



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Planning Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	January 31, 2023
SUBJECT/REPORT NO:	Confirmation of Qualified Consultant to Conduct Peer Review of Inclusionary Zoning - Market Feasibility Study (PED23044) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tiffany Singh (905) 546-2424 Ext. 1221
SUBMITTED BY:	Steve Robichaud Director, Planning and Chief Planner Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That in accordance with Subsection 2.(1)7 of Ontario Regulation 232/18 Council deem N. Barry Lyon Consultants Limited ('NBLC') qualified to complete the required peer review and provision of a formal written opinion of the Inclusionary Zoning (IZ) - Market Feasibility Study currently being prepared by urbanMetrics inc. on behalf of the City of Hamilton; and,
- (b) That the single source procurement, pursuant to Policy #11 Non-competitive Procurements, to NBLC for the required peer review be approved.

EXECUTIVE SUMMARY

Council authorization of the peer reviewer is required by Provincial legislation Ontario Regulation 232/18 (Appendix "A" attached to Report PED23044) thereby enabling the inclusionary zoning project to continue in a timely manner.

This report seeks to obtain Council's endorsement on the qualifications of N. Barry Lyon Consultants Limited ('NBLC') to complete a peer review of the Market Feasibility Study prepared by urbanMetrics inc. towards fulfilling the necessary components of an inclusionary zoning municipal assessment report. The peer review is expected to take

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

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six to eight weeks to complete. A copy of the NBLC scope of work and qualifications of the NBLC staff who will be undertaking the peer review is attached as Appendix "B" to Report PED23044

A report containing a comprehensive overview of all the background components of the project, consultation program, and next steps is planned for the end of Q1 2023.

Alternatives for Consideration – See Page 4.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Based on discussions with eight other municipalities for similar services undertaken in the past, it is estimate that the required peer review will cost approximately \$8,000 - \$15,000.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

Inclusionary Zoning is a tool that may help increase the supply of affordable housing in the City over the long term. The tool requires new market rate residential development within a Protected Major Transit Station Area (PMTSA) to include a certain percentage of new affordable housing units.

The City of Hamilton is undertaking the required municipal assessment report that is legislated by Ontario Regulation 232/18 (Appendix "A" attached to Report PED23044) to be completed prior to implementation of an inclusionary zoning (IZ) by-law.

The municipal assessment report includes two key components. The first component is an analysis of existing and projected housing supply and affordability, demographic trends, and resulting housing needs across the City. The City has retained SHS Consulting to complete this analysis through a Housing Needs Assessment towards fulfilling the necessary IZ legislative requirements.

The second component of the municipal assessment report is an analysis of the market and financial viability of development and redevelopment from the enactment of an inclusionary zoning policy framework. The City has retained urbanMetrics inc. to complete a Market Feasibility Study towards fulfilling this portion of the municipal assessment. Ontario Regulation 232/18 requires that this work be peer reviewed prior to adoption of an Official Plan Amendment to establish an IZ framework.

The results of both the Housing Needs Assessment and the Market Feasibility Study are anticipated in Q1 2023 and will be presented as part of a comprehensive staff report towards the end of Q1 2023.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Ontario Regulation 232/18 Subsection 2.(1)7. requires that:

- an independent written opinion on the Municipal Feasibility Study component of the IZ project be obtained; and,
- Council deem the peer reviewer to be qualified to prepare the written opinion.

Staff are seeking to confirm that Council is satisfied that N. Barry Lyon Consultants Limited ('NBLC') is qualified to complete the peer review and prepare the written opinion, which would enable the City to proceed with next steps and advance its work on IZ promptly. A copy of the NBLC scope of work and qualifications of the NBLC staff who will be undertaking the peer review is attached as Appendix "B" to Report PED23044

RELEVANT CONSULTATION

Staff interviewed municipalities in Ontario that either have or are investigating the feasibility of using the inclusionary zoning tool in their community or who have enacted inclusionary zoning by-laws. All have completed the peer review component of their municipal assessments as required by Ontario Regulation 232/18.

The following municipalities have retained NBLC either as the lead consultant or peer reviewer for undertaking the necessary market impact analysis:

- City of Mississauga;
- City of Kitchener, City of Waterloo and City Cambridge (collectively with the Region of Waterloo);
- City of Brampton;
- City of London;
- City of Toronto; and,
- City of Ottawa.

In addition, NBLC is familiar with the City of Hamilton, having completed real estate impact analysis work on both the LRT line and the CityHousing Hamilton Jamesville redevelopment. Staff in the Municipal Land Development Office and Corporate Real Estate Office were satisfied with the quality of their work.

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In addition, Procurement staff were consulted regarding retaining NBLC and confirmed that this single source request is in accordance with By-Law 20-205 as amended, Policy #11 Non-Competitive Procurements.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

NBLC has extensive experience working with other municipalities across Ontario on market assessment and development feasibility studies or peer reviews (see Appendix “B” attached to Report PED23044 for summary of qualifications). Staff from all the municipalities interviewed have confirmed NBLC’s demonstrated expertise and professionalism making them qualified to provide the written peer review opinion.

Given the demonstrated breadth of experience and expertise of NBLC, staff are recommending NBLC to undertake the peer review and that Council endorse NBLC as qualified to undertake the peer review of the Market Feasibility Study completed by urbanMetrics inc. and prepare the required formal written opinion.

The results of the peer review will be presented to Committee and Council with the Market Feasibility and Housing Needs Assessment reports being prepared by urbanMetrics and SHS Consulting for public consultation and stakeholder feedback tentatively scheduled for late Q1, 2023 and Q2, 2023.

ALTERNATIVES FOR CONSIDERATION

Based on the value of the work to be undertaken, NBLC’s service could have been undertaken via Procurement Policy 5.1 - Low Dollar Value Procurements, or Policy 5.2 - Request for Quotations. However, none of these options are feasible as the Provincial legislation Ontario Regulation 232/18, stipulates that Council authorization of the peer reviewer is required by Provincial legislation Ontario Regulation 232/18. However, Council could direct staff to issue a full request for proposal (RFP) pursuant to Policy 5.4 - Request for Proposals. This is not recommended, as there are few firms with the necessary expertise and experience to conduct this type of detailed market analysis. The other leading firm in conducting this specific type of work has already been retained as the City’s lead consultant (urbanMetrics inc.) for the Market Feasibility Study component, and therefore cannot peer review their own work.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth

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

Healthy and Safe Communities

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

Built Environment and Infrastructure

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

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED23044 – Excerpts from Ontario Regulation 232/12 under the *Planning Act, R.S.O, 1990* – Requirement for Inclusionary Zoning

Appendix “B” to Report PED23044 – Summary of Qualifications of N. Barry Lyon Consultants Limited