

Date: 2024-01-03

Subject: **Streamlining the Administrative Subdivision Assumption Process**

Contact: **Luciano Totino, Manager, Development Construction**

Report Number: Planning, Bld & Growth Mgt-2024-026

Recommendations:

1. THAT the report titled **Streamlining the Administrative Subdivision Assumption Process** to the Planning and Development Committee meeting of February 12, 2024, be received; and
2. THAT Council endorse the proposed administrative process improvements related to the assumption of municipal services and infrastructure for plans of subdivisions.
3. THAT staff report annually with an update on the status of completed and anticipated assumptions. Appendix 1 and Appendix 2 in this report describes the anticipated assumptions for 2024.

Overview:

- **Assumption of municipal services is a process that transfers the responsibility for the perpetual maintenance of infrastructure such as sewers, roads, sidewalks, curbs, bridges, parks, etc. from the developer of a subdivision to the City.**
- **The assumption process entails a two-stage administration process and begins with an Initiation of Subdivision Assumption report to Committee of Council advising that staff are starting the process to assume the infrastructure constructed in a subdivision development project.**
- **At a later date, assumption of municipal services occurs through a Subdivision Assumption Report and a By-Law which is tabled to Council for approval.**

- **The necessary lead time required to include a report on a Committee of Council agenda is approximately 3 months which includes the gathering of information from other internal groups. This represents 33% of the total time in the lifecycle of the entire assumption process.**
- **The average length of time to complete the total assumption process is approximately nine months. The two-stage administration component impacts aspects such as the timely return of securities to developers and release of grading deposits to new homeowners.**
- **On June 29, 2023, the city hosted a workshop with representation from the development industry, with a commitment to review the overall subdivision assumption process. This report is the first phase of this endeavor.**
- **The improvements proposed in this report will reduce the subdivision assumption time from the current nine months down to approximately five months.**
- **These improvements will also result in reduced administrative demand on staff resources to produce and review reports resulting in savings of approximately \$30,000.00 annually in staff costs.**

Background:

Pursuant to the Municipal Act and associated agreements between the City and the developer of a subdivision, plans of subdivisions must be assumed once the Developers have completed all their obligations as described in the subdivision agreements.

The subdivision assumption process is designed to transfer the responsibility for maintenance of developer-constructed infrastructure (such as sewers, roads, sidewalks, curbs, bridges and parks) from the developer to the City once the developer has completed all of their obligations per the subdivision agreement. The City also returns all remaining securities to the developer once the subdivision is assumed. The entire assumption process currently requires an average of nine months to complete.

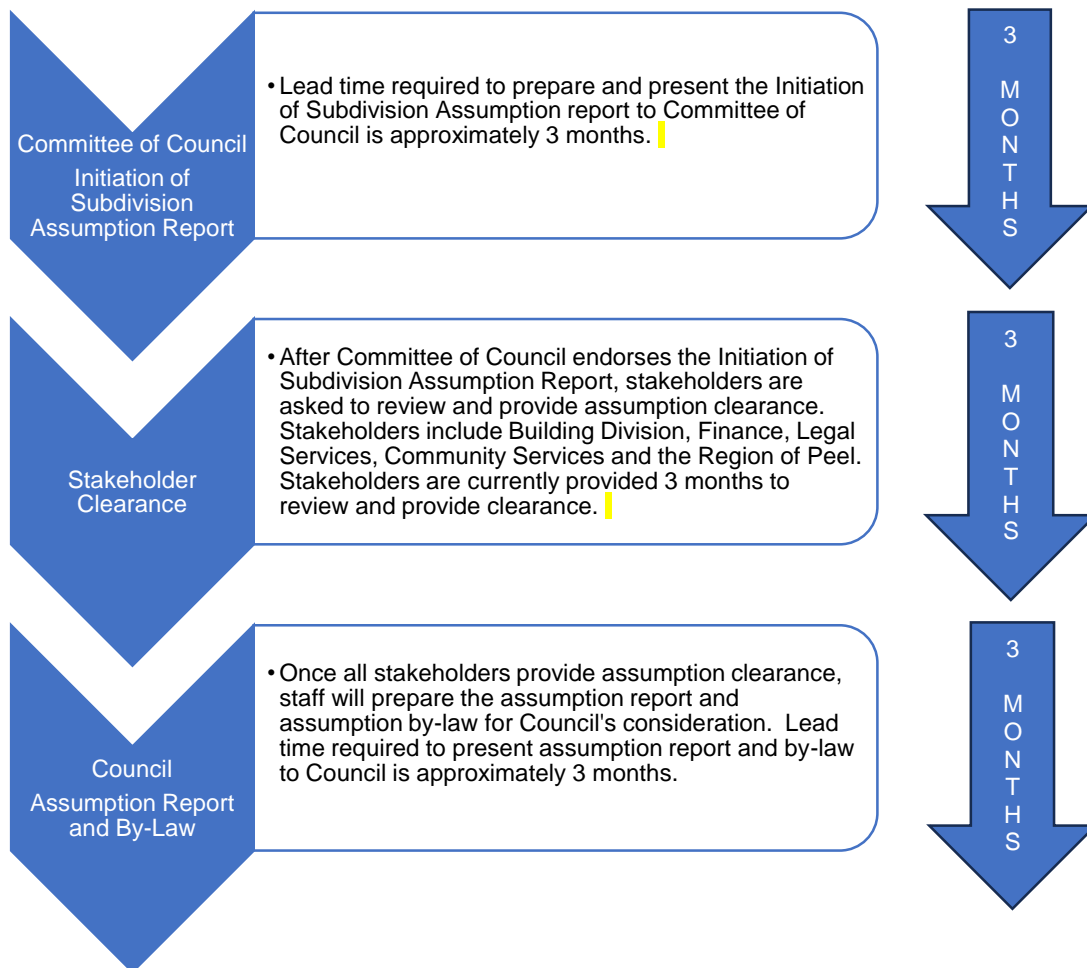
As part of the ongoing continuous improvement efforts to expedite development, the City hosted a workshop with the development industry on June 29, 2023, in which there was discussion on streamlining the City's subdivision assumption process to reduce the time required for assumption. This report is the first phase in this endeavor.

Current Situation:

The current assumption process begins with an initiation report to Committee of Council. This practice was adopted many years ago to notify Members of Council of the assumption of municipal services. Historically, these reports are accepted on consent and very rarely called for discussion at Committee of Council. Over the past five years, a total of 104 reports have been presented to Committee of Council and approved on consent.

The Initiation Report is followed by internal and external stakeholder clearances. Stakeholders involved are the Building Division, Legal Services, Finance, Community Services and the Region of Peel. The Developer must satisfy all the stakeholder requirements before assumption clearances are issued. Once all stakeholder clearances are received, an Assumption Report and By-Law are prepared and presented to Council for their approval.

Current Assumption Process Life Cycle



Practice in other Municipalities

Staff completed a jurisdictional scan of the assumption process for other local municipalities. Municipalities reviewed were the City of Vaughan, City of Barrie, City of Guelph and Town of Aurora. None of the municipalities scanned prepare an Initiation of Subdivision Assumption report to a Committee of Council.

Proposed Improvements

Elimination of Initiation Report

The necessary lead time required to include a report on a Committee of Council agenda is approximately 3 months, which includes gathering of information from other internal groups. On average, the city assumes approximately twenty subdivisions annually. Also, it requires approximately ten hours of Development Construction staff time to prepare and process the Initiation Report. Eliminating this report would also equate to a savings of two hundred hours of report writing for staff annually.

By eliminating the Initiation Report to Committee of Council, staff would be able to begin circulation to all internal and external stakeholders for their review and assumption clearances approximately 3 months sooner.

Assumption Report Only for Monetary Holdbacks

Legal Services was consulted to review and comment on the need for Assumption Reports and proposed the following to help reduce the number of reports going to Committee and Council with respect to subdivision assumptions.

- Eliminate the Assumption Report to Council to assume the subdivision when all securities are being released.
- If there is a holdback of securities at assumption, it will be at the Commissioner's discretion as to whether an Assumption Report is required to accompany the By-Law.

Section 74 of the Administrative Authority By-law 216-2017 delegates all authority under Section 51 of the *Planning Act* to the Commissioner of Planning. If a monetary hold back is required at assumption, the Commissioner of Planning Building and Growth Management will determine if an assumption report should accompany the assumption by-law on a case-by-case basis.

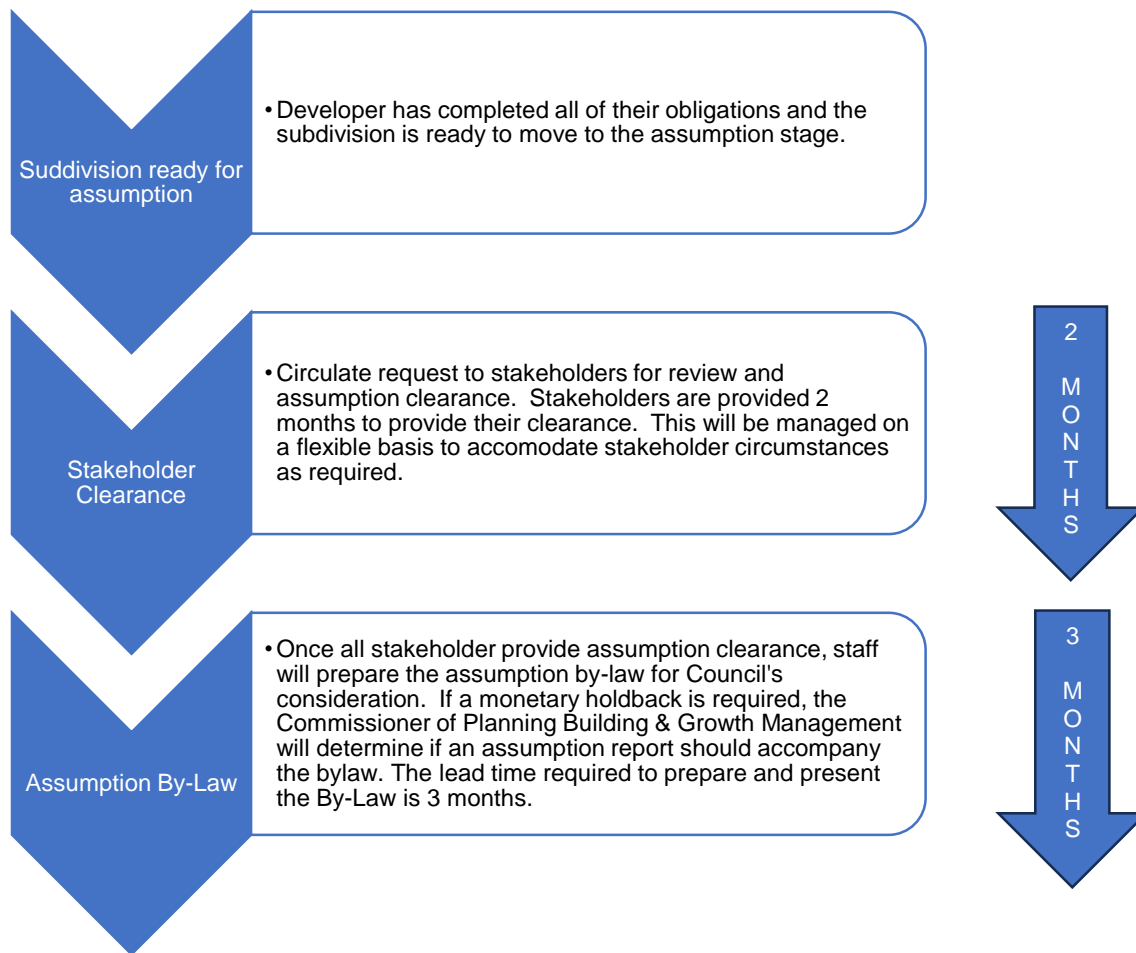
Eliminating the Assumption Report would result in 200 hours of staff time savings per year.

There are no additional risks to the City as a result of these recommendations.

Reduction in Review Time for Stakeholders

- It is further proposed that the amount of time for stakeholders to review and provide assumption clearances be reduced from the current 3 months to 2 months. This will be managed on a flexible basis to accommodate changes in stakeholder circumstances as required.

Proposed Assumption Process Life Cycle



Expected Benefits of Assumption Streamlining

- Reduced administrative demand on staff resources to produce and review reports resulting in savings of approximately \$30,000.00 annually in staff costs.
- With faster assumptions, Inspection staff will spend reduced time monitoring completed subdivisions and focus on active subdivision projects.

- Faster return of grading deposits from the builders to the purchasers resulting in reduced number of calls Council offices receive from residents regarding the refund of grading deposits by the builder.
- Faster release of Letters of Credit resulting in reduced number of calls to Council offices from Developers regarding the return of their development securities.
- Reduced number of reports on Committee of Council and Council meeting agendas.

Corporate Implications:

Financial Implications:

There are no direct financial implications associated with this report. Should Council endorse the proposed process improvements, any potential savings as a result of the proposed administrative improvements will be adjusted in future operating budget submissions.

Legal Implications:

There are no risks associated with the elimination of the Initiation Report and Assumption Report.

Strategic Focus Area:

This report aligns with the Strategic Focus Area of Government & Leadership by streamlining service delivery and effectively managing municipal assets.

Conclusion:

Assumption of municipal services in new subdivisions currently involves preparation of multiple efforts to Council at various stages in the assumption process and a by-law formalizing the assumption of services that completes the assumption process.

These reports have in the past been accepted on consent as they are standard and procedural. Over the last five years, a total of 104 subdivisions have been assumed with the reports being accepted on consent.

Proposed improvements to the assumption process would eliminate these reports and present the assumption By-Law to Council for their ratification to complete the assumption process.

Adopting the recommendations of this report would reduce the current overall assumption process timeline from approximately 9 months to 5 months or better.

These proposed improvements will free up staff resources, accelerate the administrative assumption process time and support positive business outcomes such as faster return of securities to Developers for redeployment in housing creation.

Respectfully submitted,

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Attachment

- Attachment 1 – List of Anticipated Subdivision Assumption for 2024
- Attachment 2 – Anticipated Subdivision Assumption Map for 2024