



Hamilton

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July 29, 2020

Sandra Bickford
Ontario Growth Secretariat
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Toronto, ON M7A 2J8

Dear Madam,

Re: Comments from the City of Hamilton – Proposed Amendment 1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe – ERO Posting #019-1680

Thank you for the opportunity to provide comments on “Proposed Amendment 1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe – ERO Posting #019-1680”. City of Hamilton staff have reviewed the documents and have prepared the comments below.

Please note that the following documents were considered in the preparation of the comments below:

- Proposed Amendment 1 to A Place To Grow: Growth Plan for the Greater Golden Horseshoe;
- Hemson Technical Report, Greater Golden Horseshoe: Growth Forecasts to 2051.

City of Hamilton staff have reviewed the documents and provide comments on the following specific areas which are of concern to the City of Hamilton:

1. Revised Schedule 3 forecasts and extended planning horizon;
2. Opportunity to plan for a higher forecast;
3. Mock A vs Mock B scenario;
4. Hemson housing by type forecast; and,
5. Transition.

Each of the above areas of concern are elaborated on below.

1. Revised Schedule 3 forecasts and extended planning horizon: the proposed amendment introduces revised population and employment forecasts for all GGH municipalities in Schedule 3 to the year 2051. The proposed Amendment includes 3 possible forecast scenarios: Reference (identified as the most probable future growth outlook); Low; and High. The three scenarios are provided for consultation

purposes only. The final Schedule 3 in Amendment 1, once released, will only include one forecast to 2051, based on feedback received.

In Hamilton, the difference between the three 2051 forecast scenarios is noted below, compared to the existing Schedule 3 forecasts:

Table 1 Population and Employment Forecasts

| Year | Population | Employment |
|---------------------------|------------|------------|
| 2031 (Existing) | 680,000 | 310,000 |
| 2041 (Existing) | 780,000 | 350,000 |
| | | |
| 2051 (Reference Scenario) | 820,000 | 360,000 |
| 2051 (Low Scenario) | 790,000 | 340,000 |
| 2051 (High Scenario) | 850,000 | 370,000 |

Staff note that options to accommodate the additional growth include intensification within the City’s existing built-up area, increasing the density of future development on the City’s existing greenfield lands, and / or through urban boundary expansion into the City’s ‘whitebelt’ lands (i.e. rural lands outside of the Greenbelt Plan area).

The City of Hamilton supports the principles and objectives of the Greenbelt Plan, which provides “a broad band of permanently protected land” for agricultural and related uses. Within Hamilton, opportunities to expand the settlement (urban) area boundary in areas outside of the Greenbelt Plan are limited:

- Approximately 83,700 ha of Hamilton’s rural area is within the Greenbelt Plan Protected Countryside, which equates to 94% of the rural land area. Expansion into the Greenbelt Plan area is not permitted (with the minimal exception of a 10 ha expansion to the Towns / Villages).
- Approximately 4,300 ha of Hamilton’s rural area lands are outside of the Greenbelt Plan area and frequently referred to as ‘whitebelt’ lands. Settlement area expansion may be considered into this whitebelt area.
 - Of the 4,300 ha of land, 2,100 ha are constrained by airport Noise Exposure Forecast contours and can therefore only be considered for expansion for Employment purposes.
 - Of the remaining 2,200 ha of the whitebelt lands that may be considered for a potential Community Area expansion, between 300 – 600 ha are constrained by natural heritage features and in accordance with A Place to Grow are netted out of the available land calculation.

A summary of Hamilton’s available whitebelt net land supply opportunities (net land area defined in accordance with the Growth Plan exclusions removing natural heritage features) is presented below in Table 2.

Table 2 Land Supply Opportunities

| Gross whitebelt area (ha) | “Employment – only” whitebelt (constrained by NEF contours) (ha) | “Residential whitebelt” – Gross (ha) | “Residential whitebelt” – Net (ha) | |
|---------------------------|--|--------------------------------------|------------------------------------|---|
| | | | Growth Plan net-outs | Growth Plan net-outs, including stream net outs |
| 4,320 | 2,120 | 2,200 | 1,940 | 1,600 |

The alternative to accommodating the increased growth through urban expansion is to increase the minimum intensification and density targets assumed for future growth. Staff note that the City has limited greenfield supply, and still an emerging intensification market and it is unclear if the intensification market can absorb the significant additional growth. Between 2010 and 2019, the City’s average intensification rate has been 35%, or approximately 2,350 intensification units per year. The City is reviewing intensification supply and demand through the ongoing MCR.

The extended planning horizon to 2051 means that the many unknowns about future growth and development, including those noted above regarding future intensification market potential, become more pronounced as the planning period progresses. For some aspects of long range planning, such as non-linear capital intensive assets including wastewater treatment plants, hospitals and community recreational facilities (eg arenas, stadiums), there is an advantage to the thirty year time horizon for the purpose of preparing and implementing capital upgrades and financing strategies. These assets will be required regardless of where growth occurs and are less likely to be impacted by unforeseen social and economic changes. There is less risk to planning for the extended forecast horizon for these assets.

However, planning for other aspects of future growth in the extended horizon poses greater risk to the municipality. A thirty year time horizon is significant and it is difficult at present to anticipate future social, economic and market changes. Questions surrounding intensification potential, market preferences, built form considerations and other unknown variables make considerations of long range urban boundary expansions difficult to predict and a risk to the municipality. Planning for growth and particularly urban expansion that does not occur can create financial challenges to the municipality if the City’s actual population or job growth does not keep pace with the forecasted growth. The City will not collect enough in Development Charges to pay for infrastructure investment, leading to debt financing future growth with related financial implications.

Staff therefore suggest that municipalities should be provided flexibility in how the 2051 forecasts are accounted in their land needs assessment (LNA) and MCR

work. Specifically, municipalities should not be required to expand the urban boundary as part of the present MCR to accommodate the 2051 growth forecasts due to the potential financial risks noted above arising from unrealized growth. Instead, municipalities should be given the flexibility to indicate a general growth strategy for the period from 2041 to 2051, without expanding the boundary. This will avoid issues with over-designating land for future development and will allow the City to monitor trends and targets prior to adding additional lands to the urban area in future.

Recommendation: The final Schedule 3 forecast shall reflect either the Low or Reference Scenario.

Recommendation: Provide flexibility to municipalities in how the 2051 forecasts are accounted in Land Needs Assessment and conformity work by revising Policy 5.2.4.2 as follows (additional wording in italics):

“5.2.4.2 All upper and single tier municipalities will, through a municipal comprehensive review, apply the forecasts in Schedule 3 for planning and managing growth to the horizon of this Plan. *For the period from 2041 to 2051, municipalities are not required to designate lands to accommodate the forecasted growth, but must identify a strategy for how the growth will be accommodated.*”

2. Opportunity to plan for a higher forecast: in addition to the updated forecasts, a related policy is proposed that would allow municipalities to plan for higher forecasts than the Schedule 3 forecasts.

This policy shift is a significant change from previous versions of the Growth Plan which required municipalities to plan for the Schedule 3 forecasts, with no opportunities to plan for an alternative forecast. The revisions proposed through Amendment 1 would allow municipalities to plan for the Schedule 3 forecast “or such higher forecasts as established by the applicable upper- or single-tier municipality through its municipal comprehensive review”. There is no opportunity to plan for a forecast that is lower than the Schedule 3 numbers.

While this change could be seen to add flexibility and a local planning context to long term growth planning, it could also add an element of uncertainty and debate to the City’s growth management planning. It is not clear how or why an increase in population and employment forecasts beyond Schedule 3 could be justified or how the Province would consider and approve any alternative forecasts. This change could have the effect of subverting the original purpose of the Growth Plan to allocate growth based on regional planning. This issue is relevant for Hamilton given its role as a regional service centre in the southwest Greater Golden Horseshoe.

There is a significant concern the City’s MCR could be delayed by debates, including appeals to the LPAT, over the appropriate forecast to plan toward and

also what appears to be a much more flexible and less prescriptive approach to the land needs assessment. Given the required conformity date of July, 2022, municipalities cannot afford to lose time to debates on these issues. Further, delays in the completion of the MCR will cause corresponding delays to the completion of the City's Infrastructure Master Plan updates and Development Charges By-law update, which could ultimately lead to financial impacts for the City.

Recommendation:

Preferred Option: The City does not support the proposed revisions to policies 2.2.1, 5.2.4.1 and 5.2.4.2. These policies should not be revised and should instead maintain the existing policy wording of the Growth Plan 2019 which requires municipalities to plan for the forecasts in Schedule 3, with no opportunity for municipalities to consider higher forecasts.

Second Option: If the Province maintains the proposed revision to policies 2.2.1, 5.2.4.1 and 5.2.4.2, the policies should be revised to state that an alternative forecast will only be considered where the Council has requested an alternative Schedule 3 forecast and provided appropriate justification to support the alternative forecast. The alternative Schedule 3 forecast would require approval from the Minister. If the Minister does not approve the alternative forecast then the Schedule 3 forecast will apply (similar to the policy direction surrounding alternative intensification or density targets).

3. Mock A vs Mock B Schedule 3 – removal of interim year forecasts: the proposed Amendment 1 released for comment includes two variations of Schedule 3 for each scenario – a Mock A and a Mock B format. The Mock A format includes population and employment forecasts for the interim years of 2031 and 2041. The Mock B format only includes the 2051 forecasts. Staff note that municipalities are required to plan for and manage growth to the horizon of the plan in accordance with the 2051 forecasts but are not required to meet the forecasts for the interim years.

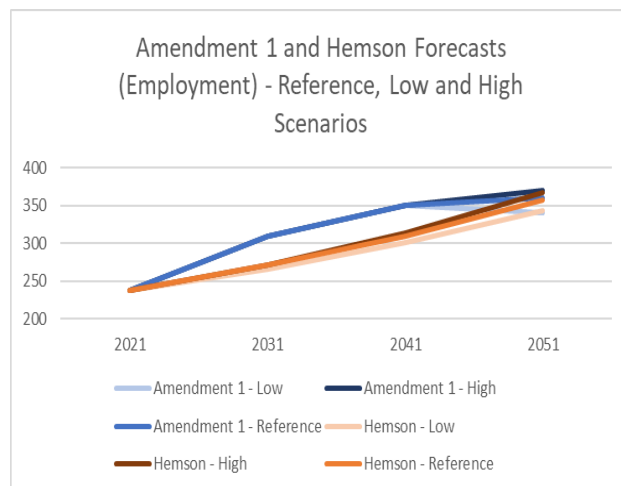
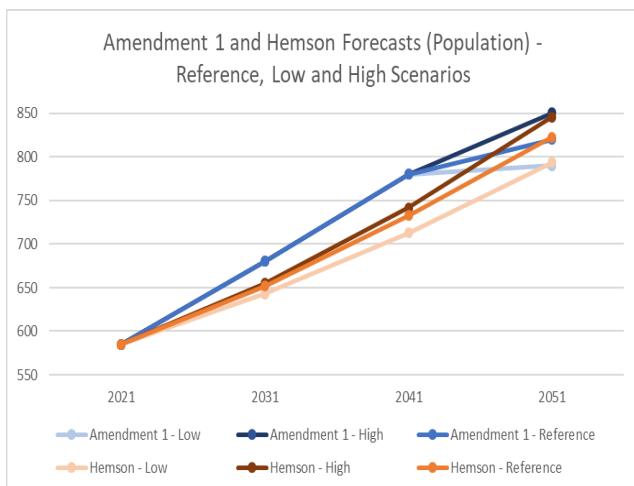
Staff further note that the population and employment forecasts for 2031 and 2041 in the Mock A version of Schedule 3 have been carried forward from the Growth Plan 2019 and have not been updated. The rationale for maintaining the previous forecasts is explained in the preface to Amendment 1 which states that the Minister is proposing to maintain the existing forecasts to 2041 to ensure continuity of the work that municipalities have undertaken to bring their official plans into conformity with the existing forecasts.

On the contrary, staff note the Hemson Technical Report 'Appendix B: Detailed Forecast Results' for the City of Hamilton identifies lower population and employment forecasts for the 2031 and 2041 periods than what is reflected on Schedule 3 for all of the Mock A scenarios. The Hemson Report reflects updated analysis of the anticipated growth in the City to 2031 and 2041. The difference in the 2031 and 2041 forecast years is summarized in Table 3 below. The 2051 forecasts align for all scenarios between the two documents.

Table 3 Population and Employment Forecasts

| Year | Schedule 3 (all scenarios) | Hemson Reference | Hemson High | Hemson Low |
|-------------------|----------------------------|------------------|-------------|------------|
| Population | | | | |
| 2031 | 680,000 | 652,000 | 655,000 | 643,000 |
| 2041 | 780,000 | 733,000 | 742,000 | 713,000 |
| Employment | | | | |
| 2031 | 310,000 | 271,000 | 272,000 | 266,000 |
| 2041 | 350,000 | 310,000 | 314,000 | 301,000 |

The impact of this difference is reflected in the graphs below. The Hemson forecast results in a more gradual and consistent rate of growth between 2031 and 2041, for both population and employment growth. The curve is much flatter. In the Schedule 3 scenarios, the growth increase between 2031 and 2041 is very steep and sharply increases during this period, before slowing toward 2051.



Staff are concerned the Schedule 3 forecasts (all scenarios), which reflect the previous Growth Plan 2019 Schedule 3 forecasts, are artificially inflating the rate of growth between 2031 and 2041 to maintain consistency with the previous forecasts.

Staff have previously identified concerns with the rate of growth proposed between 2021 and 2041 in the existing Schedule 3 scenarios. Using the Hemson and Schedule 3 reference scenarios for population as an example, the difference in the rate of growth can be illustrated. The Schedule 3 reference scenario for population growth would amount to a rate of growth of almost 4,550 units per year on average, compared to an average 2,350 units per year being constructed over the past 10 years. The Hemson Reference forecast, with the graduated curve, amounts to an average 3,600 units per year between 2021 and 2041. The Hemson rate of growth is still a significant increase over current numbers, but is not as drastic as the Schedule 3 numbers.

There are potential fiscal impacts arising from planning for growth that is not realized. For example, if the City's actual population or job growth does not keep pace with the forecasted growth, the City will not collect enough in Development Charges to pay for infrastructure investment because the calculated amount per unit or per sq m collected is insufficient (unless the full planned population occurs within the planned timeframe). The insufficient collection of DCs results in the City debt financing future growth with related financial implications.

Further, with regard to the employment forecasts, staff note that the 'Low' Scenario forecast in the proposed Schedule 3 shows a decline in employment between 2041 and 2051, dropping from 350,000 jobs in 2041 to 340,000 in 2051. While staff understand that this apparent discrepancy arises because the proposed Schedule 3 forecasts are proposing to maintain the previous Schedule 3 2031 / 2041 numbers, staff do not support the inclusion of any forecast scenario which would appear to suggest that Hamilton will lose total employment in any period of time. This sends a negative message and is not reflective of Hamilton's economic resurgence and growth potential.

For these reasons, staff suggest that the Mock B version of Schedule 3 be carried forward into the final Amendment 1. Municipalities will be required to plan for the forecasted population and employment growth to 2051, but may phase the rate of growth as is deemed appropriate based on historic and local conditions.

If the Province chooses to use the Mock A version of Schedule 3 with the interim forecast years, staff suggest that the updated and more realistic 2031 and 2041 scenarios from Hemson should be incorporated into Schedule 3.

Recommendation:

Preferred Option: use the Mock B version of Schedule 3 in Amendment 1 which contains only the 2051 population and employment forecasts.

Second Option: if the Mock A version of Schedule 3 is utilized, the Hemson forecasts for 2031 and 2041 be incorporated in Schedule 3 rather than maintaining the previous Schedule 3 numbers.

4. Hemson Housing by Type forecast: Appendix B to the Hemson Technical Report includes a housing unit breakdown by type for the years 2021 – 2051 for the reference scenario. The breakdown is shown in Table 4 below. For Hamilton, 82% of the projected unit growth is identified as Ground-Related (singles, semis and townhouses), with 18% of unit growth identified as Apartments (defined by Hemson as all apartment buildings regardless of height):

Table 4 Hemson Housing by Type Breakdown

| Time Period | Ground-Related | % | Apartments | % | Total |
|-------------|----------------|----|------------|----|---------|
| 2021 – 2051 | 89,000 | 82 | 20,000 | 18 | 109,000 |

There appears to be a significant discrepancy between this forecasted unit breakdown and the City’s recent unit breakdown of new residential units (see Table 5 below) as well as the intensification and density target requirements of the Growth Plan.

Table 5 City of Hamilton New Residential Unit Breakdown (2015 - 2019)

| City of Hamilton Net New Residential Units 2015 - 2019 | | | | | | | | | | | | |
|--|-------|----|-------|----|-------|----|-------|----|-------|----|---------------|-----------|
| Dwelling Type | 2015 | % | 2016 | % | 2017 | % | 2018 | % | 2019 | % | Total | % |
| Single/Semi detached | 1,139 | 40 | 896 | 41 | 610 | 24 | 513 | 20 | 625 | 22 | 3,783 | 29 |
| Rows | 609 | 21 | 891 | 40 | 1,012 | 39 | 859 | 34 | 963 | 34 | 4,334 | 33 |
| Apartments | 1,130 | 39 | 423 | 19 | 959 | 37 | 1,182 | 46 | 1,238 | 44 | 4,932 | 38 |
| Total | 2,878 | | 2,210 | | 2,581 | | 2,554 | | 2,826 | | 13,049 | |

As seen in Table 5, apartments (defined as apartments and stacked townhouses) have accounted for almost 40% of the City’s new unit growth over the past 5 years, more than double the breakdown forecast in the Hemson report.

Further, with the Growth Plan minimum intensification target set at 50%, it is anticipated that a significant percentage of these intensification units will continue to be in the form of apartments in the future. Combined with policy direction to support the development of complete communities in greenfield areas which will include higher density housing types, it is apparent that the Hemson unit breakdown appears to misrepresent the number of future apartment units required to meet Growth Plan intensification and density targets. It would not be possible for municipalities to meet the Growth Plan targets based on the Hemson unit breakdown. This raises the question as to why this housing by type breakdown is included in the technical document.

The Hemson report acknowledges that housing mix will be determined through each municipality’s conformity work and that planned housing mix will continue to be decided by municipalities through their local planning processes. However, staff find that the inclusion of the Hemson breakdown, as shown, could lead to confusion going forward as the planned housing mix developed and adopted by municipalities will not align with the Hemson breakdown, creating debate and uncertainty.

Recommendation:

Option A: revise the Hemson Housing by Type forecast to reflect minimum Growth Plan policy requirements and therefore provide a more realistic housing unit breakdown for municipalities to reference;

Option B: remove the Hemson Housing by Type forecast from Appendix “B” to avoid confusion.

5. **Transition:** it is noted that the policies of proposed Amendment 1 will need to be used in most planning decisions immediately after the policies come into effect. Minor modifications to the existing transition regulation O. Reg 311/06 are proposed to clarify conformity requirements with Amendment 1, and to clarify that in situations where an LPAT hearing has taken place but no decision has been issued, the decision will be required to conform to the policies of the Growth Plan prior to Amendment 1. No additional transitional rules are being proposed.

The City of Hamilton has ongoing appeals related to the approvals of its Rural and Urban Hamilton Official Plans (RHOP / UHOP), planning to the horizon year of 2031, which were approved under the Growth Plan 2006. A decision was issued from a pre-hearing conference held in October, 2018 which determined that the appeals would continue to be dealt with under the policies of the Growth Plan 2006.

Staff request clarity in the revised transition regulation issued for Amendment 1 to explicitly address the transition rules for the City of Hamilton and the RHOP / UHOP appeals and the applicable policy framework going forward, as per the recommendation below.

Recommendation: The Local Planning Appeal Tribunal proceedings regarding the 2011 Ministry modifications to the Urban Hamilton Official Plan and the 2009 Ministry modifications to the Rural Hamilton Official Plan shall be continued and disposed of in accordance with the 2019 Growth Plan, as amended, and the boundaries of the settlement area in the Urban Hamilton Official Plan shall not be modified by the LPAT and shall not be modified until a municipal comprehensive review has been completed except in accordance with Growth Plan policies 2.2.8.4 and 2.2.8.5.

Please accept these comments to meet the July 31, 2020 Provincial deadline for the submission of comments on the Proposed Amendment 1 to A Place to Grow. If you have any questions, please feel free to contact Heather Travis at (905) 546-2424, ext. 4168, or by email at Heather.Travis@hamilton.ca.

Yours truly,

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HT: