homes Incentive Program” (SHIP) for ground related residential development.

Update on Regional 2013 Conditions

Staff are currently working with the Region and other municipalities to address the Inflow/Infiltration issues associated with existing sewers. A Task Force has been put in place with representation from our Engineering and Operations departments. Recommendations from this Task Force addressing the inflow/infiltration reduction strategy will be presented to Committee on January 25, 2011 with a report to follow in February.

Through our Water Works department the Town continues to support the Regional water efficiency plans and policies.

As noted earlier in this report, Markham Council has endorsed the “Sustainable Development Through LEED” program for high density residential development requiring all new high density residential development to meet this requirement. By endorsing this program, Council is able to reduce the allocation requirements for high density developments by 35%, permitting Council to redistribute this allocation to other developments. The “Sustainable Homes Incentive Program” (SHIP) for ground related residential development is discussed further in this report, seeking Council’s endorsement of this Regional program.

Distribution of 2013 Allocation

Due to the long lead time in processing developments including, mandatory pre-consultation meetings, public meetings and consultations, reports, preliminary and detailed design, approvals, etc., the development industry has advised that, their financial institutions are increasingly seeking certainty that developments will be proceeding within a reasonable time frame. Part of this certainty is a requirement that development has received servicing allocation. Therefore, the development industry is requesting Council distribute the 2013 allocation now. Having regard for this and given the additional Council adopted controls, such as, awarding allocation at approval stage, municipal servicing by-law requiring servicing allocation prior to building permit issuance, Hold provision for Zoning, etc., there is little risk to the municipality in distributing the allocation at this time.

Presentation to Development Services Committee and Developers Round Table

Staff provided the same presentation to Development Services Committee on June 22, 2010 and to the Developers Round Table Group on June 23, 2010. The presentation provided background related to the Regional conditions for distribution of the 2013 allocation, a proposed distribution of the 2013 allocation and a short discussion on the SHIP program proposed by the Region. In addition Staff met with a smaller group of Developers representing a cross section of development types in July 2010, and throughout the summer and fall Developers have provided additional requests for changes to the proposed allocation.

Protocol for Distribution

Based on criteria and ranking adopted by Council in December 2002 (e.g. transportation and infrastructure delivery, implementation of Markham Centre, good urban design, transit supportive, etc.) augmented by additional considerations outlined in February 2005 report (e.g. filling in holes, ready to proceed, LEED, sustainability, etc.), Staff are proposing to distribute the 2013 allocation as identified in Table 2 and in detail in Attachment “A”. This table reflects changes to the draft presented at the June 22 and June 23 meetings.

Table 2: Proposed Distribution of 2013 Allocation		
	Proposed 2013 Allocation	
	Units	Pop
Angus Glen/Deacon	168.0	381.4
Berczy Village	300.0	1,110.0
Box Grove	-	-
Cathedral	338.0	1,250.6
404 North	-	-
Cornell	500.0	1,850.0
Greensborough	479.0	1,248.7
Leitchcroft	292.0	674.9
Markham Centre	432.0	980.6
Markham Road South	-	-
Highway 48	-	-
Miliken Main Street	60.0	136.2
OPA 15	12.0	27.2
South Unionville	108.0	386.4
Swan Lake	189.0	517.0
Villages of Fairtree	-	-
Wismer Commons	617.9	2,117.4
Infill	247.0	578.8
Total	3,741.0	11,259.3
Permitted		11,259.0
Remaining		(0.3)

Summary of Changes since June presentation

Current proposed allocation to Angus Glen and to the Trustee of the Cathedral development area has resulted in a reduction of singles assigned to Wismer Commons and Cornell (Wismer and Cornell would still maintain the largest assignments of units by Secondary Plan area). Other minor changes to the proposed distribution presented to Development Services Committee and the Developers Round Table meeting are noted below:

- Distributed 168 apartments to Angus Glen's final development block off of Major Mackenzie Drive (as per above)
- Trustee of Cathedral has received 250 singles (as per above) and EMK's development has been reduced by 12 singles that they are receiving from "existing" allocation
- Allocation assigned to the Trustee of Cornell has been reduced by 100 singles
- Allocation to the Wismer Commons Trustee has been reduced by 100 singles (see above) and allocation assigned to P38, Best Homes has been reduced to 117.8 apartments from 150 to complete this development
- Allocation has been reduced in Greensborough due to trustee receiving "existing" allocation (see Table 1)
- Leitchcroft has received additional allocation due to changes to their development and exchange of "existing" allocation for 2013 allocation (see Table 1)

- Markham Centre has received additional allocation to reflect revised unit counts in development applications
- Trustee for Milliken Main Street has received allocation to permit them to continue with additional developments
- South Unionville has received “existing” allocation (see Table 1) for a portion of their units identified in the June presentation. A new development has applied for an application requiring an additional 65.5 people assigned to the Trustee
- Changes to Infills are connected with the exchange of high density allocation for 46 Main Street, Delpark Homes receiving “existing” allocation, minor adjustment to Liberty and new minor infill developments.

The following table compares the distribution between low density and high density.

TABLE 3: COMPARISON OF DEVELOPMENT TYPE		
	Low Density Product	High Density Product
February 2008	55%	45%
May 2009	65%	35%
Spring 2010 (Draft)	64%	36%
Winter 2011 (Recommended)	56%	44%

Conditions to be met for distribution of 2013 allocation

Table 4 below outlines outstanding conditions to be met as part of distribution of the 2013 allocation including the exchange of allocation as noted in Table 5. A number of these conditions were applied to previous allocation assignments and are noted again. Others are new with this assignment. All will be reviewed and secured through specific development approvals.

TABLE 4: OUTSTANDING CONDITIONS TO BE MET FOR 2013 DISTRIBUTION	
Development Area	Condition (s)
Angus Glen/Deacon	Construction of bridge between East and West Village in accordance with MNR/TRCA approval schedule
Berczy Village	
Box Grove	
Cathedral	
404 North	
Cornell	
Greensborough	
Leitchcroft	
Markham Centre	• Construction of Courtyard Lane extension south of Clegg Road • Front end financing of Birchmount Bridge over Rouge River (if required by the Town)
Markham Centre and OPA 15	• Front end financing of Highway 7 sanitary and storm sewer
Markham Road South	
Milliken Main Street	Completion of Gorvette Road & Midland Avenue Extension

	(completion date to be finalized)
South Unionville	Front end financing of outstanding property acquisition and construction of the balance of South Unionville Avenue
Swan Lake	
Wismer Commons	• Construction of the completion of Castlemore Ave. through the community • Construction of Roy Rainey bridge in accordance with MNR/TRCA approved schedule

The conditions and timeframes are still being finalized and will require updating at the planning application stage. Table 4 will be updated periodically as new conditions are identified and endorsed by Council through the development review/approval process.

Approval Timelines

Specific timelines within the development process have been set to match the timelines of infrastructure completion so occupancy of buildings will coincide with infrastructure completion. For low density developments, pre-sales can proceed one year prior to infrastructure completion while registration permitting issuance of building permits can proceed 6 months prior to the anticipated infrastructure completion date to be confirmed by the Region prior to release for pre-sales and building permits. For high density developments, presale agreements are not required for projects having 2013 conditional allocation, and under the 2011/12 conditional requirements, removal of hold provisions, permitting building permit issuance, could occur 18 months prior to infrastructure completion. The Region has now permitted municipalities to move to final approval (e.g. building permit issuance) up to 36 months prior to infrastructure completion for complex high-rise developments subject to Chief Building Official approval. Prior to issuing final approval, the municipality must receive a release from the Region indicating the required infrastructure is on schedule for completion within the appropriate time frame.

TABLE 5: SUMMARY OF APPROVAL TIMELINES

	Allocation Status	Regional Infrastructure Requirement	Pre-sale Agr.	Region Indemnity	Release Pre-sale agr.		Release Hold and permit release	
Subdivisions Site Plans, Low Density	Existing Allocation	N/A	No	No	N/A	N/A	N/A	N/A
	2013 Allocation	SEC on Schedule	Yes	Yes	12 ²	Jan 1/12 ¹	6 ²	July 1/12 ¹
	No allocation	SE Collector Sewer	Yes	Yes	Not known	Not known	Not known	Not known
Site Plans, High Density	Existing Allocation	N/A	No	No	N/A	N/A	N/A	N/A
	2013 Allocation	SEC on Schedule	No	Yes	N/A	N/A	18 ² -36 ²	July 1/11 ¹ - Jan 1/10 ¹
	No allocation	SE Collector Sewer	N/A	N/A	Not known	Not known	Not known	Not known

Note:

- 1) Assuming Southeast Collector Sewer is on schedule
- 2) Numbers indicate the number of months before January, 2014

Exchange of existing allocation for 2013 allocation freeing up existing allocation for low density developments

When looking at giving final approval (release for building permit) for high density developments with 2013 allocation, the 18 month time frame is July 1, 2011 and for complex buildings, we are already within the final approval period. The Region has provided guidelines for defining complex buildings as those that have a total unit count of over 200 units and include underground parking but are ultimately determined by the local Chief Building Official. This means that any high density 2013 allocation we distribute is in fact "real" allocation as early as July 1, 2011 or earlier for complex buildings. There currently is a substantial amount of "existing" high density allocation that could be exchanged for 2013 allocation freeing up "existing" allocation for low density developments that are ready to proceed to final approval. Any exchange of allocation is subject to the Town receiving a letter from the Region releasing high density developments with 2013 allocation for final approval and subject to the Town's Chief Building Official determining complexity of buildings. Staff have spoken to the Region and this letter is expected in early 2011. The implementation of this exchange will have no detrimental effect on those high density projects proceeding through the development process.

Staff are proposing to carry out this exchange as noted above, subject to the Town receiving a release from the Region and subject to the Town's Chief Building Official approval. The first part of the following Table 6 identifies those high density developments that currently have "existing" allocation that can be exchanged for 2013 allocation. The second part of this table identifies low density, ground related developments with 2013 allocation that could be the recipients of the exchange of the high density allocation. The total population number at the bottom of the table indicates an almost equal exchange of allocation. The remaining amount of 42 people would be retained in the Town reserve for future distribution.

TABLE 6: Exchange of "Existing" High Density Allocation to 2013 Allocation Freeing Up Low Density Developments				
High Density Real Allocation	Development	MP #	Units	Population
	Angus Glen	A5	78	177.0
	Emery Investments	B7	186	422.2
	Lindvest, Blk 4	E14	150	340.5
	Mackwood Springhill	E17	205	465.4
	Cornell Trustee		150	340.5
	Remington CA 1 Block	H19	261	592.5
	Remington North Enterprise	H23	385	874.0
	Times Markham Uptown	H7	349	792.2
	Times Markham Uptown (Remaining)	H25	41	93.0

	H and W	H10	250	567.5
	Markham Centre Trustee		135	306.5
	Cedardale Markham Inc, Markham Rd N	R1	163	370.0
	Lee	K2	181	410.9
	Sobey's	K3	181	410.9
	3940 Hwy 7	K6	121	274.7
	Angni Homes	O14	216	490.3
	Liberty, Yonge St	P30	309	701.4
<i>Subtotal, High Density Existing Allocation</i>				7,629.5
Low Density with 2013 Allocation	Development	MP #	Units	Population
	Berczy Village Trustee		300 SD	1,110.0
	EMK	D29	88 SD	325.6
	Cathedral Trustee		200 SD	740.0
	Cornell Trustee		500 SD	1,850.0
	Greensborough Trustee			1,167.3
	Swan Lake Trustee		160 TH	451.2
	Wismer Commons Trustee		500 SD	1,850.0
	Symmetry Construction		33 TH	93.1
<i>Subtotal Low Density</i>				7,587.5
Total (High Density – Low Density)				42.0

Note: SD – single detached, TH – Townhouses

Proposed distribution vetted through Developers Round Table and Sub-committee

As noted above the proposed distribution was presented to the Developers Round Table group on June 23. The main comments from this meeting related to the following issues:

- The distribution percentage between low density and high density developments (see Table 3)
- Developers were requesting more information on the SHIP program

Staff met with a smaller group of Developers representing a cross section of development types to discuss issues arising from Developers Round Table meeting. Staff indicated the principles for distribution of allocation at this time are based on our criteria as approved by Council and assigned to those developments requiring allocation. The current proposed distribution between low and high density developments compared to the Spring 2010 draft distribution, is shown on Table 3 and continues to maintain the intensification goals set out in the servicing allocation protocol.

Sustainable Home Incentive Program (SHIP)

In a report dated August 12, 2009, Regional council endorsed the implementation guide for the "Sustainable Home Incentive Program" (SHIP) for low density developments. The purpose of this program is to advance sustainable development practices as they relate to grade related residential developments through the provision of a servicing allocation incentive. This is a voluntary program for grade related developers providing 2 different levels of incentives for different levels of sustainability.

In order to meet Level One incentive, receiving 10% reduction in allocation water, savings must be achieved by implementing the following water conservation measures into new home construction:

- Low flow (4.8 LPF) single flush toilets installed throughout the home
- Low flow showerheads, faucets and aerators installed throughout the home
- Water efficient clothes washers
- Water efficient dishwashers
- Hot water re-circulating systems
- Water efficiency whole home furnace humidifiers
- Home owner education
- Installation of smart meters
- A minimum of 6 inches of topsoil and water-efficient, drought resistant sod throughout the development.

To achieve a Level Two incentive of 20%, developments must meet all the criteria of Level One plus:

- Installation of permeable driveway surfaces (other than sod)
 - Rainwater harvesting and storage systems for indoor and outdoor water use
- Or
- Greywater reuse.

Third party certification is required to ensure that all aspects of sustainable construction are satisfied. The Region has provided an Implementation Guide to assist developers through the SHIP program.

The Region of York presented the SHIP program to Development Services Committee on September 21, 2010. The Committee complimented the Region for putting forward this program and asked Town staff to look at ways to enhance this incentive program for ground related developments.

Staff are currently reviewing with the Region of York the options available to enhance this program including the option of making the program mandatory and will report back later in 2011.

Markham's Challenges

Our primary challenge continues to be ensuring that Markham receives sufficient allocation to keep up to the market demand for housing construction in future years. We also need to ensure a balance between low density ground related developments and high density developments and in ensuring adequate allocation is available for those ready to proceed. Ground related housing projects with 2011/12 "conditional" allocation have been advancing in large volumes through the subdivision agreement stage. Being able to exchange "existing" allocation from high density development with 2013 allocation thereby freeing up "existing" allocation for ground related developments allows staff to continue processing ground related developments in 2011 and 2012 and meet market

demands. High density developments will continue to be processed as expected since the 2013 allocation they receive in exchange will already be “real” allocation given the longer lead times established by the Region for building permit issuance for complex high density buildings. The challenge will be to ensure that every approved unit of servicing allocation moves through the approval, agreement and building permit stages in a timely and efficient manner.

In summary, Markham continues to face a number of challenges related to servicing allocation constraints: the risk of not having sufficient servicing allocation in future years to continue with our 5-year average building activity; ensuring assigned allocation moves through the system to maintain our application activity; reduced fee revenue and development charges to fund capital projects; tracking of residential units and population in relation to water and sewer capacity; having approximately 21,400 units still in the development review process that do not have current existing or 2013 “conditional” allocation; and only a limited year supply of ground related product remaining in the existing urban boundary. Staff will continue to monitor the servicing allocation situation and report regularly to Committee and Council to ensure that the use of Markham’s allocation is maximized in a reasonable time frame.

It is anticipated that the Region will be putting forward a servicing allocation protocol that will expand the distribution time frame from a single year to multiple years once the Southeast Collector sewer project has advanced.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

While there are no direct financial implications related to the specifics of this report, there are annual budgeting issues (capital and operating) resulting from servicing allocation constraints which staff continue to monitor.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Not applicable

RECOMMENDED BY:



Biju Karumanchery, MCIP, RPP
Senior Development Manager



Jim Baird, MCIP, RPP
Commissioner of Development Services

ATTACHMENTS:

Attachment "A"	Detailed Tracking of 2011/12 Servicing Allocation Distribution
Attachment "B"	Development Area Maps
Attachment "C"	Developer Submissions

SUMMARY OF EXISTING ALLOCATION AND PROPOSED 2013 CONDITIONAL DISTRIBUTION												
Risk	Total Development Proposed		Existing Allocation		Proposed 2013 Assignment		LEED Benefit		Remaining Development to be Assigned Allocation		Pop	Pop
	Units	Pop	Units	Pop	Units	Pop	Units	Pop	Units	Pop		
Angus Glen/Deacon	4	990.0	2,911.3	690.0	2,230.3	169.0	132.0	299.6	-	-	-	-
Berczy Village	4	3,027.5	10,374.5	1,162.5	3,566.9	300.0	1,110.0	65.0	1,500.0	5,550.0	-	-
Box Grove	3	2,390.5	8,320.2	2,280.5	8,093.2	-	-	-	100.0	227.0	-	-
Cathedral	3	3,540.0	10,865.3	2,982.4	9,454.8	338.0	1,250.6	70.0	158.9	149.6	1.0	-
404 North	4	266.0	808.2	266.0	808.2	-	-	-	-	-	-	-
Cornell	2	10,426.0	29,164.3	4,629.8	14,716.3	500.0	1,850.0	53.0	120.3	5,243.2	12,477.7	-
Greensborough	4	2,057.0	6,844.5	1,578.0	5,595.8	479.0	1,248.7	-	-	-	-	-
Leitchcroft	3	1,310.0	3,031.5	721.0	1,682.3	292.0	674.9	297.0	674.2	-	-	-
Markham Centre	1	15,190.0	36,428.0	4,731.0	10,920.3	432.0	980.6	904.0	2,052.1	9,123.0	22,474.9	-
Markham Road South	3	1,044.5	2,467.8	470.5	1,164.8	-	-	-	-	574.0	1,303.0	-
Highway 48	3	730.0	1,661.5	163.0	370.0	-	-	86.0	199.8	479.0	1,091.7	-
Milliken Main Street	3	1,303.0	3,083.1	1,056.1	2,578.3	60.0	136.2	-	-	186.9	368.6	-
OPA 15	2	829.0	2,035.9	693.0	1,698.0	12.0	27.2	71.0	161.2	53.0	149.5	-
South Unionville	4	834.8	2,498.3	635.0	1,910.1	108.0	386.4	89.0	202.0	2.8	(0.2)	-
Swan Lake	4	635.0	1,787.1	446.0	1,270.0	189.0	517.0	-	-	-	-	-
Villages of Fairtree	4	1,140.0	3,596.9	655.0	2,112.7	-	-	-	-	485.0	1,484.2	-
Wilmers Commons	4	4,651.5	14,636.4	2,918.7	9,577.4	617.8	2,117.4	233.0	528.9	882.0	2,412.7	-
Trill	4	5,145.0	12,251.9	1,470.0	3,888.7	247.0	578.8	300.0	681.0	3,008.0	6,830.9	-
Total		55,489.8	152,766.3	27,548.5	81,638.1	3,742.8	11,259.3	2,302.0	5,225.5	21,786.5	54,370.9	-
Permitted												
Remaining				6.9		(0.3)						

[illegible]

[illegible]

Details of Servicing Allocation, Update January 1, 2011

[illegible]