

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
May 5, 2022

Report of the Commissioner of Corporate Services and Chief Planner
and Commissioner of Public Works

Update on Residential Sustainable Development Incentive Programs

1. Recommendations

1. Council approve the updated Sustainable Development Incentive Programs which continues the Sustainable Development through LEED Program and terminates York Region's Servicing Incentive Program.
2. Council request local municipalities with programs tied to York Region's Servicing Incentive Program update their policies to reflect termination of this program.
3. The Regional Clerk circulate this report to the Clerks of local municipalities and Building Industry and Land Development Association for information.

2. Summary

This report informs Council of findings from the Region's Sustainable Incentive Development Programs review conducted in 2021. Advancements in sustainable development through Federal and Provincial building codes and consumer appliance standards are setting a higher level for new developments. As a result of these changes and the Region's new [Inflow and Infiltration Reduction Standards for Sewers Servicing New Development](#) (I&I Standards), introduced in February 2022 and approved by Council on February 24, 2022, the Region will be terminating the Servicing Incentive Program for low-rise development. The Sustainable Development through Leadership in Energy and Environmental Design (LEED) Program for high-rise development will continue to be offered.

Key Points:

- Previously, due to the absence of stringent standards, the Region demonstrated leadership with two voluntary programs that offered servicing allocation incentives to sustainably designed and constructed new residential developments
 - Sustainable Development through LEED Program for high-rise development
 - Servicing Incentive Program for low-rise development

- Updates to the Ontario Building Code have improved water conservation requirements in new homes
- Local municipalities have introduced robust initiatives to achieve sustainable development goals
- Inflow and Infiltration (I&I) reduction standards for sewers are key measures in the Servicing Incentive Program
- Council approved new I&I Standards in February 2022 that exceed the requirements set out in the Servicing Incentive Program
- Servicing Incentive Program is being terminated because new I&I Standards exceed Servicing Incentive Program thresholds
- LEED program benchmarks are regularly updated to reflect industry standards, and these will continue to be available for high rise developments

3. Background

York Region introduced a high-rise Sustainable Development Program in 2007 and a low-rise program in 2009 to promote residential sustainable development

York Region strives to build healthy and sustainable communities that make efficient use of infrastructure and resources. New development should be designed and built with innovative features, elements and material that can respond to current and future climate events. In 2007, the Region implemented the [Sustainable Development through LEED](#) Program. In 2009, the Sustainable Home Incentive Program was introduced for low-rise development, which was replaced in 2014 with the [Servicing Incentive Program](#). Both programs are voluntary and require the achievement of water conservation and wastewater flow reduction measures beyond the Ontario Building Code and design standards. In exchange for implementing this higher standard, the Region provides servicing capacity assignment credits.

Sustainable Home Incentive Program was endorsed in 2009 to promote sustainability in new low-rise developments and evolved to the water conservation and reduction of wastewater flow focused Servicing Incentive Program. This was done after consultation with Regional staff, local municipal building staff, engineering and planning staff, conservation authority staff, the Building Industry and Land Development Association (BILD), and program applicants. Residential projects that meet program criteria may qualify for servicing capacity assignment credits of up to 20% (Figure 1).

Sustainable Development through LEED Program is available to high-rise developments and offers servicing capacity assignment credits of up to 30%. This program strives to achieve sustainability through water conservation and wastewater flow reduction, in addition to other sustainability criteria such as stormwater management practices, Regional transit-oriented design, three-stream waste management, and through construction resource and waste

management (Figure 1). New developments applying to the program must obtain a minimum LEED Canada Silver certification.

Figure 1
Comparison of Servicing Incentive Programs

Sustainability Measures




Program Criteria	LEED	SIP
Water Conservation	✓	✓
Wastewater Flow Reduction	✓	✓
Stormwater Management Practices	✓	
Regional Transit-Oriented Design	✓	
Three Stream Waste Management	✓	
Construction Resource and Waste Management	✓	
Certification	LEED & P.Eng.	P.Eng.
Incentive	Up to 30%	Up to 20%

Review of sustainability criteria in Regional servicing incentive programs was required due to changes in policy and regulations

Since the last program review in 2014, Federal and Provincial legislation and policies have directed municipalities to take further action towards creating more sustainable, climate-resilient communities. Ministry of the Environment, Conservation and Parks is currently updating Provincial design guidelines for sewage works and formalizing new design criteria to accompany the guidelines on reducing water and energy use. Updates to the Ontario Building Code have improved energy and water conservation requirements for new developments. Findings from the review indicate new requirements are now similar to Servicing Incentive Program, demonstrating the increased application of enhanced standards. York Region continues to advocate for changes to the Ontario Building Code to require net-zero carbon and climate resilient buildings.

Over the years, local municipalities have introduced different strategies to promote sustainable developments including their own set of sustainable development guidelines. The three cities of Markham, Richmond Hill, and Vaughan have adopted the Sustainability Metrics Program while Aurora, East Gwillimbury, Georgina, King, Newmarket, and Stouffville promote sustainable development through their programs and policies.

Review of Servicing Incentive Programs is required to align with local sustainable initiatives and to confirm servicing allocation incentives are applicable given the changes in building standards.

Regional Servicing Incentive Programs have helped infra-stretch capacity and informed development of new I&I reduction standards

For over 10 years, Regional Sustainable Development Programs have been effective to drive more sustainable development. To date, approximately 2,600 high rise units have earned servicing credits through the LEED Program at the Region. These are located in Markham, Newmarket, and Vaughan, with another 400 units in Newmarket underway. Over 5,000 low-rise units have participated in Servicing Incentive Program and earned credits, with another 7,000 units registered needing to submit conformity plans to receive their servicing allocation credits. Implementation of this program and verification of proven reductions has helped inform the new I&I reduction standards.

Since 2015, the Servicing Incentive and LEED Programs have helped to stretch York Durham Sewage capacity, having provided over 4,100 persons of additional capacity including over 1,300 persons of capacity in municipalities impacted by delays in Upper York Sewage Solutions.

4. Analysis

Program review included assessment of legislation, Regional standards, and industry best practices, as well as consultation with BILD

In 2021, the Region assessed sustainability measures of its Servicing Incentive and LEED Programs and non-governmental sustainable building standards and certification (e.g., EnergyStar, BuiltGreen, Passive House, Net Zero Home, WELL). A matrix was developed assessing a variety of sustainable development programs, presenting options suitable for the Region's continued efforts in championing for sustainable development.

BILD was consulted in 2021, and developers recognize the key role they play in delivering sustainable development. Developers identified several sustainable initiatives that have been implemented within their own development projects. BILD indicated there are several barriers to adopting sustainable construction practices including financial constraints, knowledge gaps in sustainable measures, additional time required to coordinate projects, and lack of demand or market acceptance for sustainable construction from industry partners and home purchasers. Throughout the development of the new I&I Standards, BILD and other industry groups were

engaged to collectively develop the Standard that will lead to more watertight sewers and align practices to one uniform approach.

A review of the water efficiency improvements associated with the Ontario Building Code and Region's new I&I Standards were carried out. Discussed below are findings of updated legislation and Regional standards.

Changes in standards establish a higher baseline for environmental performance, reducing the need for servicing incentives and triggers a need to end the Servicing Incentive Program, with LEED sustainability measures remaining

Water conservation and I&I measures are key components of Servicing Incentive Program. Given changes to the Ontario Building Code and the Region's new I&I Standards discussed below, the Region will end the Servicing Incentive Program and will continue to infra-stretch through implementation of our new stringent sewer design standards. LEED Program's broader sustainability measures are continuously updated to reflect industry standards. The Region will continue to offer the LEED Program for high-rise development to support servicing allocation in constrained areas of the Region.

Changes to the Ontario Building Code provide similar savings as the Servicing Incentive Program

On January 1, 2019, the Ministry of Municipal Affairs and Housing implemented changes to the Ontario Building Code which included new requirements in support of the provincial Climate Change Action Plan.

The requirement for installation of water efficient fixtures in new home construction supports water conservation. Prior to these changes, Servicing Incentive Programs provided savings beyond the Ontario Building Code. However, updates to the Ontario Building Code have lessened the gap between its requirements and those of Servicing Incentive Programs and LEED.

Regional I&I reduction standards incorporated into Servicing Incentive Program requirements for higher performance

The need for I&I reduction or prevention in new development was first identified in 2011 through York Region's I&I Reduction Strategy that required the Region and its local municipalities to find and remove 40 million litres per day (MLD) of I&I by 2031. In [February 2022](#), Council approved a [new I&I Standards](#) for the Region that local municipalities will fully implement by December 2024 for all construction. In the interim, local municipalities will require these new standards as a condition of approval of development applications until local design and construction standards are updated to ensure new developments are built to these new standards. This new I&I Standards introduces generally higher requirements than the ones in Servicing Incentive Programs and establishes a new baseline for all developments. Incentives were a tool to encourage developers to go above and beyond the baseline standard. By establishing a new

higher level of practice for all ground level developments in York Region, the servicing incentive is no longer warranted.

Sustainable growth management is necessary in achieving targets set out in the Regional Official Plan and Regional Climate Change Action Plan

Building sustainably is a key component in achieving targets set out in Regional Official Plan and Regional Climate Change Action Plan. Council's direction to coordinate and align efforts to address climate change is complemented through sustainable building practices. Staff will consolidate findings of programs review to share with local municipal staff that highlights current sustainable development best practices. Staff will continue to explore other incentives options, pilot projects and educational opportunities to continue to promote sustainable residential development.

5. Financial

There are no financial implications in ending the Servicing Incentive Program. Resources will continue to be in place to support the conformity work required to honour the remaining 7,000 units that are registered in the current Servicing Incentive Program.

6. Local Impact

Local municipalities support ending the Servicing Incentive Program

On September 17, 2021, Regional staff discussed ending the Servicing Incentive Program with the Planning Commissioners and Directors from all the local municipalities. They were supportive of ending the program given changes to Ontario Building Code and new I&I standards. Local municipal staff expressed interest in sharing and understanding each other's sustainability programs. The Region has agreed to consolidate findings from review of the incentive programs and share with local municipalities by end of year.

Municipalities will need to update programs or policies tied to the Servicing Incentive Program

Further discussions were conducted with the Town of East Gwillimbury and Town of Newmarket because of existing policies or agreements.

Town of Newmarket Servicing Allocation Policy currently requires all eligible residential development proposals participate in the Region's Servicing Incentive Program. Town staff will be updating their Servicing Allocation Policy to reflect the end of the Servicing Incentive Program.

Town of East Gwillimbury and the Region entered into a tri-party Development Charge Credit agreement in 2009 with a developer group to advance construction of the York Durham Sewage System in the communities of Holland Landing, Queensville, and Sharon. The remaining developers that are party to this original agreement that have not constructed are eligible to continue with Servicing Incentive Program requirements through the Town's Sustainable Development Incentive Program. This is not transferable to other lands owned by the developer. New development not tied to this agreement will meet new I&I standards and will not be eligible for servicing incentives, unless accessed through the Town of East Gwillimbury's reserve capacity assignment as part of agreement.

7. Conclusion

In 2007, the Region implemented the Sustainable Development through LEED Program (high-rise) and in 2014 introduced the Servicing Incentive Program for low-rise development replacing an earlier program known as Sustainable Home Incentive Program. Both programs are voluntary and require the achievement of water conservation and wastewater flow reduction measures beyond the Ontario Building Code. In exchange for this higher standard, the Region provided servicing capacity assignment credits. Since 2015, the Servicing Incentive and LEED Programs have helped to stretch York Durham Sewage capacity, having provided over 4,100 persons of additional capacity including over 1,300 persons of capacity in municipalities impacted by delays in Upper York Sewage Solutions.

Due to updates to the Ontario Building Code and the new Regional I&I Reduction Standards approved by Council in February 2022, the Region will end its Servicing Incentive Program. The Region will continue to offer the LEED Program for high-rise development to support servicing allocation in constrained areas of the Region. Resources will remain in place to honour the remaining 7,000 units registered in the current Servicing Incentive Program. Local municipal staff support ending the Servicing Incentive Program and will need to update their related policies.

Results of the program review will be consolidated to share with local municipal staff highlighting current sustainable development best practices. Staff will continue to explore other incentives options, pilot projects and educational opportunities to continue to promote sustainable residential development.

For more information on this report, please contact Karen Whitney, Director, Community Planning at 1-877-464-9675 ext. 71505. Accessible formats or communication supports are available upon request.

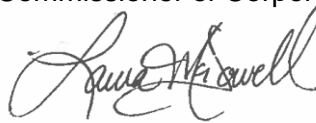


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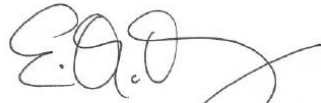
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