

COMMUNICATION UPDATE

то:	Mayor and Members City Council
DATE:	April 18, 2024
SUBJECT:	Status of Major Transit Station Area Planning, Inclusionary Zoning, and the Family Friendly Housing Strategy (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Anita Fabac Acting Director, Planning and Chief Planner Planning and Economic Development Department
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The purpose of this Communication Update is to advise Council of the status of the Planning Division's work on establishing Major Transit Station Areas, Inclusionary Zoning and a Family Friendly Housing Strategy, three initiatives that are aligned with and support the City's goals to see the development of more affordable and suitable housing through transit-oriented intensification.

Note that all projects are interrelated and that all are being completed by the Sustainable Communities Section within the Planning Division.

Major Transit Station Area Planning

The <u>Major Transit Station Areas</u> planning project is a component of the City's Municipal Comprehensive Review workplan that will implement policies under the Growth Plan for the Greater Golden Horseshoe (Growth Plan), 2019, as amended, for transit supportive densities around the planned Light Rail Transit and GO Transit rail stations. The Growth Plan requires achievement of minimum density targets of 160 persons and jobs per hectare combined for areas around the LRT stops, and 150 persons and jobs per hectare combined for areas around the GO Transit rail stations.

As discussed further below in this update, the *Planning Act* permits the implementation of Inclusionary Zoning policies within Protected Major Transit Station Areas, a subset of Major Transit Station Areas.

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Originally initiated in 2018, the workplan for the Major Transit Station Areas project was temporarily put on pause until 2022 due to uncertainty at the time regarding the Light Rail Transit project. The workplan resumed in the summer of 2022 and was revised to incorporate recent changes to Growth Plan policies, specifically the increase in Major Transit Station Area boundaries from 500 metres up to approximately 800 metres from a higher order transit station or stop. The density planning assumptions were also updated to reflect changes to density and height policies in the Urban Hamilton Official Plan through Official Plan Amendment 167. Dillon Consulting is retained by the City to assist in modelling the density of the Major Transit Station Areas, and development of policy recommendations to achieve the required densities.

Staff Report PED23105 was presented to Planning Committee in September 2023 and included the draft Major Transit Station Areas report completed by Dillon Consulting and recommended direction to undertake community consultation on the draft findings.

In the fall of 2023, Sustainable Communities staff in the Planning Division undertook a series of engagement activities to share information about the project and collect feedback from residents, community-serving organizations, and the development industry. Internal staff engagement was also undertaken to understand the intersection of this work with that of other departments at the City.

Staff are working with Dillon Consulting to incorporate all necessary changes to the final Major Transit Station Areas modelling and density outputs. Staff plan to bring forward a final report and Official Plan Amendment to Council to establish both Major Transit Station Areas and Protected Major Transit Station Areas in Q3 of 2024. It is important to note that Official Plan Amendments to implement Major Transit Station Area and Protected Major Transit Station Areas require approval from the Ministry of Municipal Affairs and Housing which is anticipated to take several months. Inclusionary Zoning regulations cannot be implemented until this Provincial approval is issued.

Inclusionary Zoning

In 2022, with the recommencement of the Major Transit Station Areas planning project, the City of Hamilton began exploring the feasibility of adopting the tool known as <u>Inclusionary Zoning</u> to help increase the supply of affordable housing in Hamilton. Inclusionary Zoning is a land-use planning tool that a local municipality may use to require affordable housing units (IZ units) to be included in market-rate developments within Protected Major Transit Station Areas.

Before the City of Hamilton can adopt Inclusionary Zoning, the Province requires completion of a Housing Needs Assessment and Market Feasibility Study, to confirm housing needs and assess potential impacts Inclusionary Zoning may have on the overall housing market. A peer review of the Market Feasibility Study is also required.

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As noted previously in this memorandum, implementation of Inclusionary Zoning is dependent on finalization of the Major Transit Station Areas planning and approval of all identified Protected Major Transit Station Areas by the Province.

The Provincially required Housing Needs Assessment was completed and presented to Planning Committee on February 14, 2023 (PED23044(a)). The Market Feasibility Study and the Peer Review have since been completed as well and will be brought forward for endorsement in Q2 2024 along with some preliminary policy and zoning framework information and a proposed public engagement strategy.

Pending Council direction, public outreach and engagement will be initiated in Q3 of 2024, continuing into Q4 2024. Following this engagement period Hamilton's approach to Inclusionary Zoning will be refined and updated to reflect the findings of the consultation. A second shorter phase of engagement is planned to occur in Q1 of 2025 to garner feedback on an updated policy and zoning framework along with an implementation approach. A final recommendation report, including a more detailed implementation/administration process is anticipated to be presented to Planning Committee by the beginning of Q2 of 2025, which generally aligns with timing expectations for a Provincial decision on the Major Transit Station Areas work.

Family Friendly Housing Strategy

The <u>Family Friendly Housing</u> project is a City of Hamilton initiative that is looking at ways to provide and encourage an adequate supply of housing suitable for larger households and families with children, particularly within strategic intensification areas.

The Family Friendly Housing Strategy work was initiated in 2021. On September 21, 2021, Planning Committee received Staff Report PED21207, containing a discussion paper titled "Encouraging Family Friendly Housing in Hamilton". The discussion paper outlined numerous planning-related actions for family friendly housing that could be considered for Hamilton. Following receipt of this report, staff was directed to undertake consultations for the purpose of developing a planning strategy for family friendly housing. Staff undertook a broad series of consultations in 2022 which was used to develop a draft strategy.

In November 2022, the Province issued a decision on the City's Municipal Comprehensive Review which resulted in a large expansion of the City's urban boundary. This prompted further work being needed to understand future residential growth distribution, and significant staff resources had to be redirected towards work on urban expansion areas. As such, the Family Friendly Housing Strategy was not advanced in 2023. In December 2023, Bill 150 was passed which reversed the previous Urban Boundary Expansions and established an 80% intensification target for areas within the City's urban boundary. As a result, work is recommencing on the strategy

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with a focus on ensuring intensification addresses the needs of larger households and is designed to support the well-being of households with children. The strategy will identify various planning related actions to be advanced in the short and medium terms and is expected to be completed by Q4, 2024.

Additional Information

- The Planning Division will continue to update City Council on the status of these projects, including anticipated timing of public consultations and Planning Committee reports.
- All three projects are proceeding under the current provincial legislative and policy framework. With the recent introduction of Bill 185, *Cutting Red Tape to Build More Homes Act, 2024* and release of an updated draft Provincial Planning Statement on April 10, 2024, the Planning Division will be assessing potential implications to these projects as part of its preparation of comments on these changes.

For further information please contact Dave Heyworth, Manager of Sustainable Communities by phone at (905) 546-2424 Ext. 1279, or by email at <u>Dave.Heyworth@hamilton.ca</u>.

APPENDICES AND SCHEDULES ATTACHED

Not applicable.