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VIA EMAIL

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City of Hamilton
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Attention: Members of the City of Hamilton General Issues Committee

**Re: Input on behalf of the Twenty Road East Landowners' Group GRIDS 2 and
Municipal Comprehensive Review - Final Land Needs Assessment March
29, 2021 Special General Issues Committee Meeting**

Agenda Item 8.1 (PED17010(i))

Dear Madams and Sirs:

Together with my co-counsel, Davies Howe LLP, we are writing on behalf of our client, the Twenty Road East Landowners' Group (the "**TRE Group**") to provide comments on the GRIDS 2 and Municipal Comprehensive Review - Final Land Needs Assessment, (the "**Staff Report**"). The TRE Group has been actively involved in the Urban and Rural Hamilton Official Plan matters since GRIDS 1 and appreciates this opportunity to provide input to the City on the above-noted matter.

In my letter dated December 11, 2020 (copy attached), we provided preliminary comments on the Land Needs Assessment and Technical Background Reports as described in the December 2020 General Issues Committee Staff Report No. PED170010 on behalf of the TRE Group. Those comments continue to be valid and important to your consideration of this Staff Report.

THE TRE GROUP LANDS

The TRE Group consists of approximately 25 landowners collectively owning approximately 480 hectares within the City centred around the intersection of Twenty Road East and Miles Road (the

“TRE Lands”). They are non-prime agricultural area lands within the White Belt and have been colloquially described as a “hole-in-the-donut”, being immediately adjacent to the southern urban boundary of the City and located between two employment areas.

It is without dispute that the TRE Lands can be easily integrated into the urban area through the extension of existing major arterial roads to provide a variety of housing opportunities on non-prime agricultural areas in close proximity to the City’s core, to the City’s future employment areas, to the Airport Employment Growth District and to the Redhill South Business Park, and will optimize the use of existing or planned infrastructure, including transportation infrastructure, in a cost-efficient manner.

The TRE Lands are available and suitable for urban development and it is appropriate to include these Lands within the next urban boundary expansion to accommodate the City’s growth to 2051. Inclusion of TRE Lands in the urban boundary has been recognized as appropriate in the Staff Report. It is our understanding that the boundaries identified in the report are subject to modification based on more detailed information like on the ground identification of natural features, confirmation of NEF contours etc.

SELECTION OF A COMMUNITY AREA LAND NEED SCENARIO

The March 29, 2021 Staff Report on Land Needs Assessment addresses two very important questions which inform where and how the City of Hamilton (the **“City”**) will grow to the year 2051: the intensification rate and the anticipated density for the urban boundary expansion area.

As noted in Table 2 on page 5 of the Staff Report, City Staff have presented four scenarios based upon varying intensification rates and density assumptions which also result in four different amounts of land needed for the City’s next urban boundary expansion. It is important to understand the various assumptions which are made for each of the four scenarios, summarized as follows:

	Scenario	Intensification Rate	New DGA density	Resultant Land Need
1.	Current Trends	40%	53 pjh	3,440 ha
2.	Growth Plan Min.	50%	65 pjh	2,190 ha
3.	Increased Targets	55% avg	75 pjh	1,630 ha
4.	Ambitious Density	60% avg	77 pjh	1,340 ha

The selection of the intensification rate and the density for the new designated greenfield area (the “**New DGA**”) will have significant implications on the height, density, built form and range of housing types for infill and on intensification within the current City boundary going forward. The selection will also have significant implications upon the nature and density of housing to be built in the pending urban expansion area.

City Staff’s recommendation in the Staff Report is to adopt the Ambitious Density Scenario which would see the intensification target average 60% over the planning period to 2051 and see the New DGA area planned at a minimum of 77 people and jobs per hectare (the “**pjh**”).

We believe that the intensification target average 60% and a density of 77 pjh which inform the Ambitious Density Scenario creates an unrealistic and unachievable demand for intensification within the current city boundary, and also creates new communities in the New DGA which are much denser than may be contemplated or desired.

These proposed thresholds are not in the City’s best interests as:

1. Within the City’s current built boundary, the intensification thresholds will require the addition of significant intensification within the existing communities such that existing residents will be forced to accept heights and densities in their own neighbourhoods which they have traditionally objected to, forcing Council to make decisions supporting density which may not be desired by the existing residents.
2. It will produce a majority of high density and medium density residential units, and very few low-density residential units given that infill and redevelopment sites do not normally yield low density housing forms; and

3. It will create communities in the New DGA which contain a significantly higher percentage of medium density housing and a relatively low percentage of low density given the very high density selected of 77 pjh for the New DGA.

These proposed thresholds discourage and may even prevent the construction of much needed single detached dwellings in the City for families, rendering existing supply more unaffordable and forcing existing residents to leave the City in search of housing which they can afford.

Similar concerns were also raised in the City of Hamilton Residential Intensification Market Demand Analysis prepared by Lorus and Associates for the City (the “**Lorius Market Analysis**”). According to the Lorus Market Analysis, there continues to be a strong demand for affordable ground-related starter homes as compared to mid-rise and high-rise housing, and that if the supply of family-sized homes and smaller units is not balanced, there are several risks including, but not limited to, the following:

1. Planning for a level of intensification beyond reasonable market expectations could lead to conflict between the demand for and supply of low-intensity development;
2. Planning for a higher target is unlikely to increase intensification without the market demand and approvals at a local level; and,
3. An overly aggressive target may encourage a more dispersed pattern of urban development by pushing growth further afield, contrary to the objectives of the Growth Plan.

For these reasons, Lorus stated that any scenario based on elevated intensification beyond the minimum Growth Plan requirement and a denser pattern of ground-related housing may be a challenge to achieve within the planning horizon. It is also for these reasons that the Lorus Market Analysis recommended an intensification target of 50% (i.e. the Growth Plan Minimum). We agree with Lorus’ assessment in this regard.

Furthermore, the selection of an aggressive and likely unachievable intensification scenario will also result in an urban boundary expansion which will not be sufficient to accommodate forecasted growth contrary to the requirements of the Growth Plan. Paired with a relatively high

density of 77 pjh for the urban boundary expansion, even less low density and ground related housing products will be available for the City as a whole.

We note that the current Urban Hamilton Official Plan policy provides for a density of 70 pjh for new community lands being brought into the urban boundary, not 77 pjh. It is also our experience that many communities across the Greater Golden Horseshoe have shown that even achieving a target of 70 pjh in a NEW DGA is particularly challenging.

In our opinion, the reliance on an unrealistically high intensification target and a very dense 77 pjh density target is not a balanced or suitable approach on which to determine the extent needed for urban boundary expansion lands. Not only will it underestimate the real market demand but it will also result in a very limited opportunity to accommodate a full range of market-based housing, most particularly ground related housing for which the City's own consultants have identified a need.

It is our opinion that either the Growth Plan Minimum Scenario or the Increased Targets Scenario would be appropriate, achievable, and most importantly provide a balance between higher density infill growth and new community lands growth resulting in the delivery of a balance and range of market-based housing supply as required by Provincial policy.

Finally, we point out that housing affordability is not unilaterally driven by residential unit size – availability of all forms of housing is a key factor of affordability. As noted above, a limited supply of single detached residential units creates a significant and pronounced market shortfall and therefore will create an affordability issue, even with an abundant supply of medium and high density residential units. It has been proven that a large segment of the market will go elsewhere if the type of housing it desires is not provided, rather than purchase housing types that are not desired, and this risk has been noted in the documentation surrounding this current decision.

THE OFFICIAL PLAN AMENDMENT RESULTING FROM THE MCR

As noted in the Staff Report, Provincial policy requires municipalities to designate all land required to accommodate the Growth Plan forecasts to 2051. However, the Staff Report suggests that land needs beyond 2041 not be designated as urban at this time as not all of the land will be required immediately.

However, Provincial policy requires that all of the land resulting from this Land Needs Assessment work must be brought into the City's urban boundary through this Official Plan Amendment. Accordingly, we disagree that the City's proposed approach is appropriate for managing growth or is in conformity with Provincial policy. In addition, we do not agree that Provincial policy permits the City to bring the lands needed to accommodate growth to 2051 into the urban boundary in stages.

It is our experience that other municipalities in the Greater Golden Horseshoe have successfully implemented phasing policies which guide development of lands once they have been added to the urban boundary. Our comments on the Staff Report regarding the Draft Evaluation Framework and Phasing Criteria are found under separate cover.

It is our opinion that the City must bring all lands appropriately required to 2051 into the urban boundary at this time in this MCR Official Plan Amendment, with phasing policies applicable as appropriate once they are included in the urban boundary.

In conclusion, for the reasons noted above, we urge the City to be cautiously realistic in planning for growth in a manner which provides for a full market-based range of housing types and choice. We suggest that the City should not adopt a scenario which has the potential to create a unbalanced and untenable housing market in the City, leading to Council having to make decisions on density and height not desired by existing residents and forcing families to look outside the City for much needed ground related housing.

We thank the City for the opportunity to provide our comments on the Staff Report. Should you have any questions, please do not hesitate to contact the undersigned or Ms. Susan Rosenthal.

Yours truly,

WeirFoulds LLP

A handwritten signature in black ink, appearing to read "DBaker", with a stylized flourish at the end.

Denise Baker
Partner

DB
cc. Ms. Heather Travis, Senior Project Manager
Mr. Steve Robichaud, Director, Planning and Chief Planner

December 11, 2020

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File

**Via Email to stephanie.paparella@hamilton.ca,
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Ms. Stephanie Paparella
Legislative Coordinator
General Issues Committee
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Dear Chair and General Issues Committee Members:

**Re: GRIDS 2 and Municipal Comprehensive Review
Land Needs Assessment and Technical Background Reports
Report No. PED17010(H) (City Wide)**

We, together with Ms. Susan Rosenthal of Davies Howe LLP, are counsel to the group of landowners known as the Twenty Road East Landowners' Group (the "**TRE Group**"). The TRE Group has been actively engaged on the Rural and Urban Hamilton Official Plan matters and welcomes this opportunity to comment on the City's current growth management exercise, GRIDS 2.

We would first like to recognize and thank staff for the work that they have done on the Land Needs Assessment ("**LNA**"). We recognize the LNA as a positive starting point for what we expect to be several on-going discussions, with the overall goal of including the TRE Group lands in the City of Hamilton urban boundary.

To that end, we are providing this submission outlining our initial areas of concern following our preliminary review of the LNA and associated staff report. In addition, we have included some clarifying information as part of this submission, all of which is intended to form the basis of a road map for further discussion between ourselves and staff. Further, it is noted that this submission is made in consideration of the inputs of our consulting team including land use planners, servicing engineers and a land economist.

Getting the Intensification Target Right

The selection of an Intensification Target for the existing built-up area has significant implications to how the City will grow. As the Intensification Target increases, so does the number of households required to live in smaller and more intensive units, while at the same time, the land needed to accommodate future growth is reduced.

The report provides important context informing the selection of the Intensification Target by setting out a scale to help ground the discussion. At the low end of the scale is the “current trends” rate of 40%. While we are advised that this is the rate of intensification that is more recently experienced by the City, we understand the rate over the last ten years to be closer to 35%.

The 50% minimum requirement of the Growth Plan, which the LNA identifies as being at the high end of the range of market demand is, in our submission, a suitable aspirational goal. The staff report further identifies “increased” and “ambitious” targets, which average out to 55% and 60% over the growth period, respectively, which in our opinion would result in a significant departure, not only from what the City has experienced over the last ten years, but is also a considerable departure from forecasted market demand.

The staff report translates the Intensification Targets into more readily understandable terms by correlating them to land needed to accommodate new Community Area. The Growth Plan target of 50% results in the need for about 2,200 ha of land. The averages of 55% and 60% give rise to a need of approximately 1,640 ha and 1,340 ha, respectively. These numbers are understandably preliminary, but nevertheless start to form the picture. We note that we would like a better understanding of whether or not the aforementioned numbers are gross ha or net ha, and we would fur

Going forward, it is our submission that rather than restricting Intensification Target options under consideration to the “increased” or “ambitious” targets, the full range of Intensification Targets from the Growth Plan’s 50% target to the higher averages should be given consideration to ensure that a sufficient amount of land is added to the urban boundary to accommodate the full range and mix of housing contemplated by the Growth Plan, and to ensure that objectives of the provision of affordable housing for young families can be met.

This approach would also be consistent with provincial policy direction to plan for growth on a market basis while not precluding other considerations. This approach also allows for a weighing of the consequences of too high of an Intensification Target, such as development “leap-frogging” Hamilton as a whole, leading to financial negative consequences for the City. Therefore getting the Intensification right is an important input into the LNA to ensure that the appropriate amount of lands is added to the urban boundary and should include full consideration including the minimum target as permitted by the Growth Plan.

Correctly Assessing Lands in the Whitebelt

Properly identifying the area of land available to accommodate new growth is critical to successful implementation of any growth management exercise. Making the right choices about what lands to avoid, for example, prime agricultural lands, is critical to long term prosperity. The whitebelt lands are the lands available to accommodate future growth subject to certain development constraints, though on a finer scale. In terms of constraints on Hamilton’s whitebelt, the Staff Report notes that a large portion of the whitebelt is constrained by the airport Noise Exposure Forecast (NEF) contours and natural heritage features. In applying these constraints, along with the proposed intensification target, Staff have identified approximately 1,600 ha of land available for residential urban boundary expansion.

What was not evident in the Staff Report was the clear need to avoid prime agricultural lands, some of which are located within the whitebelt, when determining the most appropriate location for any proposed expansion. Discussion about the role of prime agricultural areas may have a significant impact on the amount and location of unconstrained whitebelt lands available to accommodate Community Area lands needs.

The Staff Report very helpfully provides a map of the potential whitebelt lands in Appendix “H”. We understand that the assessment is preliminary in nature and that the City intends to complete further “ground-truthing” to better identify the lands; however, we note based on our review of all factors that the amount of land that is available in the Twenty Road East area is larger than the 275 net hectares as shown in Appendix “H”, as they are designated rural and not constrained by way of a prime agricultural lands designation in the same way as some of the other lands in the whilebelt. We look forward to discussing that in greater detail with Staff.

Understanding the Numbers

The staff report states that “[T]he 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. We would appreciate clarity in these numbers to understand whether these are gross hectares or net hectares, and what if any, “take outs” were considered in arriving at this number.

Timing and Ordering of Future Development

We understand that once the LNA is finalized, the City will explore phasing of development within the whitebelt. While we recognize that this topic will be covered in much greater detail, we wanted to correct any misunderstanding or uncertainty in the Staff Report regarding the execution of Minutes of Settlement as part of the AEGD Secondary Plan proceeding. The TRE Group was not a signatory to the Minutes of Settlement and as such, the priority of development, including the relative position of various whitebelt areas, remains an outstanding matter which is still before the LPAT.

Concluding Remarks

We encourage the ongoing consideration of three Intensification Targets, including the Growth Plan density target of 50%. We caution that more intense density scenarios may result in a land needs outcome which is not in the City’s long-term best interest.

Further, we urge the City to ensure that it meets the provincial policy mandate to avoid prime agricultural areas in considering lands for urban expansion.

Finally, it is imperative that the City treats all potential whitebelt lands equally as this process unfolds, subject to the applicable prime agricultural constraints as noted above, to ensure the integrity of the Municipal Comprehensive Review process is not otherwise compromised by

favouring one area over any other. Appropriately considering all lands equally will ultimately lead to the best alignment between the market-based need for housing and its availability.

As always please do not hesitate to reach out to me should you have any questions or concerns. We remain available to meet with staff at their convenience to discuss the foregoing.

Yours truly,

WeirFoulds LLP



Per: Denise Baker
Partner

DB
cc. Mr. Steve Robichaud, Director of Planning and Chief Planner
Ms. Heather Travis, Senior Project Manager, Growth Management Strategy
Ms. Susan Rosenthal, Davies Howe LLP
Ms. Maria Gatzios, Gatzios Planning
Client