



Hamilton

INFORMATION REPORT

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	June 4, 2019
SUBJECT/REPORT NO:	A Place to Grow: Growth Plan, 2019 (PED19033(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	

Council Direction:

N/A

Information:

A Place to Grow: The Growth Plan for the Greater Golden Horseshoe, was released on May 2, 2019, and came into effect on May 16, 2019. A Place to Grow (“Growth Plan, 2019”) replaces the Growth Plan, 2017.

This report will provide an overview of the policy changes introduced in the Growth Plan, 2019 and high level implications of these changes on the City. A full understanding of the implications will not be known until certain studies are completed as part of the Municipal Comprehensive Review (MCR). The report will also provide an overview of how the City’s comments on the previous draft Amendment No. 1 to the 2017 Growth Plan were, or were not, incorporated into the Growth Plan, 2019.

A Place to Grow: The Growth Plan for the Greater Golden Horseshoe, 2019

The Growth Plan, 2019 sets the direction for accommodating growth and development in the City and surrounding municipalities. The Plan requires municipalities to grow in ways that are more efficient by reducing outward growth and by building new developments in ways that use existing infrastructure to the fullest potential. The

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Growth Plan encourages the creation of complete communities with a mix of uses and range of housing types.

The Growth Plan sets out targets related to intensification and density which the City must plan to achieve. The Plan also identifies the criteria which must be followed when evaluating certain key planning changes such as settlement area boundary expansions and employment land conversions. Through the Municipal Comprehensive Review (MCR) process, the City is required to update its Official Plans to conform to the requirements of the Growth Plan by the year 2022.

History

The Growth Plan, 2019 replaces the Growth Plan, 2017 which had been released in May, 2017 after a lengthy consultation period as part of the Co-ordinated Provincial Plan Review.

In January, 2019, the Province released a draft amendment to the Growth Plan, 2017 (Amendment No. 1) for comment. The City provided comments to the Province on Amendment No. 1 in advance of the commenting deadline. Many of the changes which were proposed through Amendment No. 1 have been carried forward into the new Growth Plan, 2019, with some modifications.

Key Changes and Implications

This section will provide an overview of some of the key changes introduced through the Growth Plan, 2019, as well as the implications of these changes on the City of Hamilton.

As noted, many of the changes were previously proposed through Amendment No. 1. Staff report PED19033 provided comments and recommendations on the proposed Amendment No. 1 changes. This section, in addition to the tables attached as Appendices “A” to “I” to Report PED19033(a), will also provide an overview of how the City’s previous comments were or were not addressed in the Growth Plan, 2019, in relation to each of these changes.

Overall, the City’s concerns regarding the shift to an incremental planning approach, which were raised in response to Amendment No. 1, remain valid with regards to the Growth Plan, 2019. As will be noted below, policy changes introduced through the Growth Plan, 2019 allow for certain actions to occur in advance of the completion of the City’s MCR, including settlement area boundary expansion and some employment land conversion. Through the report on Amendment No. 1, staff had raised the concern that these changes represent a shift to an incremental planning approach which was more common prior to the enactment of the first Growth Plan in 2006. At that time, urban boundary expansions and employment land conversions could occur without the level of

rigor required in today’s policy regime. Staff are concerned that this planning approach could undermine the City’s urban structure and create uncertainty in the local market, be it housing or employment. Further, staff note this flexibility to allow for boundary expansions and employment land conversions to occur in advance of the MCR could have the overall effect of slowing down the MCR process, as staff will be required to respond to the individual requests rather than continuing with the comprehensive planning work.

Key changes are discussed in the following sections:

1. Residential Intensification Target

The residential intensification target is a measure of the number of residential units constructed annually within the delineated built-up area (the developed urban area). A map showing the current built-up area, as defined by the Province, is attached as Appendix “J” to Report PED19033(a). This target is measured as a percentage of the total units constructed each year. In the first Places to Grow Plan released in 2006, this target was 40%, meaning that 40% of residential units had to be constructed within the built-up area each year. This target is currently incorporated into the City’s Urban Hamilton Official Plan (UHOP). There has been significant variation in this target since the first Growth Plan was adopted in 2006. The chart below summarizes the change to this target in the 2006 and 2017 Growth Plans, draft Amendment No. 1, the City’s comments on Amendment No. 1, and the new Growth Plan, 2019:

Time Period	2006 Growth Plan	2017 Growth Plan	Draft Amendment No. 1	Council Request - Amendment No 1 Comments	2019 Growth Plan
2021 - 2031	40%	50%	60%	50%	50%
2031 - 2041	N/A	60%	60%	60%	50%

As noted, the 2017 Growth Plan had introduced a gradual increase to the target from 50% to 60% over the planning period. Draft Amendment No. 1 had increased this target to 60% for the entirety of the planning period. In the 2019 Growth Plan, the target has been reduced to 50% for the entirety of the period.

The overall change from the 2017 Growth Plan to the 2019 Growth Plan is a decrease in the intensification target for the latter half of the planning period (2031 to 2041) from 60% down to 50%. In terms of actual numbers, this change would result in a requirement for approximately 3,800 fewer units to be constructed within the built-up area between 2031 and 2041. It is important to note that this target is a minimum target, meaning that the City must plan to achieve, at a minimum, the required intensification rate.

In comparison to the target, the City's actual rates of residential intensification over the past five years are as follows:

2013 – 32%
2014 – 36%
2015 – 42%
2016 – 28%
2017 – 26%

As evidenced from the historical rates of intensification, achieving the higher target will be challenging. While the built-up area covers a large portion of the City, and therefore the theoretical supply of intensification opportunities is significant, it is evidenced from past performance that supply does not necessarily translate into realized intensification units. Multiple factors have an impact on the amount of intensification the City will experience, including market demand, consumer choice, economic upturns or downturns, policy interventions, incentive programs and others. To this end, as part of the GRIDS 2 / MCR project, the City has retained a consultant to complete an Intensification Market Demand Analysis, to assist staff and Council with understanding the outlook for intensification market demand over the next 20 to 25 years.

The implications of the lowering of the intensification target could have an impact on the City's Land Needs Assessment (LNA) which is being completed as part of the Municipal Comprehensive Review (MCR). The LNA will identify how much of the City's projected growth will be accommodated within the built-up area through intensification, how much will be accommodated within the City's existing greenfield areas (see below), and how much may need to be accommodated through a future urban boundary expansion. As noted above, the lower intensification target results in a requirement to plan for approximately 3,800 fewer units to be accommodated in the built-up area. As a result, these units would need to be accommodated in greenfield areas or urban expansion area, and therefore could impact on the City's overall future land need. However, as noted, the target is a minimum requirement, and through the MCR, the City will determine the appropriate intensification target to plan for and incorporate into the LNA that is right for the City of Hamilton. The Intensification Market Demand Analysis will assist with determining the appropriate target.

Response from Amendment No 1:

As noted in the chart above, the intensification target has changed from the 2017 Growth Plan to the proposed Amendment No 1 and now to the 2019 Growth Plan. As part of the City's comments on Amendment No 1 (see Appendix "C" to Report PED19033(a)), staff had noted that the increase to 60% intensification over the entire planning period would be challenging for the City to achieve based on current rates of intensification, and that maintaining the gradual intensification increase required by the 2017 Growth Plan was preferred. With the Growth Plan, 2019, the Province has

decreased the intensification rate further from the 2017 targets, which was not requested by the City.

2. Designated Greenfield Area Density Target

The Designated Greenfield Area (DGA) is the land within the City’s urban boundary that is not within the delineated built-up area. Generally these areas are undeveloped lands which are identified to accommodate a significant portion of future growth. The DGA can be broken down into lands that are already within the City’s urban area (“Existing DGA”) versus lands that may be added to the urban area through a future urban boundary expansion (“New DGA”). The 2017 Growth Plan introduced separate minimum density targets, measured in persons and jobs per hectare (pjh), for the City’s Existing vs New DGA, which has since been removed in the 2019 Growth Plan. The changes are summarized below:

DGA Location	2006 Growth Plan*	2017 Growth Plan	Draft Amendment No. 1	Council Request - Amendment No 1 Comments	2019 Growth Plan
Existing and New DGA, <u>includes</u> employment land	50 pjh	N/A	N/A	N/A	N/A
Existing DGA, <u>excludes</u> employment land	N/A	60 pjh	60 pjh	60 pjh	50 pjh
New DGA, <u>excludes</u> employment land	N/A	80 pjh		80 pjh	

* Note: 2006 Growth Plan measured this target against the entirety of the DGA, including employment lands. In 2017 and 2019 Growth Plans, employment lands are not included (see below).

As noted above, draft Amendment No. 1 had proposed a lower DGA target for New DGA to 60 pjh from the 80 pjh which had been in the 2017 Growth Plan. The 2019 Growth Plan has lowered the minimum density target further for both the Existing and New DGA, and applies one target of 50 pjh to the entirety of the DGA (excluding netted-out features noted below). The DGA density target, like the intensification target, is a minimum target that the City must plan to achieve.

Currently, the City’s UHOP plans for a density target of 50 pjh across the entirety of the DGA. While the 2019 Growth Plan has returned the DGA density target to 50 pjh (consistent with the 2006 Growth Plan), the lands across which this target is measured have changed. The 2006 Growth Plan applied the DGA density target to all DGA lands, including lands designated employment, and only excluded or netted-out natural heritage features from the calculation. The 2017 Growth Plan revised this measure by removing employment lands, cemeteries and rights-of-way, in addition to natural heritage features, from the DGA density target calculation, and this has been

maintained in the 2019 Growth Plan. Employment lands are traditionally developed at lower densities than non-employment DGA lands.

As with the changes to the intensification target, the implications of the change to the DGA density target could have an impact on the City's LNA and overall future land need. Planning for DGA areas (both Existing designated lands and any potential New designated non-employment lands added to the urban boundary) at a density of 50 pjh rather than the higher targets required under the 2017 Growth Plan would result in lower density development which translates into fewer persons per hectare, and therefore a greater overall land area required to accommodate growth.

The City's Existing DGA (excluding employment lands and other net-outs) is currently planned at 56 pjh, and the City's recently approved Fruitland-Winona Secondary Plan was planned at a density of 70 pjh. As noted, the DGA density target is a minimum requirement, and through the MCR, the City will determine the appropriate density target that is right for the City of Hamilton to plan for and incorporate into the LNA and, ultimately, the UHOP.

The Growth Plan represents the minimum intensification rate and greenfield density target that are to be used. Consideration of a target above the minimum would need to be defensible and justified based on good planning principles to ensure that all of the other objectives and policies of the Growth Plan are achieved. This will be reviewed and assessed as part of the GRIDS / MCR process and will be part of the community engagement framework.

Response from Amendment No 1:

As part of the City's response to Amendment No.1, which had proposed to lower the density target to 60 pjh for the entirety of the DGA, Council had supported the DGA density target of 80 pjh from the 2017 Growth Plan and requested that the higher target be maintained in the Plan. With the 2019 Growth Plan, the Province has decreased this target further, to 50 pjh for the entire DGA.

3. Settlement Area Boundary Expansion

The changes to the settlement area boundary expansion policies were previously introduced through Amendment No. 1, and have been carried forward to the Growth Plan, 2019.

The key changes allow for urban boundary expansion / adjustment to occur in advance of the completion of the Municipal Comprehensive Review (MCR), approximately 2022, on the following basis:

- Urban boundary expansion, to a maximum of 40 ha, subject to criteria; and,

- Urban boundary adjustment provided there is no net increase of land within the settlement area.

Both the 2006 and the 2017 Growth Plans had only permitted an urban boundary expansion to occur as part of the MCR. The rationale for this restriction was to ensure that any expansion of the urban boundary was fully considered in a comprehensive process which holistically evaluated the City's land need to the planning horizon and made informed recommendation on preferred growth areas. The City is currently undertaking its MCR which will identify how and where the City's projected population and employment growth will be accommodated to the year 2041. The MCR, through the LNA completed in accordance with the provincial methodology, will determine if any additional lands are needed to accommodate growth. Should additional land be required, a full and public evaluation will be undertaken to determine the preferred growth option.

Staff have several concerns with the potential implications of this policy change to permit urban boundary expansions in advance of the MCR, which were highlighted in the staff report on Amendment No. 1 (PED19033):

- Allowing interim expansion(s) in advance of the MCR could undermine the process and result in pressures on staff and council to extend the boundary in advance of the proper justification or review. Further, this could have the overall effect of slowing down the MCR process, as staff will be required to respond to the individual requests rather than continuing with the comprehensive planning work.
- One of the goals of the Growth Plan is to plan for the achievement of complete communities, which feature a range of housing types and land uses, and promote walkability and active transportation. Staff are concerned that an incremental planning approach which permits multiple urban boundary expansions of a size up to 40 ha will not achieve this goal, and rather, could result in new growth areas comprised primarily of a single housing type based on short term market preferences.
- Regardless of the size of the expansion area, there are still planning and servicing requirements that must be completed, including block servicing strategies, secondary plans and public consultation. Based on existing staffing levels and operating budgets, the City does not have the resources to undertake this detailed planning for smaller expansion areas simultaneously. The approval of the Fruitland Winona Secondary Plan and subsequent block servicing strategies illustrates the time required to bring new lands into the urban boundary and prepare them for development. In addition,
- Costs of providing infrastructure, transit and public service facilities to multiple smaller expansion areas would be greater and would not be an effective use of City financial resources.

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However, in considering the changes to the settlement area boundary expansion policies, it is important to note that the *Planning Act* restricts appeals of municipal decisions to refuse an application for a settlement area boundary expansion. Therefore, if a private party makes an application for an Official Plan Amendment to alter any part of the urban boundary, and Council denies that application, the decision of Council is final and it cannot be appealed to the Local Planning Appeal Tribunal (LPAT). Under the proposed changes to the *Planning Act* in Bill 108, to avoid a non decision appeal, a decision on an Official Plan Amendment to alter the urban boundary is requested to be made by Council in 120 days from receipt of an application.

Response from Amendment No 1:

In the City's comments on Amendment No. 1, the City did not support the inclusion of the new policies allowing urban boundary expansion and adjustment in advance of the MCR, and requested that these policies be deleted. Further, the City provided recommendations to improve the clarity of the urban boundary expansion policy if the policies were not deleted, including a need to clarify how many expansions could occur and in advance of which MCR, and to permit an expansion only if municipally initiated. None of these recommendations were incorporated into the Growth Plan, 2019, and the policies, as written would permit the boundary expansion to be privately-initiated, and would allow for multiple expansions, each to a maximum area of 40 ha, prior to the MCR.

4. Employment Land Conversion and Provincially Significant Employment Zones

Significant changes have been made regarding employment area policies, previously introduced through Amendment No. 1, and carried forward into the Growth Plan, 2019 with some modifications.

4.1 Provincially Significant Employment Zones (PSEZs)

The concept of Provincially Significant Employment Zones (PSEZs) has been added to the Growth Plan, 2019. PSEZs are areas defined by the Province for the purpose of long term planning for job creation and economic development. Lands within PSEZs are protected from conversion to a non-employment designation in advance of the MCR. Within Hamilton, three areas have been identified as PSEZs:

- Red Hill North and South Business Parks;
- Hamilton Airport Employment Growth District; and,
- Hamilton Bayfront and employment lands along the QEW.

The draft mapping released as part of Amendment No. 1 had identified these three areas as PSEZs, but the mapping of the areas did not match the City's Official Plan mapping. This discrepancy has generally been corrected with the release of revised

mapping with the Growth Plan, 2019. The City's remaining business parks have not been identified as PSEZs, but the Province has indicated that they will be reviewing requests for additional PSEZs as part of a second phase of PSEZ planning, and may request additional information from the municipality as part of that review. Staff will forward comments to the Province re-iterating the request for the additional PSEZs.

4.2 Employment Land Conversion

A key policy change allows for the conversion of some employment lands to non-employment designations outside of the MCR process, whereas the 2006 and 2017 Growth Plans had only permitted employment land conversion to occur as part of the MCR. The new policy allows for conversion of employment lands to occur in advance of the completion of the MCR (approximately 2022) provided that the lands to be converted meet certain criteria, maintain a significant number of jobs (established through development criteria), and are not located within a PSEZ. The policy permits the employment land conversion in advance of the MCR to be privately-initiated.

As noted in the staff report on Amendment No. 1, the implications of permitting employment land conversions in advance of the MCR is that the City would not have sufficient information to fully evaluate the conversion request prior to the completion of the City's fulsome employment land review and land needs assessment. These studies would assist in determining the City's future employment land need and whether or not the lands in question are required to address that need. This comprehensive approach to employment land review is a key component of the MCR process.

However, as noted above in regard to settlement area boundary expansions, the *Planning Act* also provides protection to municipalities regarding employment land conversion, in that a Council decision to refuse an Official Plan Amendment to remove land from an employment area cannot be appealed to the LPAT.

Response from Amendment No. 1:

Through the comments submitted on Amendment No. 1, the City had recommended deletion of the policy permitting employment land conversions in advance of the MCR, for the reasons noted above. As an alternative, the City had suggested revised wording of the new policy which would require, at a minimum, that the City had completed the Employment Land Conversion Review and Land Needs Assessment, with a Council resolution endorsing the studies, prior to a request for employment land conversion being considered. Neither of these recommendations was carried forward into the Growth Plan, 2019.

The City had also recommended that clarity be provided as to what constitutes a 'significant number of jobs' (one of the criteria for reviewing conversion requests). The

policy was amended to state that this determination would be established through development criteria, but there is no detail on how that criteria is to be established. With regard to the PSEZs, the City's recommendations were implemented in part. The boundaries of the three recognized PSEZs noted above were revised to be consistent with the UHOP mapping, with the exception of the most easterly portion of the Stoney Creek Business Park (east of Fifty Road) which has not been included.

The City had also requested that the City's remaining business parks (Ancaster, West Hamilton Innovation District, and Flamborough) also be added as PSEZs. This recommendation was made through Report PED19033, which was endorsed by Council on February 27, 2019, and forwarded to the Province. The Province has indicated in follow-up correspondence that they did not make any additions of new PSEZs as part of the first phase of PSEZ planning. As part of a future second phase, the Province will review the requests for additional PSEZs and may contact the municipality for further information or assistance in this regard. As noted, staff will forward comments to the Province re-iterating the request for the additional PSEZs. A third future phase of the PSEZ planning will consider the long term use of the PSEZs, including opportunities to maximum economic opportunities in the Zones.

5. Climate Change

The Growth Plan, 2019 has carried forward changes in language and policy direction regarding climate change that were first proposed as part of Amendment No. 1. The changes include removing references to:

- previous greenhouse gas emission reduction targets which had been a part of the Ontario Climate Change Strategy. Instead, the Growth Plan, 2019 references a target of a 30% reduction in greenhouse gas emissions below 2005 levels by 2030.
- the long term goal of net-zero, low carbon communities, replaced with a goal of environmentally sustainable communities.
- the former Ontario Climate Change Strategy, 2015 and the Climate Change Action Plan, 2016.

With the exception of the above, the policies regarding climate change introduced in the 2017 Growth Plan remain in the 2019 Growth Plan. The policies require municipalities to develop policies in their official plans to identify actions that will reduce greenhouse gas emissions and address climate change adaptation goals, and develop strategies and targets for greenhouse gas emission reductions. The Municipal Comprehensive Review, including the Official Plan Review and Update, will identify opportunities for including climate change mitigation and adaptation policies in the UHOP and RHOP.

Response from Amendment No. 1:

The City's comments on Amendment No. 1 included a recommendation that climate change is an important issue and that previously identified targets should be incorporated in the Growth Plan. This recommendation was not carried forward into the 2019 Growth Plan.

6. Municipal Comprehensive Review Process Changes

As had been noted in the staff report on Amendment No. 1, certain policy changes which have been carried forward into the Growth Plan, 2019 will have the impact of creating a simpler and more flexible process for municipalities to follow in completing the MCR. These changes include:

- Removing the requirement to complete an Employment Strategy. Background work on employment trends and forecasting will still be completed as part of the required Land Needs Assessment.
- Removing the requirement to complete a Housing Strategy. Planning for a diversity and range of housing options will still be completed as part of the Intensification Update and the City's update to the Housing and Homelessness Action Plan.
- Adding flexibility in applying for alternative targets (eg. intensification and density targets) and reduced number of criteria that must be met to justify an alternative target.
- Adding recognition of the role that non-residential major trip generators (eg. universities, recreation uses) contribute in supporting the viability and density along a transit line.
- Adding flexibility in the requirement to complete watershed planning as part of the review of future expansion areas while maintaining the requirement to protect the water resource system.
- Adding clarification that rural settlement areas do not form part of the Designated Greenfield Area.

Next Steps

With the release of the new Growth Plan, 2019, staff will update the work plan for GRIDS2 / MCR, including future opportunities for public consultation as the project moves forward, and report back to Council on the revised work plan. Staff will also prepare a future report to further address the issues that have been discussed in this report, which may include a discussion of appropriate intensification and density targets, and a process for responding to potential interim boundary expansion and employment conversion requests.

APPENDICES AND SCHEDULES ATTACHED

- Appendix A – Employment Area policy changes
- Appendix B – Settlement Area Boundary Expansion policy changes
- Appendix C – Built-up Area policy changes
- Appendix D – Designated Greenfield Area policy changes
- Appendix E – Transit Corridors and Station Area policy changes
- Appendix F – Housing policy changes
- Appendix G – Rural Area policy changes
- Appendix H – Infrastructure, Protecting What is Valuable and Implementation policy changes
- Appendix I – Definitions changes
- Appendix J – Map of Built-up Area