



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

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| <b>TO:</b>                | Chair and Members<br>General Issues Committee   |
| <b>COMMITTEE DATE:</b>    | December 14, 2020   |
| <b>SUBJECT/REPORT NO:</b> | GRIDS 2 and Municipal Comprehensive Review – Land Needs Assessment and Technical Background Reports (PED17010(h)) (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<br>Director, Planning and Chief Planner<br>Planning and Economic Development Department                       |
| <b>SIGNATURE:</b>         |   |

**RECOMMENDATION**

- (a) That Council endorse the revised and updated GRIDS 2 10 Directions to Guide Development, attached as Appendix “A” to Report PED17010(h);
- (b) That Council endorse the direction to collapse and consolidate the Municipal Comprehensive Review (MCR) process to guide and direct growth for the 2021 to 2051 time period into one process;
- (c) That the following draft GRIDS 2 / MCR reports be received by Council:
  - (i) City of Hamilton Land Needs Assessment to 2051 – Technical Working Paper – Draft Summary of Results, prepared by Lorus and Associates, attached as Appendix “B” to Report PED17010(h),
  - (ii) Residential Intensification Market Demand Study prepared by Lorus and Associates, attached as Appendix “C” to Report PED17010(h);
  - (iii) Residential Intensification Supply Update, attached as Appendix “D” to Report PED17010(h);

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- (iv) Designated Greenfield Area Density Analysis, attached as Appendix “E” to Report PED17010(h);
- (d) That Council authorize staff to commence public and stakeholder consultation on the draft Reports identified in Recommendation (c) above, and that staff report back on the results of the consultation and any changes or revisions to the draft reports prior to final approval of the Land Needs Assessment and related reports.

**EXECUTIVE SUMMARY**

Through the update to GRIDS (Growth Related Integrated Development Strategy), known as GRIDS 2 and the Municipal Comprehensive Review (MCR), the City must plan to achieve the minimum provincial forecasts of 820,000 persons and 360,000 jobs by 2051. Lower forecasts are not permitted. As part of this review, a Land Needs Assessment (LNA) must be prepared. An LNA is a study that identifies how much of the forecasted growth can be accommodated within the City’s existing urban area based on inputted targets, and how much growth may need to be accommodated within any potential urban expansion area.

The draft LNA has identified a range of land need scenarios based on different intensification targets and density inputs. Technical background reports (Residential Intensification Market Demand Study, Residential Intensification Supply Update, Existing Designated Greenfield Area Density Analysis) have been completed to support inputs and assumptions in the LNA. The results of the scenarios, together with the City’s constrained whitebelt land supply, identifies that an urban expansion area ranging in size from 1,340 ha to 1,640 ha will be required to accommodate residential (Community Area) growth to the year 2051.

With regards to Employment Land, the City has enough remaining vacant employment lands to accommodate job growth to 2051.

Staff are requesting Council’s authorization to consult with the public and stakeholders on the draft LNA and related reports before reporting back to Council in early 2021 with a final LNA identifying land need to 2051.

**Alternatives for Consideration – See Page 42**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: N/A

Staffing: N/A

Legal: N/A

## **HISTORICAL BACKGROUND**

### **GRIDS (2006)**

The GRIDS study was commenced in 2003, and was an integrated and iterative study designed to identify a broad land use structure, infrastructure requirements, economic strategy and financial implications of growth options to serve Hamilton until 2031. GRIDS was integrated with the development of the Infrastructure and Transportation Master Plans and informed the Development Charges By-law.

GRIDS and the adoption of the Urban Hamilton Official Plan (UHOP) by Council (July 2006) and the subsequent approval by the Ministry of Municipal Affairs and Housing (March 2012) constituted a municipal comprehensive review under the definition of the 2006 Growth Plan. A municipal comprehensive review (MCR) is a requirement of the Growth Plan for the Greater Golden Horseshoe and the Provincial Policy Statement (PPS) to bring the City's Official Plans into conformity with Provincial planning documents. GRIDS addressed population and employment growth until 2031.

The GRIDS Study Design followed a 3 step process to ultimately identify a preferred growth option for the City:

1. Development and evaluation of a 'long list' of growth concepts;
2. Development and evaluation of a 'short list' of growth options; and,
3. Refinement of the preferred growth option.

Through this process, the Nodes and Corridors growth option was identified as the City's preferred growth option, and Elfrida area was identified as the City's preferred growth area to accommodate residential growth to the year 2031.

The UHOP was one document used to implement GRIDS outcomes. The identification of Elfrida as the preferred growth option was not included within the urban boundary at that time because the City wanted to ensure that a secondary planning process was completed prior to adding the lands to the urban area. The rationale for this approach was:

1. Hamilton is a one tier municipality. It undertakes secondary plans. In a Regional structure, lands can be designated as urban but it is the responsibility of the lower tier municipality to expand the urban boundary in their Official Plan (OP) as well as carry out the secondary planning exercise. These two actions can be completed by the lower tier municipality simultaneously.
2. The Airport Employment Growth District (AEGD) was undertaken as one process – urban boundary expansion and secondary plan. Through the secondary plan exercise, the required lands were further refined.

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3. The city wanted to avoid the situation that took place in Flamborough where the Ontario Municipal Board allowed development to proceed prior to community consultation and the completion of a Secondary Plan occurred.

To avoid these issues, the City implemented the GRIDS direction in the UHOP through a text identification in the UHOP with direction that a secondary plan would be completed prior to the inclusion of the lands within the urban boundary. Those policies remain under appeal.

**GRIDS 2 / MCR**

Since the adoption of GRIDS, new provincial policy direction has been released and revised and the planning horizon forecast has been extended. The City is therefore required to update GRIDS and complete a subsequent MCR exercise to guide growth to 2051. The City is undertaking the update to GRIDS, known as GRIDS 2, which is a long term growth strategy to allocate forecasted population and employment growth from 2031 to 2051 (GRIDS 2 / MCR was first commenced in 2017 as a growth strategy for the period 2031 to 2041 but the recent Amendment 1 to the Growth Plan 2019 by the Province has extended the planning horizon to 2051). The forecasts for Hamilton project a total 2051 population of 820,000 persons and total employment of 360,000 jobs. The MCR is being completed concurrently with GRIDS 2. The MCR is broad and encompasses many inter-related components, and must be completed prior to any expansion of the urban boundary. Many of the studies that are required as part of the MCR are also part of a growth strategy. Like the first GRIDS, GRIDS 2 / MCR is an integrated study which will inform the updates to the Infrastructure and Transportation Master Plans and future update to the Development Charges By-law and will be implemented through the City's Official Plans.

Key dates / milestones in the GRIDS 2 / MCR process are highlighted in the chart below:

|                 |  |
|-----------------|--|
| Spring 2017     | MCR Commencement, Employment Land Review call for requests   |
| May 2017        | Growth Plan 2017 released  |
| May 2018        | Land Needs Assessment Methodology released by Province   |
| May / June 2018 | First round of public / stakeholder consultation – focus on urban structure (i.e. where should intensification occur?) and major transit station area planning |
| November 2018   | Imagining New Communities – information sessions on greenfield density   |

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|                          |  |
|--------------------------|--|
| May 2019                 | Growth Plan 2019 released  |
| October 2019             | GRIDS 2 / MCR Council workshop on intensification, density and land needs assessment                                   |
| November 2019            | Draft Employment Land report received by Council   |
| November / December 2019 | Second round of public consultation (intensification and density targets, evaluation criteria, employment land review) |
| January 2020             | Elfrida / LPAT “motion” decision issued  |
| August 2020              | Amendment 1 to the Growth Plan and revised Land Needs Assessment Methodology released by Province                      |

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Policies at both the provincial and local level provide direction to municipalities to plan for increased intensification and densities to efficiently use land and infrastructure and plan for complete communities. A complete policy review is included in Appendix “F” to Report PED17010(h).

**Growth Plan 2019, as amended**

The Province released Amendment 1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe in August 2020. The effect of Amendment 1 is to extend the planning horizon of the Growth Plan to the year 2051 (from 2041 in the 2017 Growth Plan), including providing population and employment forecasts for the City of Hamilton to 2051. The 2051 population and employment forecasts require the City of Hamilton to plan for a population of 820,000 people and employment of 360,000 jobs in 2051.

The Provincial Growth Plan provides the minimum intensification and density targets the City must plan to achieve:

“2.2.2.1 By the time the next *municipal comprehensive review* is approved and in effect, and for each year thereafter, the applicable minimum intensification target is as follows:

A minimum of 50 per cent of all residential development occurring annually within each of the Cities of Barrie, Brantford, Guelph, Hamilton, Orillia and Peterborough and the Regions of Durham, Halton, Niagara, Peel, Waterloo and York will be within the *delineated built-up area*;

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2.2.7.2 The minimum density target applicable to the *designated greenfield area* of each upper- and single-tier municipality is as follows:

The Cities of Barrie, Brantford, Guelph, Hamilton, Orillia and Peterborough and the Regions of Durham, Halton, Niagara, Peel, Waterloo and York will plan to achieve within the horizon of this Plan a minimum density target that is not less than 50 residents and jobs combined per hectare;”

These targets are minimums, and the City may plan for higher target(s) if it is deemed appropriate for the City. Conversely, the City may apply for lower target(s), which would require approval from the Province. The intensification target plays a key role in the completion of the Land Needs Assessment (LNA), as detailed in this report.

The policies of the Provincial Growth Plan also identify the requirement that the Province will establish the LNA methodology and that an LNA must be completed prior to a settlement area boundary expansion occurring:

“2.2.1.5 The Minister will establish a methodology for assessing land needs to implement this Plan, including relevant assumptions and other direction as required. This methodology will be used by upper- and single-tier municipalities to assess the quantity of land required to accommodate forecasted growth to the horizon of this Plan.

2.2.8.2 A *settlement area* boundary expansion may only occur through a *municipal comprehensive review* where it is demonstrated that:

- a) based on the minimum intensification and density targets in this Plan and a land needs assessment undertaken in accordance with policy 2.2.1.5, sufficient opportunities to accommodate forecasted growth to the horizon of this Plan are not available through *intensification* and in the *designated greenfield area*:
  - i. within the upper- or single-tier municipality, and
  - ii. within the applicable lower-tier municipality;
- b) the proposed expansion will make available sufficient lands not exceeding the horizon of this Plan, based on the analysis provided for in policy 2.2.8.2 a), while minimizing land consumption; and
- c) the timing of the proposed expansion and the phasing of development within the *designated greenfield area* will not adversely affect the achievement of the minimum intensification and density targets in this Plan, as well as the other policies of this Plan.”

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The LNA is a technical background study that identifies how much of the City's forecasted population and job growth will be accommodated through infill / intensification in the built-up area and development of the existing designated greenfield lands to accommodate growth. The LNA attached as Appendix "B" to Report PED17010(h) fulfils this requirement.

**Land Needs Assessment Methodology 2020**

In August 2020, the Province released the Land Needs Assessment Methodology for the Greater Golden Horseshoe, which replaced a previous methodology that was issued in 2018.

For the calculation of Community Area (i.e. residential) land need, the new methodology is significantly different than the previous version. The new method is a market-based approach which is based on an identification of the City's forecasted housing unit growth, and a determination of how much of the proposed unit growth can be accommodated as intensification or development of the City's existing greenfield lands within the urban area. If there is a shortfall in units that cannot be accommodated in the existing urban area, then this shortfall is to be accommodated through urban boundary expansion, based on an estimation of the density of each unit type.

Key differences between this new methodology and the previous version are:

- The market based approach to land needs assessment requires municipalities to plan to ensure that sufficient land is available to accommodate all housing market segments, avoid housing shortages and consider market demand.
- The previous version relied on the Designated Greenfield Area density target to be a determinative factor in required land need, in addition to the intensification target, as policy inputs. The size of a future expansion area was directly influenced by the planned DGA density target. Under the new method, the DGA density target does not determine overall land need, rather the planned DGA density is a calculation at the end of the process to ensure that municipalities are meeting the minimum target based on the planned housing unit mix across the entirety of the DGA.

Within the new method, the size of the required urban expansion area is directly influenced by inputs of the density of development of each unit type to be accommodated within the future expansion area. Combined with the intensification target, the assumed density of each unit type plays a role in the determination of overall Community Area land need. These two factors will be discussed in section 6 of this report.

- The new method clarifies that municipalities must designate, through this Municipal Comprehensive Review process, all required lands to the year 2051.

For the calculation of Employment Area land need, the new methodology is closely aligned with the previous version.

## **RELEVANT CONSULTATION**

### ***Council Workshop***

On October 21, 2019, Staff held a special General Issues Committee meeting and provided a workshop to members of Council and the public on GRIDS 2 / MCR. The purpose of the workshop was to provide a history of the first GRIDS process including recommendations of that study and implementation to date, an overview of intensification and density targets and what they mean for land needs assessment, and an identification of next steps in the process. Members of Council were provided an opportunity to ask questions of staff and the consultant team. The event was livestreamed and open to members of the public.

### ***Public***

The second round of public consultation on GRIDS2 / MCR was undertaken in November / December, 2019 at locations across the City (Downtown, Dundas, Stoney Creek and Hamilton Mountain). The topics considered at the Open Houses included the GRIDS 2 10 Directions to Guide Development, and intensification and greenfield density targets, including an explanation of how they related to land needs assessment. A summary of the public consultation was included in Report PED17010(g) and the Public Consultation Round 2 Summary Report. Consideration of the public comments on the 10 Directions and the intensification and density targets is included in the analysis below.

### ***Stakeholders***

The second GRIDS 2 / MCR stakeholder event was held on December 16, 2019 and focussed on the same matters of consideration as presented at the Open Houses, with particular focus on appropriate intensification and density targets for the City. A summary of the stakeholder consultation was included in Report PED17010(g) and the Public Consultation Round 2 Summary Report. Consideration of the stakeholder comments on the 10 Directions and the intensification and density targets is included in the analysis below.

### ***Staff***

Staff on the GRIDS 2 / MCR working group (Water / Wastewater, Transportation Planning, Housing, Recreation, Growth Management, Community Planning, Healthy and Safe Communities, Air Quality and Climate Change, Transit) were consulted on the intensification and density targets. Staff provided insights on the implications of



planning for higher or lower targets from the perspective of their areas of expertise. Land assembly, infrastructure requirements, increased transportation requirements, need for increased transit services, increased public service requirements, and need to protect green / open spaces and good community design all have implications on the amount and timing of when and where intensification will occur. Benefits of planning for increased targets included an opportunity to create transit friendly and walkable communities, air quality improvements, and opportunities for affordable housing.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

### **1.0 10 Directions to Guide Development**

The GRIDS Nine Directions to Guide Development were developed in the 2003 – 2005 time period during the first GRIDS study as a tool to guide and evaluate decisions related to growth. The Nine Directions were incorporated into the City's Rural and Urban Hamilton Official Plans. Through staff review and consultation with stakeholders and members of the public, it was determined the Directions are generally still relevant to guide future development decisions and align with the City's Our Future Hamilton vision. Comments from the public and stakeholders on the GRIDS Directions were summarized in the Round One and Two Public Consultation Summary Reports. Suggestions from the public and stakeholders resulted in an additional direction being added (#1 in the list below) to address climate change mitigation and adaptation, as well as changes to the wording of other directions to address housing affordability, intensification of employment land and equity and inclusion. The revised wording is shown in bold font below. The 10 Directions reflect new language added to align with the City's Our Future Hamilton vision. A summary of the changes to the original directions is attached as Appendix "A" to Report PED17010(h).

- 1. Plan for climate change mitigation and adaptation, and reduce greenhouse gas emissions.**
2. Encourage a compatible mix of uses in neighbourhoods, **including a range of housing types and affordabilities**, that provide opportunities to live, work, **learn, shop** and play, **promoting a healthy, safe and complete community**.
3. Concentrate new development **and infrastructure** within existing built-up areas and within **the** urban boundary **through intensification and adaptive re-use**.
4. Protect rural areas for a viable rural economy, agricultural resources, environmentally sensitive recreation and the enjoyment of the rural landscape.

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5. Design neighbourhoods to improve access to community life **for all, regardless of age, ethnicity, race, gender, ability, income and spirituality.**
6. Retain **and intensify existing employment land**, attract jobs in Hamilton's strength areas and targeted new sectors, **and support access to education and training for all residents.**
7. Expand transportation options **through the development of complete streets** that encourage travel by foot, bike and transit, and enhance efficient inter-regional transportation connections.
8. Maximize the use of existing buildings, infrastructure, and vacant or abandoned land.
9. Protect ecological systems **and the natural environment, reduce waste**, improve air, land and water quality, and encourage the use of green infrastructure.
10. Maintain and create attractive public and private spaces and respect the unique character of existing buildings, neighbourhoods **and communities, protect cultural heritage resources, and support arts and culture as an important part of community identity.**

As per recommendation (a) of this Report, staff are requesting Council to endorse the 10 Directions to Guide Development, to be used as a high level tool and organizing framework to evaluate decisions to ensure consistency with the City of Hamilton vision and the community endorsed directions. The analysis in this report includes a consideration of alignment to the GRIDS 2 10 Directions.

## **2.0 GRIDS 2 / MCR Revised Planning Period**

As noted above in the Historical Background section of this Report, GRIDS 2 / MCR was commenced in 2017 to create a long term growth management strategy for the period from 2031 to 2041. GRIDS (2006) had established a growth strategy to the year 2031, and GRIDS 2 was as an update to plan for the next 10 years of growth (i.e. for the 2031 – 2041 time period).

While GRIDS 2 was first envisioned as an update to GRIDS to plan for the time period between 2031 and 2041, several provincial policy changes have occurred since the commencement of GRIDS 2 which have impacted the project timeline and the ability of staff to move the project forward:

- Three different versions of the Growth Plan have been released which have resulted in policy changes related to targets, required studies, and directions including the introduction of a market-based housing needs approach;
- Two versions of a Land Needs Assessment Methodology have been released which are very different in terms of both technical method and the introduction of a market-based housing approach; and,
- The release of Amendment 1 to the Growth Plan 2019 has resulted in a lengthened planning horizon to 2051, revised population and job forecasts to 2051, and removal of the interim year forecasts for 2031 and 2041.

Almost 15 years have elapsed since the completion of the first GRIDS study. Further, the appeals related to the implementation of the GRIDS preferred growth option in the RHOP and UHOP remain under unresolved, over 10 years since the appeals were filed.

Based on the above factors, staff are recommending that the GRIDS 2 / MCR planning period be extended to include the period from 2021 to 2031. Extending the planning horizon allows staff to take a comprehensive approach to the evaluation of growth options which will review all options for growth from 2021 to 2051. In light of the revised provincial forecasts to 2051, it is prudent to review the phasing and allocation of growth throughout the planning period, including the period from 2021 to 2031. Previous decisions on land need, intensification potential and density must be reviewed in light of new planning policies and priorities. Based on the amount of time that has passed and in recognition of the need to review the phasing of future growth comprehensively to ensure that phasing occurs in the most efficient and logical manner, staff are recommending that the next phase of GRIDS 2 / MCR evaluate growth options comprehensively from 2021 to 2051 (Recommendation (b)).

### **3.0 Housing and Job Forecast 2021 - 2051**

The Province released updated population and employment forecasts for all Greater Golden Horseshoe municipalities in 2020 (Schedule 3 to Amendment 1 to the Growth Plan 2019). For Hamilton, the Growth Plan 2051 forecast is:

Population: 820,000  
Employment: 360,000

The Provincial forecasts require the City to plan for an increase of 236,000 people and 122,000 jobs between 2021 and 2051.

Interim year forecasts for 2031 and 2041 are not included on Schedule 3. Although the urban area must be established to accommodate growth to 2051, for the phasing of

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growth between 2021 and 2051, municipalities can develop a staging of development / phasing plan as deemed appropriate for the local context.

Table 1 below identifies the City’s updated population forecast phased by 10 year planning increment, and related housing unit growth based on updated demographic and census data. This further breakdown is provided by the City’s land economist (Lorius & Associates), based on the updated *Greater Golden Horseshoe: Growth Forecasts to 2051* from Hemson Consulting, as an input to the LNA. Further details on this forecast are found in the LNA attached as Appendix “B” to Report PED17010(h).

**Table 1: City of Hamilton Population and Housing Forecast 2021 – 2051**

|                                     | 2021    | 2031     | 2041     | 2051     |
|-------------------------------------|---------|----------|----------|----------|
| Population                          | 584,000 | 652,000  | 733,000  | 820,000  |
| Population growth by 10 year period |         | + 68,000 | + 81,000 | + 87,000 |
| Housing units                       | 223,000 | 258,000  | 295,000  | 332,000  |
| Unit growth by 10 year period       |         | +35,000  | + 37,000 | + 37,000 |

**Source: Hemson Consulting, 2020; Growth Plan 2019, as amended.**

Based on the table above, Hamilton is forecast to grow at an increased rate in coming years, averaging 3,500 units per year between 2021 and 2031 and 3,700 units per year between 2031 and 2051 (which is an increase of more than double from the previous rate of 1,800 units per year over the past 10 year period).

On the employment side, Table 2 identifies the planned phasing of job growth to 2051, by 10 year planning increment.

**Table 2: City of Hamilton Employment (Job) Forecast and Housing to Employment Growth Ratio 2021 – 2051**

|   | 2021    | 2031     | 2041     | 2051     |
|---|---------|----------|----------|----------|
| Employment                              | 238,000 | 271,000  | 310,000  | 360,000  |
| Employment growth by 10 year period     |         | + 33,000 | + 39,000 | + 50,000 |
| Housing Growth: Employment Growth Ratio |         | 35 : 33  | 37 : 39  | 37 : 50  |

**Source: Hemson Consulting, 2020**

Hamilton’s job growth is forecast to accelerate to 2051, after a slower period of growth in recent years, with employment growth exceeding household growth.

The LNA attached as Appendix “B” to Report PED17010(h) is completed based on the above population, housing and jobs forecast.

#### **4.0 Climate change considerations**

The City of Hamilton has declared a climate change emergency and set a target to reduce greenhouse gas (GHG) emissions and be carbon neutral by 2050. Land use planning and growth management can play an important role in helping the City achieve that goal. In the City's Corporate Goals and Areas of Focus for Climate Change Mitigation and Adaptation, Goal #4 is related to planning and aims to ensure that a climate change lens is applied to all planning initiatives to encourage the use of best climate mitigation and adaptation practices. In particular, a climate change lens as part of the GRIDS 2 / MCR evaluation framework is one area of focus. This direction is also consistent with Direction #1 of the GRIDS 2 10 Directions to Guide Development.

Furthermore, Planning and Public Health staff are developing a Community Energy Plan (CEP) that will include actions to reduce community-wide energy use and reduce GHG emissions, achieve emissions reduction targets and foster local, community-supported sustainable energy solutions. The CEP is a community-based plan that will engage all sectors of the community including businesses, industries and institutions (including the city corporation) as well as the citizenry of Hamilton. An important component of the CEP is energy modelling which will be completed with a spatial component to understand the impact of potential energy initiatives and actions geographically across the city.

In applying a climate change lens to land use planning decisions, a consideration of the impact of the planning decision on overall GHG emissions is important. Hamilton's Greenhouse Gas Inventory (2017) identifies that the largest source of GHG emissions in the City is industry (at 45%). However, if industry is removed from consideration, the GHG contribution from transportation sources and from commercial and residential buildings are the next greatest contributors, and are almost equal in emissions:

Transportation – 55%

Residential and Commercial Buildings – 44%

Growth management and land use planning decisions can play a role in reducing the emissions from these sectors in particular. Potential climate change impacts can arise from accommodating growth in any form, be it through urban boundary expansion, intensification or a combination of both. The key is to identify strategies to mitigate potential climate change impacts to the greatest extent feasible and build resilience in our community to be adaptive to future impacts.

This report is presenting the results of the draft LNA, which is a technical mathematical document that is required to follow a provincially-mandated method. Within the LNA itself, there is no opportunity to consider climate change implications. However, the City does have some flexibility on the inputs into the LNA, particularly the intensification target and the density by unit type within new growth areas, as will be detailed in the

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next sections. In determining an appropriate intensification target and future density of housing mix, a climate change lens can be applied to the decision making process, and is in keeping with the GRIDS 2 10 Directions. The discussion of intensification, density and land need in Section 6 of this Report includes the use of a climate lens as a factor in the decision-making process.

Growth management planning, including the identification of the intensification target and density assumptions as inputs into the completion of the LNA, is one means of shaping the future urban form and development patterns of the City and in turn mitigate future climate impacts and increase resilience. Strategies which can be undertaken through growth management planning include:

- Planning for increased intensification and planned density which will have the impact of focusing more growth in the urban area but still maintaining a balanced approach to future development.
- Supporting a scenario in the LNA which would result in a lesser need for new Community Area lands, which may, for example, result in the potential expansion lands which are located furthest from the existing urban area not being required for future residential growth.
- Including climate change impacts and the use of a climate change lens in the next phase of GRIDS 2 / MCR which is the evaluation of growth options, including phasing of future development. Staff will investigate the possibility of incorporating scenario modelling from the Community Energy Plan into the evaluation framework to understand the impacts resulting from different growth option scenarios.

However, planning decisions made at the growth management level need to be supported through other planning instruments including secondary plans, zoning, guidelines, and individual development applications and site plans.

In looking forward to the design of new communities which will be developed to accommodate the City's growth to 2051, a number of actions can be undertaken to plan for communities that reduce climate change impacts and are resilient and adaptive to future change. From a mitigation perspective, through the Secondary Planning process, design considerations including a transportation network that supports active transportation and transit, protection and preservation of open spaces and the existing tree canopy, an integrated mix of land uses, and a policy framework that incorporates direction for compact built form, eco-friendly design guidelines, and electric vehicles, amongst other matters, can be included. Such measures in different forms have already been undertaken in other City initiatives including Secondary Plans for Downtown Hamilton, Fruitland-Winona, and the Airport Employment Growth District.

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From an adaptation perspective, new communities will be planned to be resilient to changing conditions and hazards arising from severe weather and other climate change impacts. These considerations must be integrated into the design of new communities from the ground up, starting with the delineation of floodplain and hazard mapping and the protection of natural features and open spaces, to the inclusion of LID techniques for stormwater management, to design guidelines promoting green building standards and required permeable surfaces (as already included in the AEGD zones in Zoning By-law 05-200), and to a policy framework that promotes local food production, incorporation of LID techniques, and floodplain protection.

In addition, support from all sectors, including the development community, public and interest groups is needed to embrace the planning goals. Through future phases of GRIDS 2 / MCR (growth options evaluation and official plan update) and future planning requirements for new growth areas (i.e. secondary planning, zoning and development applications), climate change considerations will continue to be integrated with planning recommendations to ensure that how we develop will respond to the City's climate change goals.

Further, in implementing the recommendations of GRIDS 2 / MCR through a future Official Plan Amendment once a preferred growth option has been approved, staff will investigate options to ensure that the City achieves balanced growth going forward, including both intensification and greenfield growth, such as policy tools to require certain intensification thresholds to be met prior to additional greenfield lands developing.

## **5.0 Summary of Reports**

This section will provide an overview of the findings of the four reports attached as Appendices "B" to "E" to Report PED17010(h). The LNA is presented first, followed by an overview of three technical background reports that support the LNA. Discussion of the implications arising from the findings of the LNA and options moving forward is undertaken in Section 6 of this Report.

### **5.1 Land Needs Assessment (Lorius & Associates)**

#### *5.1.1 What is a Land Needs Assessment?*

A Land Needs Assessment (LNA) is a technical background study that is a requirement of the Provincial Growth Plan and which must be completed as part of the City's MCR. An LNA will identify how much of the City's forecasted population and job growth will be accommodated through infill / intensification and existing designated greenfield lands, and how much additional land in the form of urban area expansion may be required to accommodate the forecasted growth. If additional land is required, the LNA does not identify the location or phasing of the future growth. The LNA considers the need for

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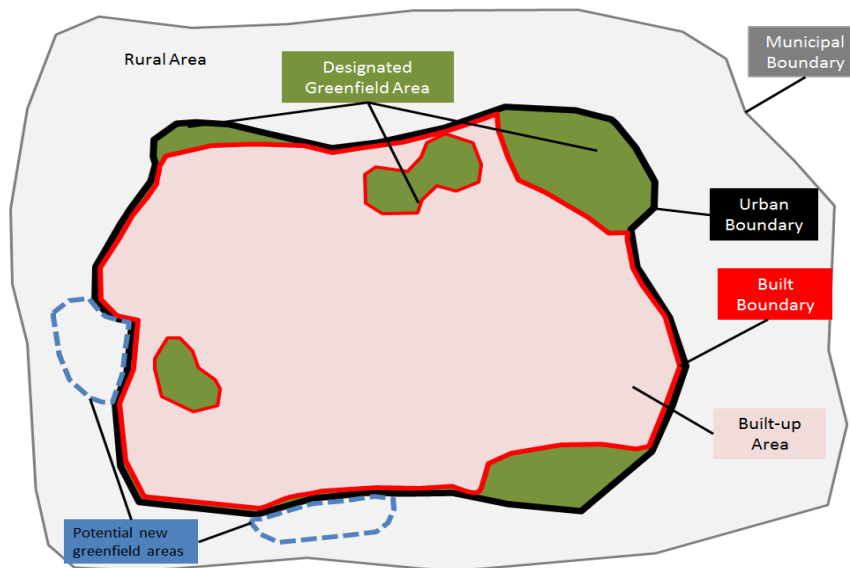
“Community” lands (i.e. lands to accommodate population growth and some commercial and institutional employment growth) separate from “Employment” lands (i.e. lands designated to accommodate employment growth including Business Parks and Industrial areas).

### *5.1.2 How is Community Area Land Need Calculated?*

For Community Area land need, the LNA Methodology relies on the Schedule 3 population forecasts of the Growth Plan, from which municipalities estimate the number of households by dwelling type and the housing need to the horizon of the Plan. Two key factors play an important role in the determination of future land need, the intensification target and the DGA density inputs (by unit type), which are addressed in turn below.

The first key factor with influence on the Community Area land need is the intensification target, which has a significant impact on the LNA results. The intensification target is a requirement of the Growth Plan, and requires a certain percentage of new residential units to be constructed annually within the built-up area of the City (the built-up area, identified in Appendix “G” to Report PED17010(g) and shown conceptually in Figure 1 below, was defined by the Province in 2006 and generally corresponds to the developed portions of the urban area). For the City of Hamilton, the annual minimum intensification target as per the Growth Plan is 50%. The City may plan for a higher target, or apply for approval of a lower target if it is deemed appropriate, however, as noted above, the target must consider market based demand in accordance with the LNA methodology.

**Figure 1: Conceptual Diagram of Growth Plan Policy Areas including the Built-Up Area and Designated Greenfield Areas**



**Source: City of Hamilton**



As the intensification target is increased, more units will be allocated to be built within the City's built-up area, and fewer units will need to be accommodated in the Designated Greenfield Area or DGA (urban areas outside of the built-up area boundary, identified in Appendix "G" to Report PED17010(h) and shown conceptually in Figure 1). In summary, in terms of Community Area land need, as the intensification target is increased, the size of the required urban expansion area is decreased.

The second factor influencing Community Area land need is the assumed density of future development by unit type within the DGA expansion area. The LNA is a supply and demand analysis which will ultimately identify any shortfall of units, by type, that cannot be accommodated within the existing urban area and must therefore be accommodated through urban boundary expansion. Once the unit shortfall by type has been identified, a density factor in units per hectare is applied to each unit type to ultimately determine the required additional Community Area land. The unit types are broken down into single and semi-detached, rowhouses (townhouses, including stacked and back-to-back townhouses) and apartments. In the case of the unit densities, the higher the assumed future density of each unit type, the lower the size of the required urban expansion area.

### *5.1.3 How is Employment Area Land Need Calculated?*

For Employment Area land need, the LNA Methodology relies on the Schedule 3 employment forecasts for the Growth Plan, from which municipalities are to determine the number of forecasted jobs by major land use planning type: employment lands employment, population-related employment, major office and rural-based jobs.

Employment areas are lands designated for traditional industrial and office uses, and within the City of Hamilton are comprised of newer Business Parks (WHID, Ancaster, Flamborough, Red Hill North and South and Stoney Creek), older Industrial Areas (Bayfront, East Hamilton, Dundas), and the Airport Employment Growth District (AEGD). Within the LNA, the calculation of Employment Area land need is based on a determination of the capacity of the existing employment area land supply in the City's designated employment areas based on an expectation of the future density (number of jobs) that will be accommodated on those lands at the plan horizon in 2051. The main components of the employment area land needs analysis are:

- A forecast of total employment including usual place of work, work at home, and no usual place of work employment, in accordance with the *Growth Plan* Schedule 3 forecast definitions;
- A forecast of employment by major type (employment land, population-related, major office and rural) based on analysis of 2016 Census employment by economic

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sector (NAICS code), data from the City’s employment survey and other information sources;

- An allocation of employment growth, by type, to the *Growth Plan* policy areas (employment area, community area and rural area);
- The calculation of the capacity of existing employment areas at 2051 through the application of density factors to the current employment area land supply; and,
- The establishment of Employment Area land need based on a comparison of supply and demand from the previous components.

**5.1.4 LNA Results – Community Area Land Need**

Community Area land need is calculated based on a determination of housing need by unit type and the capacity of the City’s existing urban area (through intensification within the built-up area and through development of the City’s existing DGA lands) to accommodate that growth. Any excess growth that cannot be accommodated within the existing urban area must be accommodated through urban boundary expansion.

In considering the Community Area land need and to illustrate the impact of different intensification targets, the LNA includes a range of scenarios. For complete results, see Appendix “B” to Report PED17010(h). The range of scenarios is summarized in Table 3:

**Table 3: LNA Results – Community Area Land Need Scenarios**

| Scenario               | Intensification Target (%)    |             |             | Land Need (ha) |
|------------------------|-------------------------------|-------------|-------------|----------------|
|                        | 2021 – 2031                   | 2031 – 2041 | 2041 - 2051 |                |
| 1. Current Trends      | 40                            |             |             | 3,440          |
| 2. Growth Plan minimum | 50                            |             |             | 2,200          |
| 3. Increased Targets   | 50                            | 55          | 60          | 1,640          |
|                        | (55% average over the period) |             |             |                |
| 4. Ambitious Density   | 50                            | 60          | 70          | 1,340          |
|                        | (60% average over the period) |             |             |                |

**Source: Lorus & Associates, Land Needs Assessment Technical Working Paper, 2020**

Details of the scenarios are described below. For each scenario, information about the assumed density of development by unit type is provided.

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- The 'Current Trends' Scenario represents the scenario that is closest to Hamilton's current rate of intensification and true market demand at a target of 40%, as per the findings of the Residential Intensification Market Demand Report (see below). The resulting land need arising from this scenario is approximately 3,440 ha, which, as will be detailed below in section 6 of this Report, exceeds the City's available land supply for Community Area urban boundary expansion. As such, this scenario is being shown for information purposes only to illustrate the market demand forecast and the significant increase in intensification rate that even the Growth Plan minimum requires.

*Density assumptions by unit type:* single and semi-detached dwellings will develop at a density of 25 units per hectare (uph) which equates to larger lots with 14 to 15 m (45 to 50 ft) lot frontages, consistent with recent larger lot greenfield development in Hamilton. Rowhouses are comprised of typical street or block townhouses at a density of 46 uph.

- The 'Growth Plan Minimum' Scenario which is based on an intensification rate of 50% throughout the planning period results in a Community Area land need of approximately 2,200 ha. While an intensification rate of 50% is deemed to be a suitable aspirational target for the City's planning purposes as per the RI Market Demand Report (discussed below), the resulting land need at this rate is still in excess of the City's available whitebelt supply (detailed in section 6 of this Report).

*Density assumptions by unit type:* single and semi-detached dwellings will develop at a density of 30 uph which equates to lots with 12 m (40 ft) lot frontages. Rowhouses are assumed at a density of 60 uph, comprised of 80% typical street or block townhouses and 20% higher density forms (stacked or back to back townhouses) at a density of 80 uph.

- The 'Increased Targets' Scenario proposes a gradually increased intensification rate of 50% between 2021 and 2031, 55% between 2031 and 2041 and 60% between 2041 and 2051 (which averages to an overall intensification target of 55%). This rate of intensification results in a Community Area land need of 1,640 ha, which is approximately equivalent to the City's available Community Area whitebelt land supply. Increasing the rate of intensification to this level at the later stages of the planning period will be challenging. The rationale for the phased increase of the intensification rate is the expectation that the City will become a greater focus for intensification as the planning period progresses as the downtown and other nodes and corridors continue to evolve into dynamic mixed-use areas. The phased increase will allow the City to monitor progress toward achieving greater rates of intensification at future Official Plan reviews and make necessary adjustments to the assumed rate if progress toward the higher goal is not being achieved.

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Density assumptions by unit type: single and semi-detached dwellings will develop at a higher density of 35 uph which equates to lots with 11 m (36 ft) lot frontages. Rowhouses are assumed at a higher density of 65 uph, comprised of 80% street or block townhouses and 20% higher density stacked or back to back townhouses at a density of 80 uph.

- The 'Ambitious Density' Scenario proposes an even greater rate of intensification which again increases during the later stages of the planning period at the following rates: 50% between 2021 and 2031, 60% between 2031 and 2041, and 70% between 2041 and 2051 (for an average intensification target over the period of 60%). This increased rate of intensification is significantly greater than current trends or the aspirational market demand rate identified in the RI Market Demand Report. Achieving these increased intensification targets would be a challenge and may require significant incentives to assist with achieving the goals. This scenario results in a land need of 1,340 ha.

Density assumptions by unit type: single and semi-detached dwellings will develop at the higher density of 35 uph or lots with 11 m (36 ft) lot frontages. Rowhouses are assumed at an even higher overall density of 70 uph, which results in an increased mix of higher density forms (50%) at a density of 80 uph, with 50% street or block townhouses.

All of the above scenarios result in a New DGA that would meet the Growth Plan minimum DGA planned density target, with planned density ranging from 53 pjh in the Current Trends Scenario to 77 pjh in the Ambitious Density Scenario. Combined with the planned density of 60 pjh of the Existing DGA (see section 5.4 below), the minimum planned density across the entirety of the DGA will exceed the Growth Plan minimum target of 50 pjh in all scenarios.

Discussion of the implications of the scenario results including the key decision points related to the intensification target, density assumptions, and the resulting Community Area land need are detailed in section 6 below.

#### *5.1.5 LNA Results – Employment Area Land Need*

The LNA attached as Appendix “B” to Report PED17010(h) considers the City’s existing employment land supply and makes assumptions about the future density of development on the remaining vacant employment lands. Consideration is also given to potential for redevelopment of the existing employment areas, with particular attention to the Bayfront which is currently the subject of the on-going Bayfront Strategy, and the AEGD being the City’s major greenfield employment area.

**Table 4: Existing (2016) and Anticipated (2051) Jobs and Density – City of Hamilton Employment Areas**

| Employment area   | 2016 jobs | 2051 jobs | 2016 density | 2051 density |
|---|-----------|-----------|--------------|--------------|
| Bayfront  | 20,430    | 25,390    | 15.3         | 18.4         |
| Central urban areas (Stoney Creek, East Hamilton, WHID, Dundas) | 24,960    | 28,870    | 34.6         | 35.0         |
| Greenfield areas (Flamborough, Ancaster, Red Hill)              | 16,940    | 34,570    | 40.5         | 41.0         |
| AEGD  | 1,030     | 25,590    | 8.1          | 30.0         |
| Total   | 63,350    | 114,420   | 24.3         | 29.4         |

**Source: Lorius & Associates, Land Needs Assessment to 2051, Technical Working Paper, 2020**

For the Bayfront Industrial Area, which is for the most part fully built out, additional consideration of redevelopment opportunities was undertaken. The assumptions used for they Bayfront are for increased jobs to be added through certain key redevelopment sites, but this is partially offset by the decline in jobs in other areas due to the changing nature of economic activity. The net result is an increase in approximately 5,000 jobs to 2051, as shown in Table 4.

The anticipated density for the AEGD is reflective of the type of economic activity anticipated in the area which will increasingly be comprised of land extensive warehousing and e-commerce related facilities.

The above assumptions regarding density and potential redevelopment were used as inputs into the LNA for the purposes of calculating overall employment land need.

In addition, the results of the draft Employment Land Review report (received by Council in November 2019) identified a total of approximately 43 ha of land for removal from the employment area designation. Some sites are still under consideration as additional information has been provided to staff or is expected to be forthcoming. While a recommendation has not been put forward on the additional sites at this time, should all of the outstanding sites be recommended for conversion, the recommended conversion area would increase to approximately 100 ha.

Regarding Employment Area land need, the LNA has determined that sufficient designated employment lands remain to accommodate job growth to 2051. The calculated supply capacity of the City’s existing employment lands is approximately 114,420 jobs, while the forecast of new jobs to be accommodated over the planning horizon is approximately 112,090 jobs, which equates to a small employment land surplus to 2051 of approximately 60 ha. This surplus is minimal and is within the margin of error of analysis and identifies that the supply and demand for employment lands is in balance. Should the recommended total lands for conversion increase, this minor

surplus would be negated and a minor shortfall in employment lands of approximately 40 ha would result, which is still within the margin of error of analysis.

## **5.2 Residential Intensification Market Demand Report**

As noted, the residential intensification target is one important input into the LNA. Residential intensification is defined as the development or redevelopment of land at a higher density than currently exists. The intensification target applies to any residential intensification taking place in the City's built-up area (see Figure 1 above) and is measured in the number of new dwelling units constructed annually within that area.

To assist the City with determining an appropriate intensification target, the City retained Lorus & Associates to complete a Residential Intensification (RI) Market Demand Report (attached as Appendix "C"). The RI Market Demand Report has identified a 50% intensification target as a suitable aspirational goal for the City of Hamilton. This finding is based on a review of major trends and drivers of intensification (economic factors, age structure, housing supply, housing cost, lifestyle preferences). The study identified three potential market trends forecasts:

- Current trends forecast – if stronger recent performance (i.e. average of 38% sustained over past 5 years) and Hamilton's economic resurgence continues – translates into a 40% intensification forecast;
- Low forecast – represents level of intensification that would be expected to occur without significant policy intervention – translates into a 29% intensification forecast; and,
- High forecast – approaching the maximum reasonable market demand outlook, all factors driving intensification accelerate – translates into a 48% intensification forecast.

The study recommends a target of 50% being at the high end of the reasonable market demand outlook, but suitable for planning purposes. To achieve this target, the City will need to continue with initiatives to support the City's desirability for high density living. Actions that the City is already undertaking to encourage intensification (as-of-right policy and zoning permissions, financial incentives / credits, etc) will need to continue, and other external factors will also need to be realized (i.e. market demand, demographic trends and preferences, economic conditions etc).

However, the report notes that assumptions / findings should be monitored and reviewed during the next comprehensive review cycle to ensure that assumptions are correct for the latter half of the planning horizon. If development uptake in the Downtown and around the GO stations is strong, and the future of the development

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along the B-line transit corridor is known, there may be potential for greater intensification later in the planning period.

### **5.3 Residential Intensification Supply Update**

On the RI supply side, the City's intensification supply update (attached as Appendix "D" to Report PED17010(h)) has confirmed that there is significant intensification potential across the City based on a review of potential intensification opportunities and current development applications. The Supply Update identified a supply of up to 70,000 units to the year 2051. The geographic breakdown of the identified supply opportunities is in line with the direction of the UHOP with a focus on the City's nodes and corridors, particularly the Downtown, as centres of future redevelopment and intensification.

On the supply side, the issue is not the amount of available supply, but what will be the absorption rate of the supply. It is known that the supply of available intensification units almost always outweighs demand. The Supply Update is one factor to consider in determining an appropriate intensification target (see section 6 below).

### **5.4. Existing Designated Greenfield Area Density Analysis**

The DGA can be considered as two distinct areas: 'Existing' DGA and 'New' DGA (illustrated in Figure 1 above). Existing DGA is the portion of the DGA that is already within the City's urban boundary, and may or may not have been developed since 2006 when the DGA lands were first identified under the Growth Plan. These lands are designated urban and can be developed, provided appropriate approvals are in place. New DGA is any lands that may be added to the urban boundary through urban boundary expansion. New DGA lands are currently designated rural, and would only become urban and added to the DGA through a future Official Plan Amendment if it is demonstrated through the LNA that additional land is required to accommodate residential growth. Planned density of the New DGA is determined through the LNA.

For the purposes of identifying the planned density of the City's Existing DGA to determine conformity to the Growth Plan minimum DGA density target, staff completed a review of the planned density of the City's Existing DGA (Appendix "E" to Report PED17010(h)). The analysis confirms that a significant portion of the City's Existing DGA is not available for residential development because the lands are designated for employment uses or are constrained by factors such as natural heritage features, cemeteries etc. Another large percentage of land is already occupied by housing or other uses, or is subject to a current planning application (i.e. Registered, Draft Approved or Pending Plan of Subdivision). Of the lands in the City's Vacant Residential Land Inventory (VRLI), approximately 11% are not subject to a planning application. This 11% of land area is classified as the Potential Development category of the VRLI and represents the portion of the Existing DGA where there is opportunity to plan for increased density and therefore increased assumptions of development

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capacity. The DGA density analysis reviews opportunities to increase the planned density of those lands by identifying areas where an increase in planned density may be appropriate. Based on this analysis, it is determined that the planned density of the Existing DGA is 60 pjh, which is based on the assumption that all Existing DGA lands will be developed within the planning horizon.

The Growth Plan DGA density target is measured across the entirety of the DGA, minus the features noted for exclusion (employment lands, natural heritage features etc.). The planned density of the Existing DGA at 60 pjh combined with the planned density of the New DGA, which ranges from 53 pjh to 77 pjh in the modelled LNA scenarios, results in a minimum planned density that exceeds the Growth Plan target.

## **6.0 Key Decision Points**

The draft LNA has identified a range of scenarios related to Community Area land need. Staff will be consulting with the public and stakeholders on the LNA and related documents over the coming months prior to reporting back to Committee with a final recommended LNA. Staff note that several key decisions will need to be made which have an impact on the ultimate determination of Community Area land need and these are discussed further below.

Regarding Employment Area land need, the LNA has identified a balanced supply and demand of employment land based on the assumptions of future planned density of the City's employment areas. There is less opportunity for variability in these assumptions, though opportunities to provide comment on that conclusion will still be available.

The focus of this section will therefore be on key decisions related to Community Area land need. Some considerations and preliminary analysis of these key decision points is provided below.

### **6.1 Key Decision #1 - Intensification Target**

As is noted in section 5 above, the intensification target has a significant impact on Community Area land need: the higher the intensification target, the lower the resulting land need as a greater number of units are planned to be accommodated over the long term within the existing built-up area. The scenarios modelled in the LNA present intensification target options ranging from an average of 40% (Current Trends scenario) up to an average of 60% in the Ambitious Density scenario (ranging from 50% to 70% from the beginning to the end of the planning period).

A key decision which will need to be made as part of the approval of the LNA is the determination of an appropriate intensification target for the City. Determining an appropriate intensification target will need to consider the following:



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- provincial direction;
- past intensification trends;
- intensification unit requirements;
- supply potential;
- market demand;
- public and stakeholder input;
- GRIDS 2 10 directions;
- climate change impacts;
- implications on land need; and,
- financial implications.

Each of these considerations is detailed below:

*Provincial direction:*

The Provincial Growth Plan requires a minimum intensification target of 50% for the period from 2021 to 2051. The City has the opportunity to plan for a higher target, or to request a lower alternative target. A lower alternative target would require ministerial approval and there is no guarantee of such approval, particularly in light of the resulting land need from a reduced target which would exceed the City’s available land supply (section 6.3 below).

Further, the Land Needs Assessment methodology requires a market-based approach be used in the completion of the LNA. The RI Market Demand Report has identified that 50% is a suitable aspirational target for the City and represents the high end of market demand. Adopting a target that is significantly higher than the identified market demand may not be in line with the provincial requirements.

*Past intensification trends*

The percentage of new housing unit growth that has occurred as residential intensification (RI) over the last 10 years is an average of 35%. Table 5 identifies the number of housing units constructed on a yearly basis and the location of the units (inside or outside the built boundary line):

**Table 5: Geographic Distribution of New Dwelling Unit Construction and Intensification Rates, City of Hamilton, 2010 - 2019**

| Year              | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | Total  |
|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Inside built line | 666   | 573   | 583   | 618   | 810   | 1,171 | 607   | 659   | 1,270 | 1,302 | 8,259  |
| Outside built     | 1,716 | 1,129 | 1,749 | 1,284 | 1,435 | 1,647 | 1,576 | 1,906 | 1,270 | 1,524 | 15,236 |

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|             |       |       |       |       |       |       |       |       |       |       |        |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| line        |       |       |       |       |       |       |       |       |       |       |        |
| Total units | 2,382 | 1,702 | 2,332 | 1,902 | 2,245 | 2,818 | 2,183 | 2,565 | 2,540 | 2,826 | 23,495 |
| RI %        | 28    | 34    | 25    | 32    | 36    | 42    | 28    | 26    | 50    | 46    | 35     |

Source: City of Hamilton

Recent years have seen a rise, but past trends indicate that annually this number will fluctuate. Two years of higher percentage rates is not enough to conclude the RI rate will consistently remain at 50%. The statistics illustrate the challenge in meeting the 50% minimum target on a yearly basis.

Other recent intensification trends of note:

- From 2007 to 2018, the majority of intensification (68% of units) occurred within the neighbourhoods element of the urban structure, while 13% occurred in the downtown and 19% occurred in the other nodes and corridors. It is anticipated that this pattern will shift over time to reflect a nodes and corridors intensification focus.
- Recent trends have shown an increase in new dwelling unit construction in the downtown, increasing from a total of almost 700 new units in the downtown in the five year period between 2010 to 2014 to over 1,200 new units between 2015 and 2018.
- The share of apartment units as part of the yearly intensification unit construction has increased from an average of 37% between 2007 and 2012 to 70% between 2013 and 2018.

These numbers suggest that the type of intensification the City is experiencing is shifting to a pattern that is comprised of higher density units in the downtown and nodes and corridors. The continued success of the City’s RI rate will depend on the continued uptake of development interest in the downtown and other nodes and corridors.

*Intensification Unit Requirements*

Table 6 below identifies the required number of intensification units that would need to be realized over the planning period to achieve the targets modelled in the four LNA scenarios:

**Table 6: Impact of Change in Intensification Target on Intensification Unit Requirements**

| LNA Scenario   | Intensification Target | Intensification Units Required 2021 - 2051 |
|----------------|------------------------|--|
| Current Trends | 40%                    | 44,130                                     |

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|                     |                                   |        |
|---------------------|-----------------------------------|--------|
| Growth Plan Minimum | 50%                               | 55,160 |
| Increased Targets   | 55%<br>(average of phased target) | 60,680 |
| Ambitious Density   | 60%<br>(average of phased target) | 66,190 |

*Source: Lorius & Associates, Technical Land Needs Assessment, 2020*

Table 6 illustrates the significant increase in intensification units required to meet the target increase from 40% to 60%, requiring more than 22,000 additional RI units in the 30 year timeframe, or an increase of 700 units annually to be realized over the timeframe.

Under all scenarios the number of intensification units required to meet the target is significantly greater than the City’s past intensification rates. In the 10 year period between 2010 and 2019, approximately 8,300 RI units were constructed within the built-up area. Even at the lowest rate (40%) modelled in the LNA, the requirement over a 10 year period is significantly greater at almost 15,000 units. The increase is due to the significantly greater overall growth rates that the City is forecast to experience.

*Supply*

The City’s intensification supply update (attached as Appendix “D”) has confirmed that there is significant intensification potential across the City, with an identified potential supply of approximately 70,000 units to 2051.

On the supply side, the issue is not what is the available supply, but what will be the absorption rate of the supply. Supply potential must be facilitated by planning policy and other initiatives / incentives to increase the City’s attraction for new investment, and considered in conjunction with market demand to determine an appropriate and supportable target moving forward.

*Market demand*

The Residential Intensification Market Demand Report (attached as Appendix “C”) has identified a 50% intensification target as a suitable aspirational goal for the City of Hamilton.

The study recommends a target of 50% being at the high end of the reasonable market demand outlook, but a suitable aspirational target for planning purposes. However, the report notes that assumptions / findings should be monitored and reviewed during the next comprehensive review cycle to ensure that assumptions are correct for the latter half of the planning horizon. There may be potential for greater intensification later in the planning period.

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*Public / stakeholder / staff input*

As part of the second round of public engagement on GRIDS 2 / MCR (public open houses, stakeholder session and staff working group), staff consulted on the intensification target, and whether the City should plan for a target that is higher, at the minimum, or lower than the minimum Growth Plan intensification target of 50%. The general consensus from members of the public and stakeholders was for a higher intensification target, above the Growth Plan minimum of 50%, with an emphasis on supporting complete communities and accommodating a greater portion of future development within the existing urban boundary. The complete summary of the second round of public consultation is provided in Report PED17010(g) presented at the December 14, 2020 General Issues Committee. As part of the next round of public consultation on the LNA and related reports, the public will once again have an opportunity to comment on the intensification target with the added context of the implications of different intensification targets on the City's overall land need.

*GRIDS 2 10 Directions*

The GRIDS2 10 Directions would indicate that a higher intensification target is preferred, which allows for more development to be accommodated in the existing urban area (#3), supports the efficient reuse of existing buildings, infrastructure and land (#8), and supports climate change mitigation and adaptation goals of planning at transit-supportive density (#1).

*Climate change implications*

From a climate change perspective, there is benefit to planning for increased intensification, provided a balanced approach to growth is maintained. In terms of climate change mitigation, an increased intensification target and resulting lower Community Area land need can result in more compact development, reducing overall need for vehicular travel, potentially resulting in greater opportunities for active transportation and transit supportive density.

Further, an increased intensification target and resulting lower land need will result in greater preservation of rural and open space lands. This preservation can provide a mitigation benefit through carbon sequestration properties and an adaptation benefit through opportunities for stormwater management and flooding resilience in response to extreme weather events, in addition to local food production.

To maximize benefits from increased intensification there is a need to consider how net zero building design, green energy, embodied carbon, protection of the urban tree canopy and other matters can be incorporated in the design of new developments. Without thoughtful consideration of these matters when planning for intensification and

in designing new developments, the climate benefits of increased intensification can be reduced by negative impacts from an increased urban heat island effect, for example.

*Implications on land need*

The LNA identifies the difference in overall land need resulting from a change in the RI target, which is summarized in Table 7 below.

**Table 7: Impact of Change in Intensification Target on Community Area Land Need**

| <b>Intensification Target</b>     | <b>Community Area Land Need to 2051 (ha)</b> |
|-----------------------------------|--|
| 40%                               | 3,440  |
| 50%                               | 2,200  |
| 55%<br>(average of phased target) | 1,640  |
| 60%<br>(average of phased target) | 1,340  |

*Source: Lorius & Associates, Technical Land Needs Assessment, 2020*

The LNA has shown that planning for an RI target below 50% (Current Trends Scenario) or at the Growth Plan Minimum of 50% will result in a Community Area land need that exceeds the City’s available land supply to accommodate Community Area urban expansion, which effectively negates these options. This land supply issue will be discussed further in section 6.3.

Staff note that the scenarios modelled in the LNA vary both the intensification target and the density assumptions for new DGA development for each scenario (see section 6.2 below for density discussion). However, it is the intensification target that has the greatest impact on future land need. Even if the density assumptions under the Current Trends or Growth Plan Minimum Scenarios are increased, the resulting land need would still exceed the available whitebelt land supply.

*Financial implications if intensification target is not achieved:*

A consideration when setting the intensification target must be the consequences which could occur if the City does not achieve the required intensification. If the City does not achieve the required levels of intensification (for any number of reasons including lack of demand, market changes, supply constraints etc.) there may be financial implications for the City if the forecasted population / unit growth is not achieved. If the growth is not achieved through intensification, and the City has designated a lesser amount of

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expansion land to accommodate greenfield growth due to the higher target, the growth that is not realized through intensification may go elsewhere (i.e. other municipalities).

Development Charges (DCs) are calculated by dividing the forecasted capital cost required to service growth by the forecasted population growth (residential) or job growth (employment). If the City's actual population growth does not keep pace with the forecasted growth, the City will not collect enough in DCs to pay for the infrastructure investment; because the calculated amount per unit 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. If the City is not collecting enough DCs to pay for the infrastructure then the City needs to internally borrow funds to cover the costs / debt payments.

*Intensification Target – Options to Consider:*

Planning at or below the Growth Plan minimum target of 50% is not a feasible option given the constraints on the City's available Community Area whitebelt land supply. Given this constraint, staff suggest the following two options for consideration:

1. Plan for a phased in RI target over the period from 2021 to 2051 with an average target of 55% over the period, as illustrated in the LNA *Increased Targets Scenario*. This approach has the benefit of planning for an intensification target that is close to the identified aspirational target of 50% as identified in the RI Market Demand Report, therefore making the achievement of the target more of a realistic goal, but will result in a Community Area land need of approximately 1,640 ha. As is illustrated in Section 6.3 below, this area would encompass all of the City's available Community Area whitebelt lands.
2. Plan for a phased in RI target over the period from 2021 to 2051 with an average target of 60% over the period, as illustrated in the LNA *Ambitious Density Scenario*. This approach requires the City to plan to achieve intensification rates of up to 70% at the later end of the planning period which is significantly higher than the demand identified in the RI Market Demand report and the City's current trends. However, the higher target will result in a Community Area land need of approximately 1,340 ha and therefore require the City to designate less land to accommodate future growth.

The benefit of both of these options is that planning for an RI target that is phased over the planning period and increases over time allows for monitoring and review of the City's intensification performance at future Official Plan Reviews at which time the target could be reconsidered if necessary. Both the Increased Targets and the Ambitious Density scenarios take this approach.

**6.2 Key Decision #2 – Density Assumptions by Unit Type**

A second factor which influences Community Area land need is the assumed density of future development by unit type within the new DGA expansion lands. Once the LNA has identified the future required unit mix in the new DGA, a density factor in units per hectare is applied to each unit type to ultimately determine the required additional Community Area land (see Table 8 below). The unit types are broken down into single and semi-detached, rowhouses (townhouses, including stacked and back-to-back townhouses) and apartments. If density assumptions are increased, the required Community Area land need will decrease. The focus of this discussion is on the density of single and semi-detached and townhouse dwellings, as the density assumptions for apartment buildings are held constant across all LNA scenarios.

**Table 8: LNA Density Assumptions by Unit Type – New DGA**

| Scenario            | Density (uph) – Singles/ Semis | Frontage – Singles / Semis | Density (uph) - Rowhouses |   |
|---------------------|--------------------------------|----------------------------|---------------------------|---|
| Current Trends      | 25                             | 14 – 15 m (45 – 50 ft)     | 46                        | 100% street / blocks<br>0% stacked / back to back |
| Growth Plan Minimum | 30                             | 12 m (40 ft)               | 60                        | 100% street / blocks<br>0% stacked / back to back |
| Increased Targets   | 35                             | 11 m (36 ft)               | 65                        | 80% street / blocks<br>20% stacked / back to back |
| Ambitious Density   | 35                             | 11 m (36 ft)               | 70                        | 50% street / blocks<br>50% stacked / back to back |

*Source: Lorus & Associates, Technical Land Needs Assessment, 2020*

Factors to consider in determining appropriate density assumptions for future development in the new DGA include:

- Current trends;
- Urban design;
- Public / stakeholder input; and,
- GRIDS 2 10 Directions and climate change impacts.

Each of these considerations is detailed below:

### *Current Trends*

A review of recent subdivision activity in the City identifies a range of densities of new development, with averages in the range of 10 – 30 uph for single / semi-detached dwellings and 35 – 60 uph for townhouses. This is consistent with the density assumptions made in the LNA under the Current Trends and Growth Plan Minimum Scenarios which assumed net densities of 25 uph for singles and semis and 46 uph for rowhouses (Current Trends scenario) and 30 uph for singles / semis and 60 uph for rowhouses (Growth Plan Minimum scenario).

The densities modelled in the Increased Targets and Ambitious Density scenarios are somewhat higher than current trends for new development within the City, particularly the 70 uph assumption for rowhouses under the latter scenario. It should be noted that the density assumptions in the LNA include stacked townhouses and back to back townhouses within the rowhouse category, whereas within the City's Zoning By-law, stacked townhouses are considered multiple dwellings and not townhouse dwellings. The inclusion of this form in the higher scenarios, particularly in the Ambitious Density Scenario where stacked townhouses form 50% of the rowhouse total, has the effect of increasing the overall density.

### *Community Design*

Design considerations for new greenfield communities must be a factor when considering the planned density and housing mix of new communities. New communities should be designed with a mix of unit types, meeting the requirements of a complete community. All proposed scenarios and density ranges modelled in the LNA would result in new communities designed with a mix of unit types, with higher density uses becoming more prominent in the Increased Targets and Ambitious Density scenarios. Particularly in the Ambitious Density scenario, the increased weighting toward higher density forms of rowhouses (stacked towns and back to backs) will result in a denser community form. The City is actively working on design guidelines for medium density housing developments as part of the work on the new Residential Zoning By-law which will assist in considering design implications of density in the future.

### *Public and Stakeholder Input*

As part of the second round of public engagement on GRIDS 2 / MCR, staff consulted on the DGA density target, and whether the City should plan for a target that is higher, at the minimum, or lower than the minimum Growth Plan density target of 50 pjh. While the DGA density target is no longer an input into the LNA as per the previous method, the density of development of the New DGA is an important factor, and it directly impacts the planned DGA density as an LNA output. Therefore, the comments from the public and stakeholders regarding density are still relevant to this discussion. The

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general consensus from members of the public and stakeholders was for a higher density, above the Growth Plan minimum of 50 pjh, with an eye to supporting complete communities and accommodating a greater portion of future development within the existing urban boundary.

### *GRIDS 2 10 Directions*

Planning for increased densities is consistent with the GRIDS2 10 Directions, as increasing the planned density supports planning of new communities with a greater variety of housing types and live/work options (#2), and supports climate change mitigation and adaptation goals of planning at transit-supportive density (#1).

### *Climate change impacts*

From a climate change perspective, the question of density is an important consideration. Planning for increased density brings mitigation benefits such as compact community design which can encourage active transportation and increase transit usage. Further, planning at increased densities may provide greater opportunity to investigate usage of alternative energy models, which can be more cost effective and easier to implement in higher density developments.

However, climate change adaptation requirements resulting from the increased risks of extreme weather events brings new considerations related to stormwater management, floodplain mapping, increased need for low impact development techniques, and the maintenance and protection of the urban tree canopy. Incorporating these considerations into the design of new communities means that additional lands may be required to accommodate these features, reducing the overall land area available for development. The need to maintain permeable surfaces and natural / open space areas will be important in future community design.

### *Unit Densities – Options to Consider*

Unlike the intensification target where the option to plan for the minimum Growth Plan target (or less) is not feasible due to land supply issues, all potential density assumptions modelled in the LNA could be considered going forward, and will be evaluated based on the considerations above and feedback from the public and stakeholders.

## **6.3 Key Decision #3 - Community Area Land Need**

Tied to the determination of an appropriate RI target and supportable density assumptions, a final key decision point surrounds the Community Area land need resulting from the LNA calculations.

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As noted above, the application of different intensification targets and density assumptions results in different Community Area land need outputs. The following are some important points to consider related to overall land need:

*Land supply*

By land area, Hamilton is a primarily rural community. The majority of Hamilton’s land area is designated Rural, and urban development is not permitted within the Rural area. Of note, the vast majority of the City’s land area would remain rural even if a proposed expansion area of 1,640 ha as an example (Increased Targets scenario) is added to the urban boundary:

**Table 9: Urban and Rural Land Area, City of Hamilton**

| Land area split | Current   |     | After 1,640 ha expansion |     |
|-----------------|-----------|-----|--------------------------|-----|
|                 | Area (ha) | %   | Area (ha)                | %   |
| <b>Urban</b>    | 24,000    | 21  | 25,640                   | 23  |
| <b>Rural</b>    | 88,830    | 79  | 87,190                   | 77  |
| <b>Total</b>    | 112,830   | 100 | 112,830                  | 100 |

*Source: City of Hamilton*

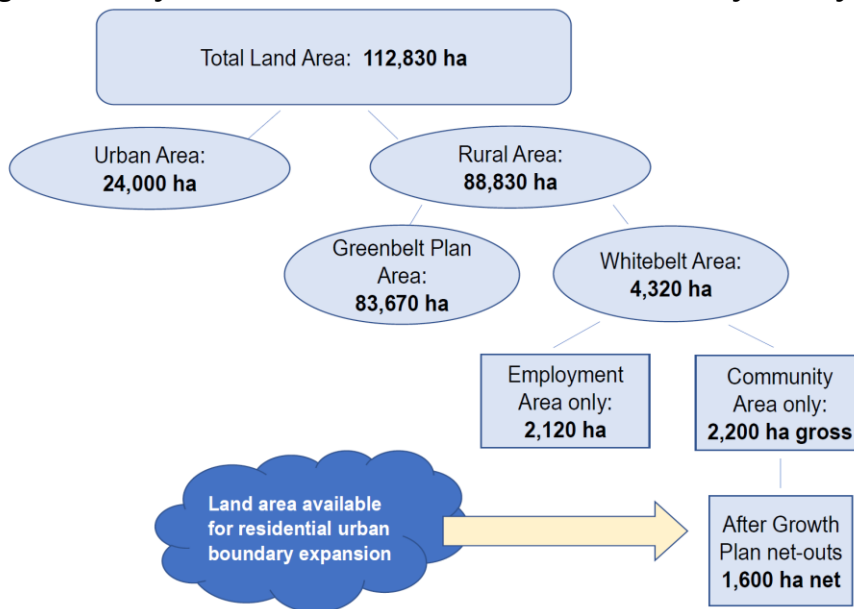
Within Rural Hamilton, the majority of the lands are located within the Greenbelt Plan area. ‘Whitebelt’ lands are those lands which are located within Rural Hamilton but are not included in the Greenbelt Plan area. The whitebelt land area is shown on Appendix “H” to Report PED17010(h). The whitebelt lands equate to approximately 5% of the total rural land area.

The City may only consider an urban expansion into the whitebelt area. Expansion into the Protected Countryside of the Greenbelt is protected from being redesignated for urban uses (with a minor exception of a 10 ha expansion from Waterdown / Binbrook).

A large portion of the City’s whitebelt lands are constrained by the airport Noise Exposure Forecast (NEF) contours and / or natural heritage features and are therefore not available to accommodate future Community Area (i.e. residential) growth. The whitebelt lands which can be considered to accommodate future Community Area land need (referred to as “Community Area whitebelt” for the purposes of this Report) total approximately 1,600 ha (after the Growth Plan ‘net-outs’ including natural heritage features are removed).

As is illustrated in Figure 2 below, the City’s available Community Area whitebelt land supply is limited:

**Figure 2: City of Hamilton Land Area Breakdown by Policy Area**



**Source: City of Hamilton**

The draft LNA has identified that most or all of the City’s Community Area whitebelt lands will be required for future growth to the year 2051 under all scenarios modelled. The exact amount of urban expansion land will be impacted largely by the chosen intensification target, as per the above discussion. Additional factors related to the potential Community Area whitebelt lands should also be considered before reaching a final determination of Community Area land need, including those outlined below.

*Community Area whitebelt land areas:*

Of the 1,600 net ha of Community Area whitebelt land which are not constrained by NEF contours or natural heritage features and are therefore available to accommodate residential urban boundary expansion, the majority of the lands are located contiguous to the City’s southern urban boundary, as indicated on Appendix “H” to Report PED17010(h).

These whitebelt lands can be broadly categorized into four areas, referred to as:

- ‘Elfrida’ – most easterly whitebelt lands, in the vicinity of Rymal Road East and Upper Centennial Parkway, bounded by Mud Street East, Second Road West, Golf Club Road and Trinity Church Road (approx. 1,200 gross ha, 930 net ha)
- ‘Twenty Road East’ – whitebelt lands north and south of Twenty Road East, in the vicinity of Miles Road (approx. 450 gross ha, 270 net ha)

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- ‘Twenty Road West / Garner Road’ – westerly whitebelt lands located on the south side of Twenty Road West and Garner Road (approx. 175 gross ha, 125 net ha)
- ‘Whitechurch’ – most southerly Community Area whitebelt land, east of Upper James Street, in the vicinity of Whitechurch Road, Miles Road and Airport Road (approx. 350 gross ha, 275 net ha)

Note that the gross and net land areas noted above are approximations based on City of Hamilton Core Area mapping. Detailed determination of available developable land area will be determined through future study.

The scenarios in the draft LNA range from a Community Area land need of 3,440 ha to 1,340 ha. As noted, the Current Trends and Growth Plan Minimum options result in a land need that exceeds the City’s available Community Area whitebelt land supply, and therefore cannot be considered going forward. The remaining 2 options range from a need to include all of the above whitebelt areas in the urban boundary to accommodate 2051 growth (Increased Targets scenario), to a reduced land need option that would exclude a portion of the lands from being designated for urban growth, but would rely on a significantly higher intensification target going forward (Ambitious Density Scenario).

*Evaluation considerations of more or less Community Area land need:*

To assist Committee and the public with understanding the implications of adding more or less land to the urban area, some factors for consideration are noted below. Upon finalization of the LNA in early 2021, the next phase of GRIDS 2 / MCR will be a detailed evaluation of the phasing and order of growth options to 2051 which will include financial, servicing, transportation, environmental and social considerations. The factors below are not intended to replace the future detailed evaluation, and are intended only to assist with understanding the implications of a greater or lesser Community Area land need in relation to the available Community Area whitebelt lands.

- Relationship of Community Area whitebelt land areas to urban structure:

In terms of the locational characteristics of the Community Area whitebelt lands, it is apparent that the Whitechurch lands are physically separated from the remainder of the City’s urban area by a large swath of rural land on the east side of Upper James Street that could only be developed in the future for employment uses due to the airport NEF contours. Based on the findings of the LNA which identifies a balanced employment land supply, and existing Council direction for the City’s next employment area expansion to be within Phase 2 of the AEGD, it is unlikely that the NEF-constrained rural lands between the Whitechurch area and the Twenty Road East area will develop within the current planning horizon. This would result in a residential expansion area in the Whitechurch area which is largely separated from the remaining urban area.

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The remaining areas (Elfrida, Twenty Road East, and Twenty Road West / Garner Rd) are contiguous to the existing urban area. In addition, the Elfrida lands would represent the completion of a Community Node at the Rymal Road and Upper Centennial intersection.

All potential whitebelt growth areas are well situated in terms of being located close to employment areas (AEGD, Red Hill North/South etc) to promote a balanced jobs to housing ratio.

- Whitebelt land areas and previous planning decisions:

Since the completion of the first GRIDS study and the adoption of the Rural and Urban Hamilton Official Plans, there is considerable history related to the identification of future growth areas, directions for future considerations and LPAT appeals / decisions.

The first GRIDS followed the direction of the City's Building A Strong Foundation and Vision 2020 which espoused smart growth principles, complete community development, protection of farmland and limited urban expansion, and environmental protections. Through the GRIDS study design and analysis, Elfrida was identified as the preferred growth option after scoring highest in the evaluation criteria overall. Elfrida was identified as the preferred growth option to 2031 and implemented through the adoption of the Official Plans, currently under appeal. (Through this staff report, staff are recommending that the GRIDS 2 / MCR study design be expanded to include consideration of the 2021 to 2031 time horizon).

The Twenty Road East lands were considered in the first GRIDS as part of the review of growth options. While not identified as the preferred growth option in the final GRIDS report, Council motion in 2006 following the approval of the GRIDS report directed staff to consider the evaluation of the Twenty Road East lands to accommodate future growth as part of the next MCR (which is currently underway).

The Twenty Road West / Garner Road lands were initially identified as part of the AEGD study area and identified to accommodate employment growth needs to 2031. Through the OMB hearing and the signing of a minutes of settlement (see below), the Twenty Road West / Garner lands were removed from the AEGD and left in a rural designation for future consideration of urban uses.

A minutes of settlement was signed at the conclusion of the AEGD Secondary Plan hearing which included parties related to Elfrida, Twenty Road East and Twenty Road West / Garner Road and the City. Through the MOS, it was agreed that Elfrida was the City's next area for future residential growth, and that a westerly order of future growth progression for residential purposes would follow to Twenty

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Road East. The Twenty Road West / Garner Road lands would be evaluated through the next MCR for inclusion in the urban boundary and for what type of use.

At the October 6, 2020 Planning Committee meeting (confirmed by Council on October 14, 2020) the following resolution was approved: "That all eligible lands including Twenty Road West lands be part of the consideration of future growth options (residential or employment) as part of GRIDS 2 / MCR".

While there is significant history related to the three above noted Community Area whitebelt land areas, there has been little to no consideration of the Whitechurch lands as a future growth area. Largely due to the physical separation of the lands from the remainder of the urban area, this area has not historically been contemplated for future growth.

- Servicing and transportation costs

Consideration of servicing and transportation costs will be a significant portion of the evaluation and phasing of future growth options during the next phase of GRIDS 2 / MCR. A detailed costing of the servicing and transportation considerations of all whitebelt lands areas has not yet been undertaken. However, some general comments can be made:

- Servicing costs will increase with distance from the existing urban area
- In terms of Master Plan level servicing considerations, the three Community whitebelt areas contiguous to the urban area (Elfrida, Twenty Road East, and Twenty Road West / Garner Road) can be serviced through the future Dickenson Road trunk sewer which will extend from Upper Centennial to Upper James
- Servicing of the Whitechurch lands would require a new trunk sewer and a new / upsized watermain along Miles Rd at a cost of more than \$34 million
- Upstream and downstream impacts on the transportation network from the introduction of any new growth area need to be evaluated
- Urbanization of boundary roads would be required. The more rural boundary roads surrounding the growth area, the higher the cost
- Introducing and growing transit ridership is a challenge in any new growth area, to achieve the minimum coverage service standard of 90% of residents / workplaces within the Urban Transit Area to be within 400 metres of weekday peak service.

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- Complete community considerations

An important criteria when considering Community Area land need in relation to the available Community Area whitebelt is the ability of a future expansion area to both function as a complete community and contribute to building a complete community with surrounding lands. A complete community refers to a community with a mix of land uses, housing options and amenities to support residents' choices for active transportation, walkability, and the option to live, work and play in close proximity. A complete community can be considered in terms of the development of a new growth area as a stand-alone complete community which within itself provides for the options above. In addition, a new growth area can also contribute to enhancing the existing community around it by introducing more housing options, services and amenities to existing residents. The Community Area whitebelt lands that are located contiguous to the existing urban area may be better suited to contribute to enhancing surrounding communities. When considering the options related to Community Area land need, the ability of the growth areas to fulfil these functions should be a factor.

- GRIDS 2 10 Directions

The GRIDS 2 10 Directions support the development of compact, mixed use communities, active transportation options and development of complete streets, intensification and development within the existing urban boundary. All future Community whitebelt areas have the potential to develop as mixed use communities at a higher density than traditional forms of greenfield development. In addition, all whitebelt areas could be designed with active transportation options, pedestrian and cycling amenities and open space options. However, for any new whitebelt area, the provision of transit and the growing of transit ridership will be a challenge.

Direction 3 supports new development to be concentrated within the urban boundary through intensification and redevelopment, supporting an option for a lesser overall land need.

- Climate change implications

The draft LNA identifies a need for urban boundary expansion under all scenarios. Staff are cognizant of the climate change impacts that can arise from an expanded urban boundary, including increased vehicular emissions from the potential for greater travel time and urbanization of rural lands. However, as is noted in the next section, planning for all of Hamilton's growth to 2051 within the existing urban boundary is not a reasonable option. The intensification targets modelled in the LNA scenarios are already above the Growth Plan minimum, at the highest level deemed reasonable from a market demand perspective and represent an aspirational target. Further, the planned DGA density in new DGA areas under the highest LNA

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scenarios is between 75 and 77 pjh which is a significant increase over the planned density of the Existing DGA (60 pjh). This target will require the new areas to be planned at higher density than traditional suburban development.

From a regional climate change perspective, Hamilton is well-suited to accommodate growth, has transit connections to Toronto and adjacent municipalities, and has regional amenities (e.g. institutions, hospitals etc). If Hamilton does not accommodate greenfield housing, the supply will be provided elsewhere, causing potential regional climate change implications if new homebuyers in outer areas are forced to commute longer distances.

From an urban structure viewpoint, all potential Community Area whitebelt growth areas are well situated in terms of being located close to employment areas (AEGD, Red Hill North/South etc) to promote a balanced jobs to housing ratio. The Community Area whitebelt lands which are contiguous to the existing urban area are in proximity to transit hubs / routes (including the Centennial GO).

From a climate change perspective, in considering a greater or lesser Community Area expansion requirement, a lesser required urban expansion area can have climate change mitigation benefits through the preservation of rural / agricultural / open space lands (carbon sinks) and reduced need for new transportation and servicing infrastructure outside of the existing urban boundary. Further, from a mitigation perspective, if urban expansion is to occur, an expansion closer to the existing urban area would be preferable to benefit from proximity to existing services, transit and transportation networks, amenities and jobs, thereby potentially decreasing transportation related impacts.

From the adaptation perspective, a reduced land area is preferred in order to preserve rural / open space lands and maximize opportunities for natural stormwater management and flooding resilience. While a reduced land need would be preferred for these reasons noted above, consideration of climate change adaptation will be critical within any new growth area regardless of its size, in planning for stormwater management, natural heritage protection, green energy opportunities and other factors.

- No urban boundary expansion option?

The LNA did not explore an option to focus all of the City's growth into the existing urban area through intensification of the built-up area and through development of the existing DGA. However, a calculation can be completed to determine what would be required in terms of intensification rates in order to result in a need for no urban boundary expansion:



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City's overall forecasted unit growth 2021 – 2051: 110,320 units  
Capacity of existing DGA to accommodate growth: 20,560 units  
Required units to accommodate through intensification in the built-up area: 89,760 units  
Rate of intensification: 81% (through the entirety of the planning period)

This option was not included as a modelled scenario in the LNA for the following reasons:

- This option, with a significantly increased intensification target, far exceeds the identified market demand in the RI Market Demand report. The provincial LNA methodology requires the use of a market-based demand approach to the calculation of land needs. In light of the market-based direction, it is questionable if the Province would accept a proposed intensification rate of 80%.
- The RI Supply Update attached as Appendix “D” to Report PED17010(h) has identified a supply potential of approximately 70,000 units to 2051. The required intensification units under this option would be in the range of 89,000 units to 2051 which exceeds the estimated supply within the planning horizon.
- This option would not result in a balanced unit supply of new units as is required by planning policy to contribute to the development of complete communities. Approximately 75% of new intensification units would be in the form of apartments. There is a concern that an unbalanced future unit supply would not satisfy the demand for lower density housing forms, and that the City may lose growth opportunities if that demand cannot be met.

*Community Area Land Need – Options to Consider:*

Based on the findings of the LNA and the considerations noted above, the following two options for consideration related to the required Community Area land need are proposed:

1. Support the *Increased Targets Scenario* in the LNA which would result in a Community Area land need of 1,640 ha, resulting in the requirement for the City to designate all of the available Community Area whitebelt lands to Urban.
2. Support the *Ambitious Density Scenario* in the LNA which would result in a Community Area land need of 1,340 ha. Not all of the City's whitebelt lands would be required for growth to 2051. Through the next phase of GRIDS 2 /MCR, determination of which whitebelt lands to add to the urban boundary would be made.

## **7.0 Next Steps**

Staff are requesting Council to receive the attached reports and authorize staff to commence public and stakeholder consultation on the documents. Staff anticipate collecting comments and feedback on the reports in a variety of ways, including virtual open houses, a virtual stakeholder meeting, the Engage Hamilton portal with options to provide feedback and ask questions on line, and through direct email contacts. Staff are planning an innovative communication strategy to ensure that word of this important city-building initiative is spread in the community, and will include mail-outs, signage and billboards, social media and website / video messages.

Following consultation on the LNA and related reports, staff will bring forward a recommendation report anticipated for March 2021 with the final LNA requesting Council endorsement of the intensification target, planned density, and the resulting Community / Employment Area land need. At the March meeting, staff will also request approval of the evaluation framework to be utilized in the next phase of GRIDS 2 / MCR.

The next phase of GRIDS 2 / MCR will be the evaluation of where and when future residential growth will occur. Since it is apparent that the required land area encompasses most of the available whitebelt growth areas, the evaluation phase of GRIDS 2 / MCR will be primarily focussed on the timing / phasing of when growth will occur.

Evaluation will include input from all departments, stakeholders and members of the public. Evaluation will include impact modelling of future growth options on infrastructure and transportation networks, to be integrated with updates to the Infrastructure Master Plans. As per the Council motion from January 15, 2020, the evaluation will include a transportation infrastructure needs assessment including implications of a front-ending model for major transportation infrastructure as part of the financial impact assessment of growth options. The evaluation phase (phase 3) will commence immediately upon endorsement of the Land Needs Assessment and continue through the summer and Fall of 2021.

## **ALTERNATIVES FOR CONSIDERATION**

1. Do not support the staff recommendation to revise the GRIDS 2 / MCR planning horizon to include 2021 to 2051, which would have the impact of maintaining the current horizon which plans for growth from 2031 to 2051, and it would maintain Elfrida as the preferred growth option from 2021 to 2031. It must be noted that accepting the staff recommendation to revise the planning horizon does not mean that Elfrida will not ultimately be identified as the preferred growth option to 2031, rather it means that the GRIDS 2 / MCR evaluation will be undertaken to consider all options during that period.

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2. Do not receive the technical reports and / or authorize consultation on the reports. This option would have the risk of delaying the GRIDS 2 / MCR process which is on an expedited timeline in order to meet the provincial MCR conformity date of July 2022.

**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.*

**Clean and Green**

*Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.*

**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” – GRIDS 2 10 Directions: proposed revisions incorporating Our Future Hamilton themes and stakeholder / public comments
- Appendix “B” – Land Needs Assessment to 2051 Technical Working Paper
- Appendix “C” – Residential Intensification Market Demand Analysis
- Appendix “D” – Residential Intensification Supply Update
- Appendix “E” – Designated Greenfield Area Density Analysis
- Appendix “F” – Policy Review
- Appendix “G” – Boundary Map of Built Up Area and Designated Greenfield Area
- Appendix “H” – Map of Urban and Rural Land Areas Including Greenbelt Plan Boundary and Whitebelt Lands

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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.