



**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Planning Division**

<b>TO:</b>	Chair and Members Planning Committee
<b>COMMITTEE DATE:</b>	August 18, 2020
<b>SUBJECT/REPORT NO:</b>	Comments on Proposed Amendment 1 to A Place to Grow and Revised Land Needs Assessment Methodology (PED19033(b)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Heather Travis (905) 546-2424 Ext. 4168
<b>SUBMITTED BY:</b>	Steve Robichaud Director, Planning and Chief Planner Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That the Province of Ontario be advised that the City of Hamilton provides the following comments and recommended changes to Proposed Amendment 1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019 (ERO #019-1680):
  - (i) The final Schedule 3 forecast shall reflect either the Low or Reference scenario;
  - (ii) Revise Growth Plan policy 5.2.4.2 to provide flexibility to municipalities in how the 2051 forecasts are accounted in the Land Needs Assessment and conformity work 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*

**SUBJECT: Comments on Proposed Amendment 1 to A Place to Grow and Revised Land Needs Assessment Methodology (PED19033(b)) (City Wide) - Page 2 of 18**

---

*forecasted growth, but must identify a strategy for how the growth will be accommodated.”;*

- (iii) The City does not support the proposed revisions to Growth Plan 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, and do not provide any opportunity for municipalities to consider higher forecasts;
- (iv) As an alternative to (iii), if the Province maintains the revision to policies 2.2.1, 5.2.4.1 and 5.2.4.2, the Policy should be revised to state that only Councils may request an increased Schedule 3 forecast with appropriate justification. The revised Schedule 3 forecast would require approval from the Minister, and if such approval is not granted, the Schedule 3 forecast will apply (similar to the policy direction surrounding alternative intensification or density targets);
- (v) The Schedule 3 ‘Mock B’ format in Amendment 1 which contains the 2051 population and employment forecasts, with no interim year forecasts, is the preferred option for the Schedule 3 format;
- (vi) As an alternative to (v), if the ‘Mock A’ format of Schedule 3 is approved, then the Hemson population and employment forecasts for the 2031 and 2041 time periods be incorporated into Schedule 3 rather than maintaining the current 2019 Schedule 3 numbers;
- (vii) The Housing by Type forecast included in the “Hemson Greater Golden Horseshoe: Growth Forecasts to 2051” report be revised to reflect the minimum Growth Plan policy requirements that provide a more realistic housing unit breakdown for municipalities to reference;
- (viii) As an alternative to (vii), the Hemson Housing by Type forecast could be removed from the Technical Report to avoid confusion; and,
- (ix) 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.

---

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Comments on Proposed Amendment 1 to A Place to Grow and Revised Land Needs Assessment Methodology (PED19033(b)) (City Wide) - Page 3 of 18**

---

- (b) That the Province of Ontario be advised the City of Hamilton provides the following comments and recommended changes to the Revised Land Needs Assessment Methodology A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019 (ERO #019-1679):
- (i) The Land Needs Assessment methodology provides a detailed, standardized approach to the completion of the LNA and remove any opportunities for doubt or debate regarding the approach to LNA completion. The revised methodology should be presented in a detailed stand-alone document similar the 2018 version;
  - (ii) The Province provide greater detail as to how market demand is to be defined to remove opportunities for lengthy tribunal debates over this topic and provide direction on how municipalities can reconcile market demand with the required Growth Plan intensification and density targets; and,
  - (iii) The completion and approval of the LNA should not require additional public consultation, potentially resulting in lengthy debates and delays, as the completion of a Land Needs Assessment is a technical document, and it is understood that municipalities consulted on LNA inputs such as intensification and density targets.
- (c) That the City Clerk's Office be directed to forward Report PED19033(b) to the Ministry of Municipal Affairs and Housing, and this Report is considered the City of Hamilton's formal comments on Amendment 1 to A Place to Grow (ERO posting 019-1680) and the Revised Land Needs Assessment Methodology (ERO posting 019-1679).

## **EXECUTIVE SUMMARY**

On June 16, 2020, the Province released the following two postings on the Environmental Registry of Ontario (ERO):

- ERO #019-1680 – Proposed Amendment 1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe; and,
- ERO #019-1679 – Proposed Land Needs Assessment Methodology for A Place to Grow: Growth Plan for the Greater Golden Horseshoe.

The commenting deadline to the Province for both of these postings was July 31, 2020.

**SUBJECT: Comments on Proposed Amendment 1 to A Place to Grow and Revised Land Needs Assessment Methodology (PED19033(b)) (City Wide) - Page 4 of 18**

---

Amendment 1 to A Place to Grow proposes to update the population and employment growth forecasts for Greater Golden Horseshoe (GGH) municipalities and extend the horizon of the forecasts and policies to 2051.

The Land Needs Assessment Methodology is a revision from a previous version of the methodology released in 2018, and is a less detailed and directive approach and appears to allow municipalities greater latitude in how land needs assessments will be completed.

Staff have reviewed the ERO postings and have identified a number of concerns. This report contains recommendations for the Province to consider prior to finalizing the revised documents. Staff have previously forwarded letters to the Province, attached as Appendices “A” and “B” to Report PED19033(b), outlining staff’s concerns on the ERO postings in advance of the commenting deadline. This staff report, including any changes or additions proposed by Council, will be forwarded to the Province as additional comments on the ERO postings.

**Alternatives for Consideration – See Page 18**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: N/A

Staffing: N/A

Legal: N/A

**HISTORICAL BACKGROUND**

In recent years, a number of provincial policy changes have occurred through a series of revisions to provincial plans and guidelines. Key dates relevant to this report are:

May 18, 2017 – release of the Growth Plan for the Greater Golden Horseshoe, 2017 (since replaced by the Growth Plan, 2019).

May 4, 2018 – release of Land Needs Assessment Methodology for the Greater Golden Horseshoe (implements the direction of the Growth Plan, 2017).

May 2, 2019 – release of A Place to Grow – Growth Plan for the Greater Golden Horseshoe, 2019.

May 1, 2020 – Provincial Policy Statement 2020 comes into force and effect.

**SUBJECT: Comments on Proposed Amendment 1 to A Place to Grow and Revised Land Needs Assessment Methodology (PED19033(b)) (City Wide) - Page 5 of 18**

---

June 16, 2020 – posting of ERO #019-1680 (Proposed Amendment 1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe) and ERO #019-1679 (Proposed Land Needs Assessment Methodology for A Place to Grow: Growth Plan for the Greater Golden Horseshoe) on the Environmental Registry of Ontario for public comment.

The commenting deadline for the ERO postings was July 31, 2020. Staff have previously forwarded letters to the Province, attached as Appendices “A” and “B” to Report PED19033(b), outlining staff’s concerns on the ERO postings in advance of the commenting deadline. This staff report, including any changes or additions proposed by Council, will be forwarded to the Province as additional comments on the ERO postings.

Municipal Comprehensive Review (MCR) / GRIDS 2

The MCR is a process which the City is currently undertaking which will update the policies of the Urban and Rural Hamilton Official Plans to comprehensively apply the policies of the Growth Plan, 2019, and Amendment 1 if approved, and identify how and where Hamilton’s projected growth will be accommodated to 2051 (as per the proposed changes in Amendment 1). The MCR is being completed concurrently with the update to the City’s Growth Related Integrated Development Strategy (GRIDS2).

The MCR process requires the City to complete a Land Needs Assessment (LNA) which will determine how much of the City’s population and employment growth can be accommodated within the City’s existing urban boundary, and how much may need to be accommodated through new growth area(s). If the LNA identifies a need for additional land, a review and evaluation of growth options (residential and employment) will be undertaken to identify a preferred growth option. The LNA must be completed in accordance with the methodology established by the Province.

The process to undertake a MCR is lengthy and involves a review of all of the technical aspects noted above and significant public and stakeholder consultation. The MCR will ultimately be approved through the passage of an Official Plan Amendment(s) which will update the City’s Official Plans to reflect provincial policies and the recommendations of the MCR process. The province requires that the City complete the MCR by July, 2022.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

A Place to Grow - 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

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.

#### Land Needs Assessment Methodology (2018)

A Land Needs Assessment (LNA) is a study that determines the quantity of land that will be required to accommodate the forecasted population and employment growth within a municipality. In 2018, the Province released the Land Needs Assessment Methodology for the Greater Golden Horseshoe. The methodology provided a standardized approach to the completion of a Land Needs Assessment which all Growth Plan municipalities are required to use in the completion of their MCR work. The benefit of a standardized methodology is that it allows for a consistent approach amongst all Growth Plan municipalities, allows for easy comparison amongst municipalities, and avoids the need for debate on the appropriate approach to land needs assessment.

The 2018 Methodology was a detailed policy-based approach which considered land need based on a separate determination of Community Area (residential, commercial, institutional) and Employment Area (industrial land, business parks) land need. Community Area land need is strongly influenced by intensification and density targets (i.e. how much of the City's population growth can be accommodated through intensification in the built-up area, and through increased density of the greenfield areas). Employment Area land need is influenced by the anticipated density of future development of the City's existing employment areas.

The Province is proposing to replace the 2018 Methodology with an 'outcome-based methodology' that appears to provide greater flexibility in how the LNA must be completed. The new methodology is described on the ERO posting, but is much less detailed than the previous methodology.

#### **RELEVANT CONSULTATION**

N/A

## **ANALYSIS AND RATIONALE FOR RECOMMENDATIONS**

The following are the key areas of concern identified by staff related to the Proposed Amendment 1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe and the Proposed Land Needs Assessment Methodology, and the associated staff recommendations.

### **Amendment 1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe**

#### *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 draft Amendment includes three 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 principles and objectives of the Greenbelt Plan, which provides "a broad band of permanently protected land" for agricultural and related uses are supported and must be maintained. 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

---

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Comments on Proposed Amendment 1 to A Place to Grow and Revised Land Needs Assessment Methodology (PED19033(b)) (City Wide) - Page 8 of 18**

---

into the Greenbelt Plan area is not permitted (with the minimal exception of a 10 ha expansion to 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)	“Residential whitebelt” - Gross	“Residential whitebelt” - Net	
			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 are therefore recommending 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 GGH.

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

**SUBJECT: Comments on Proposed Amendment 1 to A Place to Grow and Revised Land Needs Assessment Methodology (PED19033(b)) (City Wide) - Page 11 of 18**

---

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 Scenario – 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, which is the technical background document released concurrently with Amendment 1, 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.

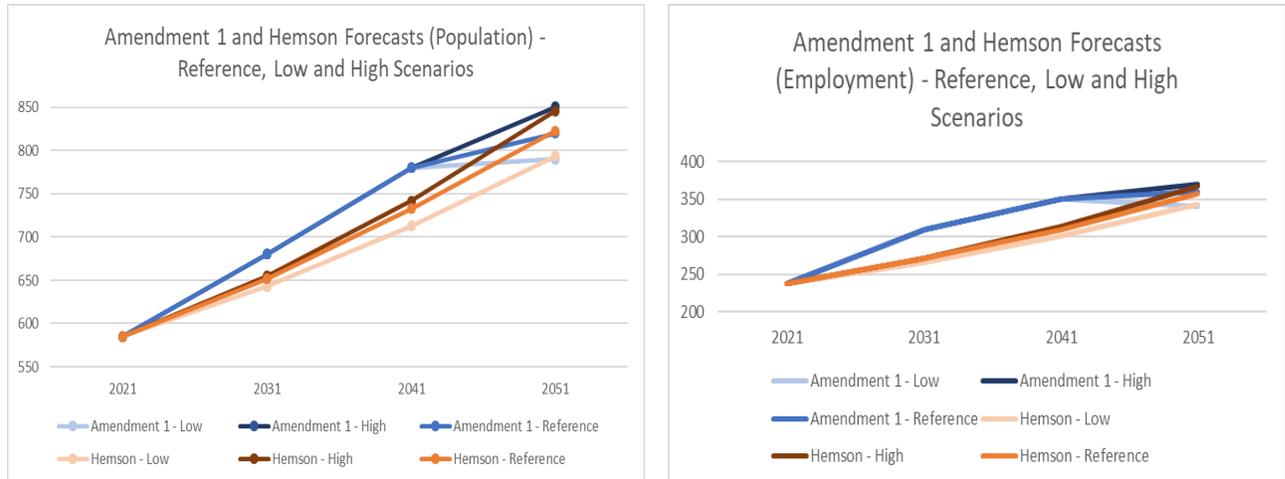
Table 3 Difference in Forecasts – Growth Plan Schedule 3 and Hemson

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

**SUBJECT: Comments on Proposed Amendment 1 to A Place to Grow and Revised Land Needs Assessment Methodology (PED19033(b)) (City Wide) - Page 12 of 18**

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 draft 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

**SUBJECT: Comments on Proposed Amendment 1 to A Place to Grow and Revised Land Needs Assessment Methodology (PED19033(b)) (City Wide) - Page 13 of 18**

---

that this apparent discrepancy arises because the draft 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.

**SUBJECT: Comments on Proposed Amendment 1 to A Place to Grow and Revised Land Needs Assessment Methodology (PED19033(b)) (City Wide) - Page 14 of 18**

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	<b>3,783</b>	<b>29</b>
Rows	609	21	891	40	1,012	39	859	34	963	34	<b>4,334</b>	<b>33</b>
Apartments	1,130	39	423	19	959	37	1,182	46	1,238	44	<b>4,932</b>	<b>38</b>
Total	2,878		2,210		2,581		2,554		2,826		<b>13,049</b>	

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.

6. *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.

*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.

**Land Needs Assessment Methodology**

1. *Lack of a standardized methodology document and lack of detail in the ERO posting:*

In 2018, the Province released the Land Needs Assessment (LNA) Methodology for the Greater Golden Horseshoe. The standardized methodology was described in a stand-alone document that clearly identified the approach to the completion of a Land Needs Assessment which all Growth Plan municipalities were required to use in the completion of their MCR work. While there was some flexibility in the various data inputs and assumptions used in applying the method, there could be no deviation in the mandated steps to be taken. There was no opportunity to incorporate higher forecasts into the LNA than those shown in the Schedule 3 forecasts in 2018. The benefit of a standardized methodology is that it allows for a consistent approach amongst all Growth Plan municipalities, allows for easy comparison amongst municipalities, and avoids the

need for debate, particularly at the LPAT, on the appropriate approach to land needs assessment.

The ERO Posting is proposing to replace the 2018 Methodology with an ‘outcome-based methodology’ that appears to provide greater flexibility in how the LNA must be completed. The new methodology is described on the ERO posting, but is much less detailed than the previous methodology. The posting notes the new methodology will present “a simplified approach to land needs assessment that reduces the overall complexity of implementation of the Plan. The proposed Methodology will provide more flexibility to municipalities.”

Under the revised approach, there is no longer a stand-alone methodology document with specific steps to be followed, but rather a much less formal identification of the minimum requirements to be considered. There would appear to be much greater latitude in the data inputs and assumptions used under the new approach. Municipalities may also consider alternate assumptions about forecast growth to the Growth Plan horizon.

While there may be benefit to allowing some flexibility to municipalities in the completion of the LNA (e.g. municipalities can complete the LNA in a manner that is most transparent and easy to understand for Council and the public), there is a significant concern the lack of detail in the proposed methodology on the ERO posting will lead to debate and questioning over the methodology used to complete the LNA and possible appeals to the LPAT, thereby defeating the purpose of establishing a methodology document and slowing the City’s growth management and conformity exercise.

*Recommendation:* The Land Needs Assessment methodology must provide a detailed, standardized approach to the completion of the LNA and remove any opportunities for doubt or debate regarding the approach to LNA completion. The revised methodology should be presented in a detailed stand-alone document as per the 2018 version, and not simply a vague description on the ERO posting.

## *2. Market-based approach:*

The proposed methodology also appears to follow more of a market-based approach to the consideration of housing need, as noted in the following passage from the ERO posting:

“Recognizing that local needs are diverse, the proposed new Methodology aims to provide the key factors to be considered as municipalities plan to ensure that a sufficient and appropriate mix of land is available to:  
accommodate all housing market segments; avoid housing shortages;  
consider market demand; accommodate all employment types, including those

that are evolving; and plan for all infrastructure services that are needed to meet complete communities objectives to the horizon of the Plan.”

Further, the ERO posting states that the methodology will “be forward-looking and account for demographics, employment trends, market demand, and concerns related to housing affordability in the Greater Golden Horseshoe.” The proposed new method focusses much more on the concept of ‘market-based’ demand and ensuring sufficient land supply is available to serve all segments of the housing market, referring to ground-related housing versus apartments as distinguished in the updated technical forecast report (2020).

Staff note that basing the LNA in part on market demand raises the question of how market demand is defined, and whether or not future growth management planning should be based on past market demand, or more of a forward-looking approach.

*Recommendation:* If the revised methodology is based, in large part, on the satisfaction of market demand, greater detail as to how market demand is to be defined needs to be provided to remove opportunities for lengthy tribunal debates over this topic. Further, municipalities are required to plan for the minimum intensification and density targets in the Growth Plan, and therefore direction on how municipalities can reconcile market demand with the required targets should be provided.

### 3. *Public consultation:*

Staff note there is also new language in the ERO posting regarding public consultation and different levels of government, as part of the LNA process. It is staff’s understanding that the 2018 method envisioned consultation on the LNA document with Provincial staff only, as it is a primarily technical document. It was understood that public consultation would occur on the various inputs into the LNA (e.g. intensification and density targets, employment land review) prior to the completion of the LNA. This approach is a potentially significant change to the LNA process and eventual results. The combination of a less formal approach and opportunity to incorporate alternative (higher) assumptions about future growth will require an expanded and lengthy consultation process than envisioned under the 2018 method. It will be challenging for municipalities to meet the required July, 2022 conformity deadline.

*Recommendation:* As the completion of a Land Needs Assessment is a technical document, and it is understood that municipalities will have already consulted on LNA inputs such as intensification and density targets, the completion and approval of the LNA should not require additional public consultation, potentially resulting in lengthy debates and delays.

## **ALTERNATIVES FOR CONSIDERATION**

1. Council could choose not to send formal comments to the Province on the two ERO postings.
2. Council could choose to send amended comments to the Province on the two ERO postings.

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Economic Prosperity and Growth**

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

### **Healthy and Safe Communities**

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

### **Built Environment and Infrastructure**

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

## **APPENDICES AND SCHEDULES ATTACHED**

- Appendix “A”: Letter to Province regarding ERO #019-1680 – Proposed Amendment 1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe;
- Appendix “B”: Letter to Province regarding ERO #019-1679 – Proposed Land Needs Assessment Methodology for A Place to Grow: Growth Plan for the Greater Golden Horseshoe.