

# **AFFORDABILITY AND CHOICE TODAY (A•C•T) CASE STUDY PROJECT**

## **Case Study**

### **Standardized Subdivision Agreement Townships of Ernestown, Kingston and Pittsburgh, Ontario**

Prepared for:

**Federation of Canadian Municipalities**

**Canadian Home Builders' Association**

**Canadian Housing and Renewal Association**

**Canada Mortgage and Housing Corporation**

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**Ottawa, Ontario**

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## FOREWORD

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The project documented in this case study received funding assistance under the Affordability and Choice Today (A•C•T) Program. A•C•T is a joint initiative, managed by the Federation of Canadian Municipalities, the Canadian Home Builders' Association, and the Canadian Housing and Renewal Association, together with the funding agency Canada Mortgage and Housing Corporation. The A•C•T Program is administered by the Federation of Canadian Municipalities.

A•C•T, which was launched in January 1990, was designed to foster changes to planning and building regulations and residential development approval procedures in order to improve housing affordability, choice and quality.

Through A•C•T, grants are awarded to municipalities, private and non-profit builders and developers, planners and architects to undertake innovative regulatory reform initiatives in municipalities across Canada. Three types of projects are awarded grants under the A•C•T Program: Demonstration Projects, Streamlined Approval Process Projects, and Case Studies (of existing initiatives).

- *Demonstration Projects* involve the construction of innovative housing that demonstrates how modifications to planning and construction regulations can improve affordability, choice and quality.

- *Streamlined Approval Process Projects* involve the development of a method or an approach that reduces the time and effort needed to obtain approvals for housing projects.
- *Case Study* grants are awarded for the documentation of existing regulatory reform initiatives.

Change and innovation require the participation of all the players in the housing sector. A•C•T provides a unique opportunity for groups at the local level to work together to identify housing concerns, reach consensus on potential solutions, and implement action. Consequently, a key component of A•C•T-sponsored projects is the participation and cooperation of various players in the housing sector in all phases of each project, from development to realization.

All projects awarded a grant under the A•C•T Program are documented as case studies in order to share information on the initiatives and the benefits of regulatory reform with other Canadian communities. Each case study discusses the regulatory reform initiative, its goals and the lessons learned. Where appropriate, the cost savings resulting from modifications in various planning, development, and construction regulations are calculated and reported.



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## PROJECT OVERVIEW

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This case study describes a project undertaken collectively by the Ontario townships of Ernestown, Kingston and Pittsburgh to create a standardized subdivision agreement that could be used by all three jurisdictions. Prior to the adoption of a standardized subdivision agreement, each township had its own agreement with its own set of requirements. Developers and builders working in the three townships had to cope with three different sets of forms and processes, which frequently resulted in inefficiency and time delays. For their part, municipal officials and representatives from financial institutions had to examine the entire agreement carefully each time approval was required, because specific requirements could appear anywhere in the document. As a result, the staff time and cost associated with processing subdivision applications was unnecessarily increased.

In order to simplify the subdivision approval process, representatives from the participating townships worked together to examine their existing subdivision agreements and to develop a standardized agreement for use by all three townships. Before it was finalized, the Standardized Subdivision Agreement was reviewed by builders and developers from the three townships and by several provincial agencies.

The Standardized Subdivision Agreement was approved by the councils of all three townships in spring 1993. The principal components of the Standardized Subdivision Agreement are as follows:

- Procedures and requirements for entering into a subdivision agreement, applying for a building permit, phasing development and obtaining approval for municipal services.
- Requirements for the construction and repair of municipal services, such as roads, sidewalks, street lighting, and water, sanitary and storm sewer systems.
- Legal and financial obligations of the property owner(s) and the municipality.
- Requirements for development cost charges.
- Provision for the granting of land for municipal purposes.

In addition, the Agreement has been simplified so that the basic Agreement is standard, and any special requirements are contained in a series of Schedules appended to the document. The Standardized Subdivision Agreement reduces the time required by builders, developers and municipal officials to take a new subdivision from concept to completion. With lower carrying costs, builders can offer the consumer more affordable housing.



# 1.0 PROJECT DESCRIPTION

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## 1.1 Project Objectives

A property owner must enter into a subdivision agreement with the appropriate municipality before municipal approval can be obtained for the plan of the subdivision. Such an agreement controls the manner in which the land is subdivided and ensures that the subdivision conforms with all relevant municipal regulations and plans.

This A•C•T case study describes a project undertaken by the Ontario Townships of Ernestown, Kingston and Pittsburgh to develop a standardized subdivision agreement for use by all three municipalities. Before the adoption of a standardized agreement, each township had its own subdivision agreement and its own requirements for particulars, such as subdivision securities and guaranteed maintenance.

The motivation to develop a standardized agreement grew out of the local residential construction industry's desire to reduce the time required for municipal approval of subdivisions. In addition, builders and developers who operate in all three townships wanted to eliminate the confusion and inefficiency caused by having to work with three separate agreements. A project team comprising representatives from the three townships and the local homebuilding industry was established to develop a Standardized Subdivision Agreement with the following goals:

- To reduce the time that developers spend familiarizing themselves with three different sets of requirements.

- To reduce the time that municipal planning staff spends processing subdivision applications.
- To reduce the time that financial institutions spend processing funding applications for new subdivisions.

## 1.2 Description of the Standardized Subdivision Agreement

The Standardized Subdivision Agreement<sup>1</sup> contains the following principal components:

- Procedures and requirements for entering into a subdivision agreement, applying for a building permit, phasing development and obtaining approval for municipal services.
- Requirements for the construction and repair of municipal services, such as roads, sidewalks, streetlights, and water, sanitary, and storm-sewer systems.
- Legal and financial obligations of the property owner(s) and the municipality.
- Requirements for development cost charges.
- Provision for the granting of land for municipal purposes, such as a municipal park or other recreational facility.

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<sup>1</sup> A copy of the Standardized Subdivision Agreement can be obtained by writing to the Chief Administrative Officer, Township of Ernestown, 263 Main St., P.O. Box 70, Odessa, Ontario K0H 2H0.

A copy may also be purchased or obtained on loan from the Canadian Housing Information Centre, 700 Montreal Road, Ottawa, Ontario K1A 0P7, Tel: (613) 748-2367, Fax: (613) 748-6192, TTY: (613) 748-2143.

The Standardized Subdivision Agreement is designed to be flexible enough to accommodate different conditions in the three townships. For example, the section entitled “Street Signs and House Numbers” contains a version for Pittsburgh and one for the other two townships.

The project team believed that the standardization process also presented a good opportunity to simplify and clarify the subdivision agreement document. As a result, the Standardized Subdivision Agreement is more comprehensive than any of the former individual township

agreements. The language and format of the Agreement are easily understood, and the procedures to be followed by developers and builders are laid out in very clear terms.

A comparison of the corresponding sections pertaining to the construction of works from the Township of Kingston’s previous subdivision agreement and from the Standardized Subdivision Agreement clearly illustrates the improvements in the new document. Figures 1 and 2 contain excerpts from the two subdivision agreements.

**Figure 1. Excerpt from the Township of Kingston’s Subdivision Agreement**

1. *Public Services*

a) *On all streets and lanes laid out in the draft plan attached hereto as Schedule “B” and upon any roadways adjacent thereto, and following approval of the plan by the Minister, there shall be constructed and installed by the Owner, subject to the rights reserved by the Township and recited hereinafter under the heading “Utilities”, the following public services:*

*Roadways*  
*Pavements*  
*Curbs*  
*Sanitary Sewers*  
*Storm Sewers (where Works Administrator deems necessary)*  
*Watermains*  
*Street Lighting*  
*Sidewalks and Boulevards*  
*Traffic Control Devices*

*and which public services are listed for roadways, pavements, curbs, sanitary sewers, storm sewers, walkways and driveway entrance culverts, watermains and street lighting hereinafter referred to as “Township Services” with the estimated cost thereof in Schedule “D” hereto and shown on Schedule “C” to this Agreement, specifications of which are attached hereto as Schedule “F” to this Agreement.*

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d) *All of the Township services shall be installed strictly in accordance with Township specifications, and all such installations will be made throughout under the supervision of the Works Administrator, or by an engineering firm approved by the Works Administrator.*

**Figure 2. Excerpt from the New Standardized Subdivision Agreement**

CONSTRUCTION OF WORKS

Scope of Work:

7. The owner shall construct and maintain all of the Works described in Schedule “B” according to the plans and specifications in Schedules “E”, “F” and “I” in a good and workmanlike manner, and to the satisfaction of the Municipal Engineer according to Municipal Specifications.

Furthermore, each subdivision agreement previously had to be studied in its entirety because a special requirement could appear anywhere in the agreement. In the Standardized Subdivision Agreement, all special conditions are contained in Schedules that are appended to the Agreement. Each Agreement includes the following Schedules:

- “A” Description of Lands
- “B” Description and Cost of Works to be Constructed
- “C” Description of Phases of Development
- “D” Time Schedule for Construction of Works
- “E” Approved Plans for Works to be Constructed
- “F” Lot Grading and Drainage Plans

- “G” Lands to be Conveyed for Parkland or Cash in Lieu
- “H” Grants of Easement and Other Public Lands
- “I” Parkland, Fencing, Landscaping and Tree Preservation Requirements
- “J” Special Conditions
- “K” Notice to Subsequent Purchasers

During the development of the Standardized Subdivision Agreement, the committee recognized that each township might still wish to include special provisions for construction standards in such areas as road width and sidewalk materials. It is hoped, however, that construction specifications will eventually be standardized as well, in accordance with the Ontario Standards developed by the Municipal Engineers’ Association of Ontario.

## 2.1 The Project Team

The project was initiated by the Chief Administrative Officers (CAOs) of the townships of Ernestown, Kingston and Pittsburgh, in cooperation with the Greater Kingston Home Builders' Association. The City of Kingston, which borders the Township of Kingston, was invited to take part in the standardization process but declined.

To administer the standardization process, a project team was established that included the Deputy Works Administrator from the Township of Kingston, two planners from the Township of Pittsburgh, the CAO from the Township of Ernestown and the solicitor for the three townships.

## 2.2 The Consultation Process

The project team met several times over the course of a year and a half in order to discuss and identify differences between the three townships' agreements and to propose improvements. The solicitor for the three townships then drafted the Standardized Subdivision Agreement.

Local builders and developers (represented by the Land Development Committee of the Greater Kingston Home

### **Ernestown, Kingston and Pittsburgh Townships**

*The Township of Ernestown is located in the County of Lennox and Addington, and Kingston and Pittsburgh townships are in Frontenac County. All three townships are near the mouth of the St. Lawrence River, and can be characterized as both rural and urban. In 1991, Kingston had approximately 38,000 residents, and Pittsburgh and Ernestown each had approximately 11,000.*

Builders' Association) and relevant provincial agencies were invited to review and provide comments on the draft subdivision agreement.

About 18 months after the standardization process was initiated, the Agreement was endorsed and adopted by the Councils of each of the three municipalities with only minor modifications.

Even though the new residential construction market is generally more active in the Township of Kingston than in Pittsburgh and Ernestown townships, the standardization process that was followed tried to ensure that all three townships were able to contribute equally to the development of the terms of the Agreement.

### **3.0 REGULATORY REFORM INITIATIVES AND IMPACT ON COST, CHOICE AND QUALITY**

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The improved subdivision agreement makes it simpler and faster for builders and developers to apply for subdivision approval and for municipal staff to process subdivision applications. The Standardized Subdivision Agreement also provides banks and other financial institutions with a standard format for such items as bonds and letters of credit, which should further expedite the subdivision approval process. The time and costs saved by the homebuilding industry, municipalities and financial institutions by using such an agreement can reduce development costs, making housing more affordable.

One reason for the success of this project was the high level of commitment by senior municipal staff. Drawing on their broad knowledge of the subdivision approval process, municipal staff kept their councils informed of the benefits of standardizing the subdivision agreement and the progress of the project.

An ancillary benefit of this project is that the participating municipal representatives, and local builders and developers acquired a better understanding of one another's perspectives concerning the various requirements of subdivision agreements as well as the subdivision approval process.

Other townships in Ontario, as well as small municipalities elsewhere in Canada, could apply the results and lessons learned from the standardization process undertaken in this project in simplifying the subdivision approval process in their own jurisdictions. Although some of the details of the Ernestown-Kingston-Pittsburgh Standardized Subdivision Agreement may not be directly transferable to other municipalities, many of the general clauses contained in the Agreement may be useful for purposes of comparison.