



INFORMATION REPORT

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	September 5, 2017
SUBJECT/REPORT NO:	Review of Existing Conditions and Development Trends Between 2006 and 2016 – GRIDS2 / Municipal Comprehensive Review Background Report (PED17010(a))
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Heather Travis (905) 546-2424 Ext. 4168
SUBMITTED BY:	Steve Robichaud Director, Planning and Chief Planner Planning and Economic Development Department
SIGNATURE:	

Council Direction:

N/A

Information:

The City is undertaking an update to GRIDS (Growth Related Integrated Development Strategy), known as GRIDS 2, which is a long term growth strategy to allocate forecasted population and employment growth to the year 2041. The forecasts for Hamilton project an increase of 40,000 jobs and 100,000 people between 2031 and 2041. As such, GRIDS must be updated to allocate the additional jobs and persons beyond 2031 (to 2041) and to determine the impact on the Infrastructure Master Plans. A municipal comprehensive review (MCR) is a requirement of the Growth Plan for the Greater Golden Horseshoe and the Provincial Policy Statement (PPS) at the time of an Official Plan review, and must be completed prior to any expansion of the urban boundary. However, many of the studies that are required as part of the MCR are also part of a growth strategy. As such, the MCR will be completed concurrently with GRIDS 2, which has the benefit of combining the public and stakeholder consultation into one process, and efficiently using staff time and resources.

The background work in support of the GRIDS 2 / MCR process is underway. As part of the extensive background work that is laying the framework for the GRIDS 2 process, staff conducted a review of growth trends in the City since the adoption of GRIDS in

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2006. The review, attached as Appendix “A”, provides an overview of growth and development in the last 10 years, and provides a snapshot of the City’s 2016 ‘baseline conditions’. The review tells us how the City has been growing, and summarizes the City’s present situation, which together influence and impact on the City’s growth moving forward. Appendix “A” includes information on demographics, intensification and density, geographic distribution of growth, rural lands, and employment activity. This Report will highlight some of the key information contained in Appendix “A”.

Demographics

Hamilton’s population and number of dwellings have continued to grow since 2006. Hamilton’s 2016 Census population is 536,920, which represents an overall growth of 6.4% since 2006. Note that this number does not include the census net undercoverage. When the Census is taken, some people are missed while others may be counted twice, or should not have been counted. The difference is referred to as the Census net undercoverage. While the official net undercoverage for 2016 has not been released, a 4% undercoverage factor has been typical for Hamilton in the past. Applying the 4% undercoverage to the 2016 population equates to a 2016 population of approximately 558,397.

In terms of growth in the number of dwellings, some interesting trends are apparent. For the time period from 2006 to 2011, growth in the number of occupied private dwellings increased by 4.8%. From 2011 to 2016, growth in the number of occupied private dwellings was only 3.8%. This decrease in the number of new dwellings may be indicative of the recent trend of slower household formation rates. While the overall population is increasing, the greatest increase is in age groups that do not tend to form new households, such as the elderly.

Population Growth in Comparison to Forecasted Growth

Through the Growth Plan for the Greater Golden Horseshoe, the Province of Ontario provides population forecasts for municipalities. Forecasts for 2011 onward were released by the Province in 2006, and updated in 2013 as part of Amendment 2 to the Growth Plan. The forecasts are provided in 10 year intervals (2011, 2021, 2031 and 2041). Mid-year forecasts (eg. 2016) can be formulated by extrapolating the yearly increase from the 10 year intervals. The population forecasts in the Growth Plan are for total population including the Census net undercoverage.

In terms of Hamilton’s performance as related to the Provincial forecasts to date, it is noted that Hamilton has been near or at the Provincial forecast in 2011 and 2016 once the undercoverage is applied, as identified in Table 2 of Appendix “A”. In 2011, Hamilton’s population of 540,750 marginally exceeded the Provincial forecast of

540,000. For 2016, Hamilton's population of 558,397 (with undercoverage) is within approximately a 1% variance of the forecasted population of 565,000.

Intensification – Comparison to Growth Plan Targets

The Growth Plan encourages the development of new units as intensification within the City's built-up area. Intensification is defined as "the development of a property, site or area at a higher density than currently exists", and may be achieved through redevelopment, development of vacant or underutilized sites, infill development, or conversion of existing buildings." (PPS, 2014). The 2006 Growth Plan required that 40% of the City's new residential units be constructed as intensification within the City's built boundary by the year 2015 onward. The built boundary is defined by the Growth Plan and generally represents the City's built up area (BUA) (identified on Figure 1 of Appendix "A").

As noted in Table 3 of Appendix "A", the City's residential intensification (RI) levels had increased steadily from 2013 to 2015, and the City met the required 40% target in the year 2015. However, the intensification rate fell in 2016 to 28%, below the Growth Plan target. In this regard, it is noted that intensification rates are expected to be cyclical from year to year. Further, the planning horizon for the City's Urban Hamilton Official Plan (UHOP) is 2031. The policies and urban structure of the UHOP promote intensification within the City's Nodes and Corridors, and the expectation is that the City would be meeting the required target within the planning horizon of the UHOP.

In the recently released 2017 Growth Plan, the intensification target has been increased, as follows:

- The current 40% target will remain in effect until the City's Municipal Comprehensive Review (MCR) has been completed (approximately 2022);
- The target will be increased to 50% following completion of the MCR and until 2031; and,
- The target is increased to 60% in 2031 and for each year thereafter.

The achievement of these increased intensification targets will be challenging. As noted above, the City has achieved the 40% target in 2015, but has not significantly exceeded that target in the last 5 years. In terms of actual numbers, the increase in the RI target from 40% to 50% from 2022 to 2031 means that an additional 3,365 units will need to be built within the built boundary during the time period. Similarly, the increase to 60% from 2031 to 2041 equates to the requirement for an additional 7,314 units within the

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built boundary for that period. The City's ability to meet these targets and the appropriate allocation of these RI units will be reviewed through GRIDS 2.

Residential Intensification (RI) – Gap Analysis

An interesting starting point for the review of the City's RI performance and the allocation of RI units going forward is to compare actual RI levels in the past 10 years to the forecasted RI for the same time period. As part of GRIDS, a Residential Intensification Study was completed which identified the total number of intensification units to be built between 2006 and 2031 as 26,500.

As part of the Residential Intensification Supply Update, staff have conducted a Gap Analysis to determine if the forecasted RI is on track in terms of overall numbers (i.e. have we been achieving the predicted intensification), and is the RI on track in terms of geographic location. In terms of overall numbers, the Gap Analysis found that the City is very close to its forecasted target in terms of overall numbers (9,058 forecasted RI units from 2006 to 2016, vs 8,695 actual RI units).

However, in terms of geographic location of RI, the Gap Analysis revealed that the RI is not occurring in the same pattern as had been forecast. Figures 2 and 3 of Appendix "A" highlight the variation. Overall, the downtown area is lagging in terms of RI to date, whereas locations on the Mountain and in Ancaster and Stoney Creek are experiencing greater RI than anticipated. As part of GRIDS 2, staff are updating the Residential Intensification Study to re-allocate RI units to the year 2031, and to assign RI units to the year 2041, in accordance with Provincial targets.

Intensification – Comparison to UHOP Targets

In terms of geographic location of RI units, Appendix "A" also provides a comparison to the Intensification targets found in the UHOP. The UHOP target for RI is as follows:

Downtown Urban Growth Centre – 20% of RI units

Urban Nodes and Urban Corridors – 40% of RI units

Neighbourhoods – 40% of RI units

These geographic allocations are based on the 2006 Residential Intensification Study and the Nodes and Corridors urban structure recommended in GRIDS. Based on the Gap Analysis noted above, the following are the actual locations of RI for the period 2006 to 2016, in terms of percentage of overall RI units, as per Table 5 of Appendix "A":

Downtown Urban Growth Centre – 13% of RI units

Urban Nodes and Urban Corridors – 19% of RI units

Neighbourhoods – 68% of RI units

As can be seen, the percentage of RI occurring in the Neighbourhoods is significantly greater than anticipated, at 68% of the total vs the 40% target. RI to date in the Downtown and the other Nodes and Corridors has been underperforming.

It is noted that this analysis reflects only a portion of the forecast period. To date we can only review the pattern from 2006 to 2016, whereas the forecast period extends to 2031. It is possible and not unlikely that the amount of RI in the Neighbourhoods will start to decrease during the latter half of the forecast period as opportunities for RI are taken up and fewer opportunities remain. Intensification of the Downtown and the other Nodes and Corridors would be expected to rise. With regard to the Downtown, for example, development activity has been increasing in recent years, and intensification numbers will be rising as a result. As part of GRIDS 2, staff will be reviewing future RI allocation. Any required revisions to the UHOP targets based on the updated study would be completed through the future Official Plan review.

Nodes – Comparison to UHOP Targets

The UHOP also includes targets for density around the Nodes identified on Schedule “E” (Figure 4 of Appendix “A”). The density target is measured across the Node (not on a property specific basis), and is measured in persons and jobs per hectare (pjh). Appendix “A” includes an analysis of density across each of the Nodes to date. This is an important evaluation measure to determine how the City is growing in relation to its planned structure. In order to meet the RI targets noted above and required by the Growth Plan, the City will need to develop and grow in a dense pattern across all of its nodes and corridors.

Table 7 of Appendix “A” identifies that, to date, the City has not achieved its planned density across the Nodes. Several Nodes are underperforming as compared to the UHOP target. The Downtown Urban Growth Centre has a target density of 250 pjh. The Downtown Node is currently slightly behind that target at 235 pjh, but it is anticipated that density will increase in this Node as the City is required to achieve greater levels of intensification.

The Sub-Regional Nodes at Limeridge and Centennial (Eastgate) are also underperforming. These Nodes are targeted to reach a density of 100 to 150 pjh across the Node, but are currently at levels of 74 and 64 respectively. It is noted that the

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upcoming Centennial Neighbourhoods Secondary Plan which incorporates the Eastgate Node has been planned to achieve a density of 150 pjh by 2031.

With regard to the Community Nodes, Dundas and Stoney Creek are both exceeding the density target at 103 and 109 pjh respectively. The other Community Nodes are not yet meeting their targets.

Designated Greenfield Area – Comparison to Growth Plan Targets

The Growth Plan includes targets for the density of development in Designated Greenfield Areas (DGA). DGAs are the areas within the urban area, but outside of the built boundary, shown in white on Figure 1 of Appendix “A”. The 2006 Growth Plan required municipalities to plan to achieve a density of 50 pjh across the entire DGA. In the revised Growth Plan, this target has been increased to 80 pjh for any newly designated DGA, and a minimum of 60 pjh (following completion of the MCR) for the City’s existing DGAs already identified in the UHOP.

Under the 2006 Growth Plan, all DGA lands were required to be included in the density calculation, with the exception of natural heritage features being the only density “take-out”. As of end of year 2016, the City’s planned density across the DGA was 43 pjh, under the 2006 Growth Plan calculation.

In the revised 2017 Growth Plan, additional density ‘take-outs’ were identified, including all Employment Areas and rights-of-way. With the additional take-outs factored in, the City’s DGA planned density for end of year 2016 is 56 pjh.

It is apparent based on the above that new greenfield areas (eg. Elfrida) will need to be planned at much greater density to achieve the required 80 pjh.

Housing Supply

The Provincial Policy Statement requires municipalities to provide, at minimum, a 3 year supply of residentially serviced lands. The City’s supply can be measured by tracking the number of residential units that are being created through development applications. In general, all units that are within Registered Plans of Subdivision (i.e. final approved), are deemed to be serviceable within a 3 year window. Further, units with Draft-approved Plans of Subdivision (i.e. approved with conditions), are also deemed to be serviceable within 3 years. In total, the City has 14,203 units available in Registered and Draft Approved Plans (including the Designated Greenfield Area and the Built-up Area), as of end of year 2016. This equates to a supply of approximately 5.7 years based on forecasted growth of 2,500 units per year.

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The 2017 Staging of Development Update identified 3,064 units which are anticipated to receive approval in 2017. If these additional units are included in the calculation, the serviced land supply is extended to 6.9 years (based on forecasted growth of 2,500 units per year).

Rural Area

Hamilton's Rural area has been stable in the last 10 years in terms of population change. Overall, the rural population decreased by approximately 2000 persons between 2006 to 2016. This overall stability is consistent with both provincial and local planning policies which discourage new residential growth within the rural area. New residential growth is restricted to the nineteen Rural Settlement Areas (RSAs), but due to servicing constraints, and lack of available land, growth in the RSAs has been minimal as expected.

Employment

The Growth Plan provides job forecasts for municipalities to the year 2041. In comparing Hamilton's actual versus forecasted job growth, it is apparent that, to date, the City's employment growth is not increasing at the forecasted rate. The provincial job forecast for Hamilton for 2016, based on the Hemson Consulting 2012 Technical Report, is approximately 252,000 jobs. Hamilton's estimated 2016 employment based on the City's employment survey is 212,000. The 2016 census release for jobs has not yet been released (expected in November, 2017). It is anticipated that the census figure will fall below the employment survey figure. The employment survey number may be greater than the census figure because the employment survey may double count employees that work at multiple locations. However, the census count may be low due to persons not being counted, or persons holding more than one job but only reporting one place of work. The job number could be estimated to be between the two figures.

Employment is broken down into three sub-categories: Major Office, Employment Lands, and Population-Related. "Employment Land" jobs are those jobs located within the City's Employment Areas (Business Parks and Industrial Land). This sub-category warrants further consideration as the City is currently not meeting its targets in terms of Employment Land jobs. The Hemson forecast for Hamilton's Employment Land jobs for 2016 is approximately 119,650 jobs. As of end of year 2016, the City's Employment Land jobs is approximately 58,000. As part of the MCR, the City will be developing an Employment Strategy as required by the Growth Plan. A component of this Strategy will examine opportunities to intensify existing and future Employment Lands.

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Employment Lands – Vacant Lands and Supply

Future employment growth will depend, in part, on the availability of lands to accommodate new employment opportunities. A review of the City's vacant land supply identifies vacant and developable lands in the City's business parks. The total supply of vacant employment lands as of end of year 2015 is approximately 800 ha. However, a further distinction is made regarding 'shovel ready' employment lands. 'Shovel ready' lands are those lands within the City's employment areas which are appropriately zoned and serviced, and are essentially development ready. Of the 800 ha of vacant land, approximately 246 ha are 'shovel ready'.

The provincial forecasts identify Hamilton's employment forecast to increase to 306,000 in 2031 and 352,000 in 2041. The availability of developable employment lands will be critical in Hamilton's ability to meet these targets.

Next Steps GRIDS 2 / MCR

The above information provides an overview of growth and development within the City since the adoption of GRIDS in 2006. Comparisons between this growth and the targets established in the City's Official Plans provide insight into how growth has been occurring, and if it has been consistent with the patterns forecast in planning policy. This baseline information lays a foundation going forward as part of the planning process of the MCR and GRIDS 2. Staff are reviewing the City's residential intensification supply, employment land supply, forecasted development in the nodes and corridors and transit station areas, and implications on patterns of growth resulting from the recent Provincial Plan changes. GRIDS 2 and the MCR will plan to the horizon year of 2041. Updates to the City's Official Plans will follow from the completion of GRIDS 2 and the MCR.

Appendices and Schedules Attached:

Appendix "A" – Hamilton, 2006 – 2016: How have we grown?

HT:jp