

Memo

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Executive Summary

The recent and expected changes to Ontario's planning system will have significant implications on how the City plans for future growth, in particular future potential urban boundary expansions. The current Urban Hamilton Official Plan (UHOP) does not provide comprehensive guidance for large-scale, private landowner-led applications for settlement area expansion. At the time the City completed its Municipal Comprehensive Review, private applications for settlement area expansion were restricted under previous versions of the UHOP/Planning Act/PPS/Growth Plan, etc. Based on the recent and proposed changes to Ontario's planning system, the City will need to develop and incorporate a planning framework to assess and respond to urban boundary expansion applications. The key findings of our review are as follows:

- **Growth Allocation:** Future UAE applications should include a Housing Assessment Report which clearly addresses the need for the expansion. The Housing Assessment Report should also address the impact on City-wide Intensification objectives/targets, densification of existing neighbourhoods and DGA supply, impacts on the UHOP Greenfield Density Target and overall phasing of development.
- **Fiscal Impact Assessment:** FIA prepared to support future UAE should include an assessment of the initial round of growth-related infrastructure, including requirements such as storm, water and wastewater and transportation (roads and or transit) which are assumed to be largely paid for by developers through capital revenues generated from such sources as Development Charges and Building Permits. In addition, the FIA should identify preliminary provisions for operating and replacement costs, an assessment of the ecological value of natural heritage features, consideration of broader municipal fiscal implications and conclusions on the net fiscal impact.

- **Energy and Climate Change Assessment Submission Requirements¹:** Applicants should demonstrate the impact of the potential settlement area expansion on the City's ability to achieve carbon neutrality and demonstrate the opportunities to reduce climate change impacts and avoid climate change risks.
- **Public Engagement Requirements:** The *Planning Act* requirements provide the minimum level of public engagement required for an Official Plan Amendment. Given the limitations on third party appeals and the extensive prior engagement with the public and stakeholders, the City should provide an opportunity for applicants who wish to undertake enhanced public and stakeholder engagement for proposed UBEs. The enhanced opportunities could include, but are not limited to, increased number of events, increased mail outs/invitations, enhanced notifications, inclusion of virtual engagement, etc.
- **Subwatershed Study Requirements:** A phased approach to subwatershed planning should be a requirement for an UBE application, and it is recommended that the Subwatershed Study may be completed in phases as per the draft Provincial Subwatershed Planning Guide (2022) recommended for any future UBE. Phase 1 would confirm the objectives for the Subwatershed Study, refine boundaries based on water resources and natural heritage systems, identify mapping of existing natural features, hydrologic features and hazard lands, complete initial hydrological modelling, confirm existing land uses and complete an initial assessment of the potential impact of development on the water resource and natural systems (including the associated hydrological and ecological functions).
- **Secondary Planning:** Secondary planning is a valuable tool for undertaking comprehensive planning for complete communities. In scenarios where a private landowner applies for an UBE, it would be expected that a comprehensive secondary plan is completed should there be a decision to include the lands come into the urban boundary, where the broader criteria under the UHOP and Proposed PPS (2024) have been met. A complete secondary plan would not likely be required at the initial application stage for an UBE, however, various components of a traditional secondary plan are likely to be needed to address the UHOP and Proposed PPS (2024) criteria. Some examples are noted in this memo.

¹ The UHOP uses the phrase "Energy and Environmental Assessment Report". One of the recommendations of this Memo is that the City update the terms of reference for this Report and consider changing the title of the report to "Energy and Climate Change Assessment Report".

1.0

Introduction

1.1

Memo Purpose

The purpose of this Memo is to provide input into the City's review of implications on the Urban Hamilton Official Plan's (UHOP) current growth management framework resulting from various recent and on-going provincial policy and legislative changes. Specifically, this Memo identifies and provides recommendations for technical studies/plans required to evaluate future urban boundary expansions initiated by private sector applicants. This Memo is not exhaustive and addresses a series of topics that the City has identified for Dillon to consider.

1.2

Policy Context

The City of Hamilton's UHOP provides a long-term vision for growing the City based on an intensification first strategy, whereby the majority of the City's future growth is planned to be accommodated through intensification and the uptake of any remaining undeveloped greenfield lands within the existing urban boundary. The City's vision for growth came into force and effect through Bill 150, the *Planning Statute Law Amendment Act (2023)*, which removed a series of provincial modifications to the Council adopted 2022 Official Plan. Subsequent to the passing of Bill 150, the Province initiated a series of further changes to the land use planning system in Ontario. The relevant legislative and policy changes include the passing of Bill 185 the *Cutting the Red Tape to Build More Homes Act (2024)*, which allows private land owners to appeal a municipality's refusal or failure to adopt or approve an application to expand an urban boundary and the proposed Provincial Planning Statement, 2024 (prosed PPS). The proposed PPS (2024) is not in force and effect at this time, however, the proposed policy changes would allow for expansions without a Municipal Comprehensive Review, as well as revised decision-making criteria for settlement area expansions and further changes to the manner in which municipalities plan for long term population, housing and employment growth. Collectively, these changes will have a significant impact on the City's current in force and effect growth management framework. The following section outlines in more detail the nature of the changes.

1.2.1

Urban Hamilton Official Plan

On December 6, 2023, Bill 150, the *Planning Statute Law Amendment Act, 2023* received royal assent enacting the Official Plan Adjustments Act, 2023. As a result of Bill 150, the City of Hamilton's council-adopted UHOP from June 2022 was largely restored, effectively re-establishing the City's no urban boundary expansion growth strategy. Key aspects of the UHOP growth management framework are as follows:

- By 2051, the City is expected to grow to achieve a population of 820,000 and 360,000 jobs. Policy A.2.3 identifies incremental growth of 236,000 people, 110,300 households and 119,000 jobs between 2021 and 2051.

- The majority of future residential growth will be accommodated through intensification, as the City plans to achieve a minimum of 80% of all residential development occurring annually within its built-up area. A total of 88,280 units are to be accommodated within the built-up area between 2021 and 2051 (Policy A.2.3.4.4).
- Hamilton's Downtown Urban Growth Centre has been planned to achieve a minimum gross density of 500 people and jobs per hectare by 2051 (Policy A.2.3.4.1).
- Greenfield areas shall be planned to achieve an overall minimum density of 60 people and jobs per hectare (A.2.3.4.2).
- The UHOP does not contemplate a framework for future settlement area expansions outside of a Municipal Comprehensive Review (MCR) process. Rather, the UHOP acknowledges the value and importance of integrated, long-range planning, identifying the GRIDS process as the principal manner for planning the City's long-term growth and development (A.2.4.1). The GRIDS process is considered as the MCR process, and this process has historically been the mechanism for the contemplation of urban boundary expansions. The *Growth Plan for the Greater Golden Horseshoe (2020)* allowed for settlement area expansions up to 40 hectares to occur outside of a Municipal Comprehensive Review (2.2.8.5-6) – however, it is important to note that the City's UHOP does not allow for these types of expansions, reinforcing the importance of comprehensive, integrated, long range planning for boundary expansions (B.2.2.3). Accordingly, the current in-force and effect UHOP does not provide guidance for privately initiated urban boundary expansions outside of a MCR process².

1.2.2

Planning Act Changes through Bill 185, Cutting the Red Tape to Build More Homes Act

Bill 185 introduces a number of changes to the planning system in Ontario, intended to speed up the construction of new homes and help the Province meet the goal of building 1.5 million homes by 2031. Within the context of this Memo, the key legislative changes are as follows:

- Bill 185 limits third party appeal for official plan amendments (OPA) and zoning by-law amendments (ZBAs) to only the applicant, the Minister, the approval authority, registered land owners, a public body and specified persons (i.e. Hydro One, telecommunications providers).
- Bill 185 allows an applicant to appeal a municipality's refusal or failure to adopt or approve an application for to expand part of a settlement boundary in a municipality (provided that the proposed expansion does not include Greenbelt Area lands)³.

² OPA 218 was adopted in July 2024. OPA 218 included housekeeping modifications to the UHOP to provide general guidance for future proposed urban boundary expansions. At the time of writing OPA 218 was not in force and effect.

³ Registered landowners included in a settlement area expansion OPA are understood to have appeal rights under Bill 185.

- Previous versions of the *Planning Act* have required or permitted municipalities to pass by-laws requiring “pre-consultation”. Bill 185 has removed this as a requirement and made it available at the applicants’ discretion.

1.2.3 Proposed Provincial Planning Statement (April 2024)

The current, in-effect Provincial Policy Statement (2020) permits the expansion of a settlement area boundary at the time of a Municipal Comprehensive Review (MCR) subject to the criteria of Section 1.1.3.8 and 1.1.3.9 of the PPS⁴. The 2020 PPS places the municipality led MCR process as the main vehicle for assessing and addressing long term population, housing and employment growth pressures in municipalities⁵. The Proposed PPS (2024) modifies the current Provincial approach such that a MCR would no longer be a prerequisite to an application for a settlement boundary expansion. As a result, a privately initiated settlement boundary application could be submitted to the City at any time, subject to the identified tests of Section 2.3.2 of the proposed PPS (2024) and the transition provisions of Section 6.1 which provide that the City’s planning instruments must still be consistent with the Proposed PPS (2024) even if the Official Plan has not yet been updated to reflect new Provincial requirements.

The Urban Hamilton Official Plan (UHOP) (November 2022) provides that the City’s urban boundary is firm, and that any expansion of the existing settlement boundary is not required in order to accommodate growth to 2051 (B.2.2.1). Thus, while the modifications to the Proposed PPS (2024) would make it possible for the City to consider an expansion of the settlement boundary, an Official Plan Amendment would be required.

1.3 Contents and Organization of Memo

The following Memo is organized into 8 short sections. This first section provides the context and background of the Memo and the following six sections present analysis and commentary on a selection of specific topics identified by the City. These topics are as follows:

- Growth allocation criteria and housing submission requirements;
- Fiscal impact assessment criteria and submission requirements;
- Energy and Environmental Assessment submission requirements;
- Public engagement requirements;

⁴ Policy 1.1.3.9 of the PPS (2020) allows for expansions to settlement areas outside of a MCR, provided there is no net increase in land within settlement areas, the adjustment supports the municipality’s ability to meet intensification targets, prime agricultural lands are addressed and there is reserve infrastructure capacity to accommodate the planned growth.

⁵ As noted earlier, the *Growth Plan for the Greater Golden Horseshoe* allows for settlement area expansions under 40 hectares outside of Municipal Comprehensive Review process. The UHOP however does not enable this aspect of the Growth Plan and it is understood that the City has received applications for this form of development which are now under appeal at the Ontario Land Tribunal.

- Approach to subwatershed planning and subwatershed study requirements;
- Approach to secondary planning for proposed UAEs; and,

The final section provides a short summary of findings.

1.4 Assumptions and Limitations

This Memo draws largely on the April 6th, 2024, version of the Proposed PPS. The Proposed PPS (2024) is not presently in force and effect in Ontario and further revisions may be included when the Province finalizes its Planning Statement. Accordingly, the analysis, opinions and recommendation contained within this Memo are based on the information available at the time of writing.

2.0 Growth Allocation Criteria and Housing Submission Requirements

2.1 Context

As part of the City's GRIDS 2 process, in March 2021, the final results of the City's Land Needs Assessment (LNA) were presented to the General Issues Committee (GIC). The 2021 LNA was based on the requirements of the Growth Plan and associated guidance on assessment methodology, including a "market-based" forecast of housing demand followed by a series of adjustments to the housing mix to reflect higher rates of residential intensification and higher rates of greenfield density embodied in the various LNA scenarios. At the March 2021 meeting City staff recommended that Council adopt the Ambitious Density Scenario, which included an urban expansion of approximately 1,300 net ha combined with aggressive targets for residential intensification and greenfield density. The LNA also identified that the supply and demand for employment area lands were in balance, with no new lands required: a conclusion also predicated on a very efficient use of the existing land and building supply.

At the time, Council chose to defer the decision and directed staff to further evaluate and model a no Urban Boundary Expansion (UBE) scenario (among other matters) and report back on results. The results of this work, including an evaluation of growth options (Ambitious Density Scenario vs. the no UBE option) were presented in November 2021. After consideration of the options, Council supported the no UBE option. There was clear direction from Council that all future growth is to be accommodated within the existing urban boundary.

There were many reasons for Council's adoption of the no UBE option, including the need to address climate change, protect farmland, reduce the costs of growth especially major infrastructure requirements, and promote more compact urban forms to encourage transit and reduce greenhouse gas emissions. Among the market shifts required to accommodate growth within a fixed urban boundary are the need for more (and larger, i.e. family-sized) apartments in the housing mix, many more accessory units such as "laneway houses" and "garden suites" as well as accelerating the delivery of

other forms of ‘gentle densification’ through lot splits, multi-plex conversions and new housing construction in existing areas.

The creation of large numbers of ground-related housing forms within existing neighbourhoods is critically important to the success of the no UBE option, since these are the unit types that drive demand for new greenfield lands to accommodate the full range of housing market demand by unit type. Accordingly, the growth allocation policies of the current UHOP envision 30% of future intensification occurring within older existing neighbourhoods where population has been declining or stable, 30% of growth within the Downtown Urban Growth Centre (UGC) and the remaining 40% within the remaining urban nodes and corridors identified in Section E2.0 – Urban structure, excluding the Downtown UGC.

With the proposed repeal of the Growth Plan and proposed PPS (2024), the context for growth allocation has changed. In particular, the former stringent tests applied to urban expansion - a fundamental aspect of growth management and long-range planning in Ontario for nearly 20 years - will come to an end. Moreover, the proposed PPS (2024) also introduces the notion of basing population and employment growth forecasts on the Ministry of Finance 25-year projections, which are higher than the current UHOP forecasts but are neither forecasts nor predictions. The results also tend to vary from year to year, given that the method is based in large measure on recent patterns of migration and population growth and does not consider other key factors such as infrastructure capacity, affordability, land supply or other matters bearing on the actual distribution of growth in southern Ontario.

The Province has also not yet confirmed whether it will be replacing the current Growth Plan Land Needs Assessment methodology with new Provincial regulations or guidelines or taking an alternative approach. However, the current method may remain the preferred approach since it follows with remarkable consistency the commonly accepted industry practice originally established through the 1995 Provincial Projection Methodology Guidelines. As a result, it would be prudent to prepare for expansion requests justified on the basis of the current “market based” LNA approach and higher Ministry of Finance population forecasts to the plan horizon.

From a growth allocation and housing submission requirements perspective, therefore, key questions to be addressed relate to the impacts of any proposed boundary expansion on the City’s no UBE growth strategy, and in particular the implications for the City-wide intensification targets, housing mix and distribution of units to the existing neighbourhoods and existing nodes and corridors.

2.2 Key Findings & Recommendations

In light of the City’s objectives to accommodate all urban growth within the existing urban boundary, any application for urban boundary expansion would not be consistent with the UHOP which was prepared and approved under Growth Plan and 2020 Provincial Policy Statement. As noted, applications and potential appeals are expected to be submitted based on provisions contained in Bill 185 and the proposed PPS (2024) that would eliminate the need for a municipal comprehensive review for boundary expansions. As such, it is recommended that submission requirements include materials to address the following five key topic areas:

- **Need for the Expansion.** Recognizing that under the Proposed PPS (2024) municipalities will be required to consider the need for settlement area expansion, proponents should be required to demonstrate that any proposed expansion is necessary to accommodate the range and mix of land uses, including housing by type based on the City's approved UHOP housing targets. The justification would not necessarily be a full 'market-based' assessment of land need to the plan horizon at 2051, since the no UBE scenario by definition requires that a significant shift away from historic patterns to accommodate be achieved to accommodate all growth within the existing urban boundary. Rather, the proponent should be required to support the need to provide additional supply for 'ground-related' housing, at the time of application, and show that this type of supply cannot reasonably be provided within the existing urban area. This position would need to be less in the form of an overall "market-based" demand argument, but rather a supply-based assessment of the likelihood of the City accommodating its ground-related housing needs within the existing urban area, through the delivery of detached accessory units, like laneway houses and garden suites, lot splits, multiplex conversions and other gentle densification options. Work undertaken as part of the March 2021 LNA concluded that delivering the necessary number of larger, family-sized apartments and ground-related units within existing areas would be a challenge.
- **Impact on City-wide Intensification objectives.** Proponents should be required to show that the proposed expansion would not adversely affect City-wide intensification objectives including demand for higher-density apartment forms within the downtown UGC and other priority nodes and corridors, notably the Major Transit Station Areas (MTSA) along the planned Light Rail Transit (LRT) and other transit lines. To the extent that higher density apartment forms are proposed as part of 'complete communities' in new greenfield areas the proponent should be required to show that these units would not compete or otherwise reduce demand within other local apartment markets, especially the downtown and key transit-oriented nodes. Implications for the planned distribution of intensification should also be addressed in terms of the shares of growth anticipated for the downtown, other nodes and corridors and established neighbourhoods.
- **Densification of Existing Neighbourhoods and DGA Supply.** Recognizing that a critical aspect of the City's no UBE strategy is to 'redirect' greenfield demand for ground-related housing to other potential opportunities within existing residential communities in the form of detached accessory units (i.e. laneway housing) proponents should be required to show how any proposed expansion would not impede that objective. The proponent should also be required to show that there are no opportunities for the reasonable densification of existing vacant DGA supply.
- **The Greenfield Density Target.** At a minimum, any new expansion areas should be required to achieve the planned greenfield density of new urban areas proposed as part of the Ambitious Density Scenario (approximately 77 residents and jobs per ha) which at the time was one of the highest DGA densities proposed within the Greater Toronto and Hamilton Area (GTHA). It is

likely that innovative approaches will be required to deliver such a high DGA target without planning for significant greenfield apartment units, which are currently envisioned to be accommodated largely within the existing urban area. The City may wish to encourage new and flexible approaches achieving both high DGA density and intensification targets supported by fiscal impact analysis to illustrate implications to the municipal corporation.

- **Phasing of Development.** And finally, consistent with long-standing planning practice at the City and other fast-growing municipalities within the GTHA, and in accordance with both the 2020 PPS (Section 1.1.3.7) and proposed PPS (2.3.1.6) the proponent should be required to show that any new expansion is orderly and aligns with the timely provision of infrastructure and public service facilities and avoids the uneconomical expansion of infrastructure into rural areas. The timing of growth, especially to the 2031 horizon is key. The likelihood of achieving the current 10 -year housing targets by interim period should be addressed, along with associated implications for the orderly provision of servicing infrastructure to the plan horizon. The issue of infrastructure spending, fiscal impact criteria and submission requirements is addressed in more detail in the next section.

3.0 Fiscal Impact Assessment Criteria and Submission Requirements

3.1 Context

One of the key issues that arose during the discussion and debate around the various urban growth options in 2021 was infrastructure funding, and in particular the overall costs of providing infrastructure to greenfield areas compared to intensification. Reference was also made to the need to address the City's 'infrastructure deficit', generally referring to capital projects that are necessary to maintain a state of good repair but exceed current funding capacity. Tax revenue generated from any proposed expansion is an important consideration to this end, in particular the role that ongoing revenue generated from new greenfield development plays in maintaining a state of good infrastructure repair on a City-wide basis.

Accordingly, Municipal Finance was one of the key considerations in the evaluation of growth options, noted previously, along with other matters such as conformity with climate change, transportation, and Provincial policy. On the specific matter of financing growth, however, there was some disagreement over the anticipated costs involved:

- Generally speaking, from a fiscal perspective, opponents of expansion at the time argued that the no UBE option was preferred because it relied on existing infrastructure to accommodate growth and was therefore much less costly.

- Work undertaken by Watson and Associates as part of the evaluation of growth options noted previously, on the other hand, reached a different conclusion: that servicing the same amount of growth under a no UBE scenario would be considerably more expensive.

The cost difference relates mainly to the need to upgrade existing infrastructure across the built-up area which tends to be more expensive than providing linear services to new greenfield areas. Land costs to required to develop parks and recreational facilities also tend to be more in existing urban areas. Since these needs are unlikely to be totally fulfilled through parkland dedication, higher land costs for open space will be a direct impact to the City's property tax base. Moreover, under the no UBE option there may be a need to replace existing infrastructure well in advance of its useful life, which will cause any associated fiscal impacts to occur sooner than initially planned.

There are also some challenges, and therefore risk, to the recovery of growth-related capital costs through Development Charges (DCs) under the no UBE option because infrastructure upgrades would confer a benefit to the existing community and must be deducted as a non-growth component of the DC calculation. Accordingly, there would be works required to service growth within existing areas that are not recoverable through Development Charges (DC) and would need to be funded through user rates and property taxes. This situation is in contrast to infrastructure that is primarily located in new urban areas where there would be limited non-growth components of the capital works.

Generally speaking, existing municipal financial tools are better suited to providing infrastructure in new greenfield areas compared to the no UBE option. At the same time, however, the infrastructure provided under either new greenfield areas or a more intensified urban form would have to be operated and eventually replaced over time, which has additional fiscal impacts to the community. City staff are currently in the process of updating the Traffic Zone (TZ) forecast distribution to identify implications for water and wastewater servicing provision, as a first step in assessing the implications of implementing a no UBE scenario from a servicing perspective. The overall results, however, have yet to be confirmed including the comparative costs to service intensification versus new greenfield areas. From a fiscal impact assessment perspective, therefore, the key questions to be addressed relate to the costs of providing and maintaining infrastructure over time in any proposed expansion area, including long-term capital and operating costs to the municipal corporation. Given the challenges associated with maintaining park and open space standards within an intensified urban environment, the ecological value of any natural heritage features could also be taken into account.

3.2 Key Findings & Recommendations

Given the City's current infrastructure deficit, and ongoing debate over which type of urban growth option is more fiscally responsible, it is recommended that submission materials for any proposed urban expansion provide an assessment of fiscal impacts and implications for infrastructure funding going forward. It is recommended that the City require that the assessment be prepared by a qualified urban land economist or municipal finance practitioner with clearly demonstrable experience in fiscal impact analyses prepared for public sector clients. At a minimum the assessment should broadly include:

- **An assessment of the initial round of growth-related infrastructure**, including requirements such as storm, water and wastewater and transportation (roads and or transit) which are assumed to be largely paid for by developers through capital revenues generated from such sources as Development Charges and Building Permit fees.
- **Provisions for operating and replacement costs.** While the initial round of growth-related infrastructure is paid for by developers, the cost of operation and eventual replacement of infrastructure must be funded through taxes, utility rates of other sources such as grants. Annual operations and replacement cost provisions should be considered based on standard replacement costs and useful life anticipated for each category of asset. It is recommended that the applicant be required to provide a comprehensive assessment of long-term operating and replacement costs for all components of the needed servicing infrastructure, which can range from 30 to over 100 years depending on the specific element under consideration. Guidance can be taken from available Census information on average expected useful life by asset class (pipes, pump stations, forcemains, etc.) and the expectation should be that this information be adjusted to reflect the specific expansion area request so as to properly assess long-term fiscal impacts to the municipal corporation.
- An assessment of the ecological value of natural heritage features within the context of recent Provincial directions to include green infrastructure within the traditional asset management framework as well as to recognize the increasing demand for access to open space that cannot be provided within existing urban areas. It is acknowledged that there could be benefits to understanding the value of natural heritage features, further review/analysis of an approach would be required in order to implement such a framework To ensure the assessment of ecological value is supportive of protection and not replacement costs.
- **Consideration of broader municipal fiscal implications**, including opportunities to narrow the current infrastructure gap, effects on the allocation of servicing to priority areas within the City such as the downtown and MTSA's, options to maximize existing servicing capacity through conservation, efficiency and/or other innovative approaches, as the case may be.
- **Conclusions on the net fiscal impact** of the proposed expansion, including the initial round of growth-related infrastructure and provisions for operating and replacement costs, ecological value, and more qualitative strategic implications.

4.0

Energy and Environmental Assessment Submission Requirements

The Draft UBE Evaluation and Locational Criteria provided by the City includes criteria organized in the theme of Climate Change. The identified submission requirement to respond to these criteria is an Energy and Environmental Assessment Report (EEA Report). Within the Climate Change theme, the EEA

Report is planned to provide staff with applicable information to evaluate a number of criteria related to climate adaptation and mitigation, including GHG emission reductions to achieve carbon neutrality. These criteria have been reviewed within the context as outlined in the subsequent section to provide key findings and recommendations related to the purpose of the EEA Report, what it needs to address, and if there is a specific discipline needed to sign off on it.

4.1 Context

Declaring a climate emergency in 2019, the City of Hamilton has taken strides through policy and organizational structure in response to the climate emergency. The proposed content of the Energy and Environmental Assessment Submission Report is informed by the directions of the Proposed PPS (2024), the UHOP, the Climate Change Impact Adaptation Plan (2022) and the Community Energy and Emissions Plan completed by the City.

The Proposed PPS (2024) requires planning authorities to plan to reduce greenhouse gas emission and prepare for the impacts of a changing climate (Policy 2.9). The approaches taken should: support the achievement of compact and transit-supportive complete communities; support energy conservation and efficiency; promote green infrastructure, low impact development, and active transportation; improve air quality; consider other approaches that reduce greenhouse gas emissions and build resilience to climate change impacts (Policy 2.9.1). The Proposed PPS (2024) directs planning authorities to provide opportunities for the development of energy supply including energy storage systems, district energy, renewable energy systems, and alternative energy systems (Policy 3.8).

The UHOP has integrated climate change and energy related policies throughout. The UHOP requires that a climate change lens be applied to planning decisions and that reducing GHG emissions and improving climate resiliency be required or incentivized (UHOP 1.2, 1.6). Direction #1 of the City's directions to guide development is to "Plan for climate change mitigation and adaptation and reduce greenhouse gas emissions" (UHOP 2.1). In addition to climate change policies, the UHOP outlines the requirements of an Energy and Environmental Assessment Report to support the preparation of a secondary plan for urban expansions areas (UHOP 1.2.9 and as proposed to be amended to be UHOP 1.2.8). While no Terms of Reference for the submission have been developed as of writing, the UHOP provides general guidance on what the Report should address for a proposal (UHOP 3.2.9). Per the UHOP, the report would indicate how a proposal incorporates environmental and sustainable design features; practices such as active transportation, energy efficiency through building and site design, and water conservation. The report should also demonstrate consistency with the principles and policies identified in UHOP Section B.3.7 and other applicable policies in Chapter E.

ReCharge Hamilton is the Community Energy and Emissions Plan (CEEP) approved by Council in 2022. The CEEP identifies the goal of net-zero carbon emissions by 2050. Informed by an assessment of an emissions profile for the City from a base year of 2016 (see CEEP Figure 1), the CEEP lays out five key opportunities and related actions to reduce carbon emissions and meet the net-zero objective:

1. Changes in industry technologies and processes,

2. Changing buildings through retrofit and green standards for new buildings
3. Changes in transportation through transit investment, increasing active transportation, and encouraging the adoption and use of electric vehicles,
4. Changes in energy sources through encouraging renewable energy ownership structure, expanding district energy, and proactively identifying solar energy installations.
5. Expanding green infrastructure to maintain and increase carbon sequestration through aligning long-term growth to GHG targets, requiring community energy/climate action policy directions in Official Plan Amendments, secondary plans, and tree planting.

4.2 Key Findings & Recommendations

Energy efficiency and reduced greenhouse gas emissions is a key component of both the CEEP and the City's goal of carbon neutrality. It is also supported through the policies of the Proposed PPS (2024) which includes planning to reduce GHG emissions and preparing for the impacts of a changing climate through approaches that include compact communities, energy conservation and efficiency, green infrastructure, and considering other approaches that build resilience to climate change impacts.

The following presents the recommendations for the Energy and Environmental Assessment Report as it pertains to applications for potential Urban Boundary Expansion, unless otherwise noted:

- Applicants should demonstrate within the EEA Report the impact of the potential boundary expansion application on the ability of the City to achieve carbon neutrality. It should also demonstrate the opportunities to reduce climate change impacts and avoid climate change risks. Council has endorsed a CEEP that outlines a goal of achieving net-zero emissions (carbon neutrality) by 2050. As identified within the CEEP, this goal will be influenced in part by potential future industrial uses, transportation-related decisions, building design, and decisions around future energy sources as the City grows. Consistent with the UHOP policies on the EEA Report and policies regarding energy and climate change within the PPS, the report should include information related to emissions and climate change as it pertains to: (1) site design, (2) land use patterns, (3) building design, and (4) overall GHG emissions.
 - **Site design** related impacts and opportunities should demonstrate if/how the site design elements for the potential expansion and/or proposed concept will mitigate urban heat island effect and preserve or protect natural heritage. Information related to natural heritage should include but not be limited to providing a list of natural assets (e.g., wetlands, forests, parks, water features, soil, fields, gardens) and planned management, retention, or enhancement of existing features or addition of new features
 - **Land use pattern** related impacts and opportunities should demonstrate the transportation related impacts on GHG emissions for the City as a result of the potential urban boundary expansion. This should include providing modelled GHG emissions based on vehicle

kilometres travelled to key destinations. The climate change mitigation opportunities related to land use patterns and transportation would ideally provide information on active and sustainable transportation opportunities of the potential boundary expansion. It is noted that there may be some overlap with the Transportation Impact Study/Transit Assessment/Pedestrian Route and Sidewalk Analysis submission requirements. The degree to which the new proposed area will be transit-supportive and have the ability to connect into the City's existing/planned network should also be assessed and accounted for.

- **Building design** and use related impacts and opportunities should demonstrate how the potential urban boundary expansion will allow for energy efficient building design (e.g., LEED rating system, passive housing). Applicants should also provide information on the feasibility of providing Electric Vehicle Supply Equipment to the entire boundary expansion area (as informed by proposed concept). It is noted that this may have some overlap with the Energy Supply component of the EEA Report. In addition, recognizing that some boundary expansion may be for Employment uses, the EEA Report should provide information on potential/conceptual employment use and its related GHG emission impacts.
- **Overall GHG emission** impacts of the potential boundary expansion should be modelled to demonstrate the impact on the City's net-zero goal as identified in CEEP. The results would ideally outline key assumptions related to population, employment, dwelling units, industry type, transportation modal split, energy impacts, etc. as applicable. This analysis could include the measures planned for that would reduce emissions (e.g., building design, energy sources, etc.).
- Applicants should provide information within the EEA Report on whether the potential UBE could feasibly be serviced or is planned to be serviced by renewable energy, alternative energy systems, or district energy and why. Details on how/why energy supply options are feasible should be provided (e.g., site size, design, study that has been conducted, assessments that will be conducted, etc.). Detail should be provided on whether energy providers have been contacted or engaged with as part of this consideration.
- Applicants should provide information within the EEA Report regarding the approach to water conservation, stormwater management, and low impact design. The report should demonstrate how the potential UBE will consider stormwater management and promote green infrastructure and low impact development. It should also demonstrate the feasibility and potential opportunities for water conservation at a strategic level. It is noted that this could overlap with the Functional Servicing Report submission requirement.
- Applicants should include targets/objectives as it pertains to energy and climate change within the EEA Report. These targets/objectives could form a part of the OPA for UBE. The above EEA Report requirements are assumed to be based, at a minimum, on a Preliminary Concept Plan. However, it is recognized that an OPA for UBE may be a first step in the application process whereby further assessment and more detailed planning is completed for a subsequent OPA for

- a Secondary Plan. As such, the analysis and feasibility demonstrated within the EEA Report in regard to site design, GHG emissions, land use efficiency patterns, building design, and energy would ideally result in targets/objectives that would guide the secondary planning for the UBE as part of implementation.
- Building off identified targets/objectives as a result of the EEA Report, the secondary planning phase is better suited to detailed planning related to building design, energy supply, stormwater management/LID, and green infrastructure. It is anticipated that at the Secondary Plan stage further information would be required regarding energy supply, consistent with CEEP Action 22 which states that “new greenfield areas should require their own community energy system planning process” including additional detail on energy demands, supply sources, electric vehicle supply sources, and energy supply resiliency. There is also the potential for net-zero aligned building and development standards, guidelines, or policies to be in place (as identified in CEEP Action 4) in support of this secondary planning stage. It is also anticipated that stormwater management planning and low impact development including green infrastructure would be further detailed at the Secondary Plan stage in accordance with the UHOP 3.1.5 Storm Water Management Plan.
 - Energy and Environmental Assessment Report submissions should not be required to be completed by a specific professional designation or post-nominal. In the field of climate change and energy management there are some existing professional designations including Certified Energy Manager (CEM) and Certified Energy Auditor (CEA). CEMs and CEAs are focused on optimizing or assessing energy performance in specific buildings being commercial, industrial, or institutional buildings. In regard to GHG emissions assessments, there have been certifications offered by different organizations related to GHG quantification and verification. However, available certification appears to be linked to standards such as ISO. These certifications do not fully align with the purpose of the EEA Report. As climate change is an emerging field and this EEA Report will provide the City a unique lens to GHG emissions, climate change risks and opportunities, it is not recommended that a specific certification, designation or post nominal be required. At a minimum, the EEA Report should be completed by staff/firms with demonstrated experience in GHG modelling and climate change mitigation/adaptation. In addition, the City could consider requiring sign off by an RPP as the objectives of this EEA Report is so closely linked to land use planning policies and objectives.
 - The City should consider changing the name of the submission to Energy and Climate Change Assessment Report within the context of potential UBE applications. This may provide greater clarity to the public on what this report pertains to in terms of the evaluation framework and minimize confusion related to legislated Environmental Assessment processes.

5.0

Public Engagement Requirements

Public engagement with rights holders and interested and affected parties including Indigenous communities, advocacy groups, and the public at-large is a fundamental aspect of potential Urban Boundary Expansion applications. Public engagement is a crucial consideration by virtue of the nature of the potential applications which may impact the long-term vision for growth for the City. It is also important due to the change in process whereby for the past two decades conversations and decisions related to urban boundary expansion have been municipally-led and within in the context of long-range planning through a Municipal Comprehensive Review. The City will need to decide what role it is going to play in engagement and communications related to UBE and what will be required/requested of potential applicants.

In answer to this question, the City has developed a draft proposed Application Submission and Review Process (Part C) which outlines requirements and guidelines related to pre-submission, Indigenous consultation, formal consultation, open houses/statutory meetings, and notification requirements. The draft guidelines/requirements were reviewed by Dillon within the context as outlined below to identify key findings and recommendations related to public engagement.

5.1

Context

An application for an Urban Boundary Expansion would be completed through a request for an amendment of the Official Plan. The *Planning Act* provides the minimum legislated requirements in the context of a request for an amendment to an Official Plan that is not municipally initiated. An OPA initiated by a person or public body would trigger Section 22 of the *Planning Act* whereby Council is required to meet a number of requirements related to consultation. Per the Act, Council shall forward the request and required material to the appropriate approval authority and ensure that adequate information and material is made available to the public. Council is also required to hold at least one public meeting or comply with the alternative measures set out in the official plan. Section 22(3) states that a public meeting does not apply if council refused to adopt an amendment.

O.Reg 543/06 Official Plans and Plan Amendments under the *Planning Act* (as recently amended by O.Reg/284/24) outlines materials that must be provided as well as notification requirements. Notification requirements include mail outs to landowners within 120 metres of the subject land and posting a notice, clearly visible and legible from a public access point, at every separately assessed property (Section 3(4)). With the recent amendments, newspaper notifications are no longer required.

Under the *Planning Act*, there is the opportunity for the City to outline alternative measures related to consultation within the Official Plan. Currently the UHOP identifies Community Engagement and Participation as a strategic direction whereby “citizens are consulted and involved in making the decisions that impact them”. The UHOP also includes general policy goals related to meaningful engagement with indigenous communities regarding cultural heritage and archaeological resources

(UHOP 3.4.1.3), policies specifically related to secondary planning processes for Urban Expansion Areas (UHOP 1.2.9e) and n)), and planning applications that may require a Public Consultation Summary and Comment Response Report (UHOP 1.19.6).

The Proposed PPS (2024) requires planning authorities to undertake early engagement with Indigenous communities and coordinate on land use planning matters and ensure their interests are considered when identifying, protecting, and managing archaeological resources, built heritage resources, and cultural heritage resources (PPS 4.6.5, 6.2.2).

The Public Consultation Summary and Comment Response Terms of Reference outlines what is required in the preparation of this submission document. The report must outline key messages from the activity/event, record of notification, record of consultation, and responses to comments.

It is our understanding that the following summarizes the proposed public engagement/Indigenous engagement for potential Urban Boundary Expansion Applications:

- Applicant strongly encouraged to contact and engage with Indigenous nations pre-submission, following the applicable protocol for First Nations rights-holders,
- City will circulate Formal Consultation application and/or OPA application to Indigenous nations and undertake discussions through both a Development Review Team meeting and direct in-person meetings,
- Applicant strongly encouraged to provide notification to stakeholders and run a Community Meeting/Event pre-submission. The City will work with applicants to provide a recommended contact list for notification of community organizations, neighbourhood associations, and interested parties based on previous engagement in addition to the notified landowners,
- Applicant required to provide enhanced public notification requirements including multiple public notice sign sand City-led mailout to adjacent landowners,
- City will have a Statutory Public Meeting and make required information related to the OPA application publicly available in accordance with the *Planning Act* (a separate Council meeting may be held for decision making),
- City may host an Open House prior to the Statutory Public Meeting with City preparing all consultation materials with input from the Applicant.

5.2 Key Findings & Recommendations

Allowing for individual-led applications for urban boundary expansions outside of a Municipal Comprehensive Review process represents a major shift in the approach to growth management planning. A potential UBE, whether municipally or individually-led, is a critical question on the future of a municipality and existing and future community members. Given the extensive public interest in a decision on potential UBE, it is reasonable to require consultation that is above and beyond the *Planning*

Act requirements for Section 22 Official Plan Amendments. The following presents the recommendations based on the review of public engagement for potential UBE:

- Generally speaking, the proposed engagement and notification process as outlined in Part C of the framework appears to align with typical engagement processes. The framework encourages proactive, pre-submission engagement with Indigenous communities and the public as part of proposing an OPA for boundary expansion. This ask is reasonable in the context of the potential magnitude of impacts of the OPA for a UBE, as it infers a future proposed change in land use designation. Further, the requirements and guidance to applicants does not preclude additional pre-submission engagement in support of meaningfully consulting with the public to inform planning rationale and justification.
- **Consider encouraging or requiring applicants to provide in-person and virtual engagement opportunities.** The pandemic has fundamentally shifted expectations around opportunities for engagement. It could be viewed as very limiting and of questionable intent to offer engagement opportunities as one-time, in-person only sessions. Applicants should advertise and provide the opportunity to engage virtually as an alternative. At a minimum this should include a recording of any presentation and a digital version of any feedback/comment form (e.g., survey). This would be consistent with the Council approved Secondary Planning Guidelines for Urban Expansion Areas.
- Consider encouraging or requirement applicants to meet accessibility (AODA) related requirements for any posted materials or engagement events. As part of this request, the City could develop and provide guidance related to accessibility best practices such as accessible venues, closed caption on meetings, accessible design element for notices and materials, etc.
- **Some enhanced notification requirements for potential urban boundary expansion applications are reasonable.** It is reasonable for the City to plan to provide expanded mail-out notification beyond the 120 metres that is within the *Planning Act*. It is reasonable to suggest that the applicant also provide enhanced notification mail outs. However, it is recommended that the minimum standard should be aligned with the *Planning Act* unless specific supported rationale is provided for an expanded notification limit. The City could provide a range of 120 metre to 400 metres subject to further analysis. For notices posted, the *Planning Act* requires a notice posted at every separately assessed property within the subject land (O.Reg 543/06) or at a nearby location chosen by the clerk of the municipality. Since the lands subject to the proposed UBE are likely to be geographically large parcels that potentially front on multiple public roads, enhanced posting requirements to provide greater transparency to the public is encouraged. The City has proposed requiring notices every 500 m. Notices should be required to be oriented in such a way that make them legible from the primary mode of transport (assumed to be a vehicle in the case of potential UBE).
- **The City should provide clarity to the public on the objective and outcomes of (potential) City-led Open Houses within Part C.** It is reasonable for the City to host an Open House on a

proposed OPA for UBE, which would be a requirement under the *Planning Act* for a municipally-initiated OPA for boundary expansion (Section 26 Updating official plan). However, the City should provide clarity to the public at the outset on the desired objectives and outcomes for a potential Open House. Some questions to consider include: What information will be presented? What types of questions will be asked of the public? How will the City use the feedback? In addition, for any engagement led by the City (i.e., the potential Open House), the same standards regarding online opportunities and accessibility should be met.

- **The City should consider providing further direction to applicants on the Indigenous communities with which to engage.** To support the encouragement regarding pre-submission engagement communities, the City could update Part C to include a minimum list of rights holders to engage with. This could be organized by geography.
- The City should consider proactively engaging with Indigenous communities and educating the public and other interested and affected parties on the process change related to considering urban boundary expansions. Recent and pending policy and legislative framework reflects a significant process change as it pertains to urban boundary expansion. These changes are likely to be confusing for the public, in particular as the City and Province have approved a No Urban Boundary Expansion growth scenario. Engaging on the UBE framework provides a key opportunity to educate the public and rights holders on this change. The City could further consider additional avenues such as videos, social media posts, a dedicated web page, or Story Map-style education outreach.

6.0 Subwatershed Study Requirements

The Draft Evaluation and Locational Criteria for UBE applications identify several themes and associated criteria that must be addressed through any urban boundary expansion application process. A Subwatershed Study is identified as a required submission to address application criteria associated with the climate change, natural heritage and water resource themes. The requirements, scope and function of a Subwatershed Study have been reviewed within the policy contexts of the Proposed Provincial Policy Statement (PPPS) (2024), City of Hamilton Urban Official Plan (UHOP) and the proposed Draft Evaluation and Locational Criteria provided by the City.

6.1 Context

The proposed PPS (2024) defines watershed planning as:

"...planning that provides a framework for establishing comprehensive and integrated goals, objectives, and direction for the protection, enhancement, or restoration of water resources, including the quality and quantity of water, within a watershed and for the assessment of cumulative, cross-jurisdictional, and cross-watershed impacts. Watershed planning evaluates and considers the impacts of a changing climate on water resource

systems and is undertaken at many scales. It may inform the identification of water resource systems.” (PPPS 2024, page 54)

Subwatershed planning is simply watershed planning applied at a smaller subwatershed scale. The Provincial definition focuses narrowly on water which is inconsistent with the broader definition included in the current, in-effect Growth Plan (2020) and is not reflective of common watershed planning practices. It is notable that the definition of a Subwatershed Plan as contained in the Growth Plan for the Greater Golden Horseshoe has not been carried forward in the proposed PPS (2024). However, it is important to note that the proposed PPS (2024) allows for municipalities to maintain enhanced standards, as Section 1 notes specifically that “the policies of this Policy Statement represent minimum standards....(and) planning authorities and decision-makers may go beyond the minimum standards to address matters of local importance”, provided the enhanced standards do not conflict with other policies of the Statement. Furthermore, other aspects of proposed PPS (2024) point towards a more integrated approach to watershed/subwatershed planning. For example, policy 6.2.1. directs municipalities to use an integrated, comprehensive approach when dealing with matters related (amongst other things) “managing natural heritage, water, agricultural, mineral and cultural and archaeological resources” (item c), “ecosystem, shoreline, watershed and Great Lakes related issues” (item e) and “natural and human made hazards” (item f). Accordingly, it is reasonable for the City to implement an approach which suits the local needs of Hamilton and recognizes the importance of comprehensive approach to watershed/subwater planning.

Other relevant references to watershed planning in the proposed PPS (2024) trigger mandatory requirements:

- Stormwater management shall consider the cumulative impacts of stormwater from development on a watershed scale (3.6.8(g));
- Planning authorities shall protect, improve or restore the quality and quantity of water by using the watershed as the ecologically meaningful scale for integrated and long-term planning, which can be a foundation for considering cumulative impacts of development (4.2.1(a)) and by minimizing potential negative impacts, including cross-jurisdictional and cross-watershed impacts. (4.2.1(b)); and,
- Large and fast-growing municipalities shall undertake watershed planning to inform planning for sewage and water services and stormwater management, including low impact development, and the protection, improvement or restoration of the quality and quantity of water. (4.2.3)

The definition for a Subwatershed Plan is provided in the UHOP and further, identifies the prescribed criteria that must be included in any such study:

“Subwatershed Plan - means a plan used for managing human activities and natural resources in an area within a defined watershed. Watershed plans shall include, but are not limited to, the following components:

- a) *Characterization of hydrology, hydrogeology, aquatic environments, terrestrial environments, water quality, and water quantity;*
- b) *land and water use and management strategies;*
- c) *a framework for implementation;*
- d) *an environmental monitoring plan;*
- e) *requirements for the use of environmental management practices and programs;*
- f) *criteria for evaluating the protection of water quality and quantity, and key hydrologic features and functions; and,*
- g) *targets for the protection and restoration of riparian areas and the establishment of natural self-sustaining vegetation.”* (Glossary, page 22-23)

The criteria included within the UHOP definition establish the minimum requirements for a Subwatershed Plan however, such plans are not limited to only these prescribed requirements. The Terms of Reference for a particular Subwatershed may be modified to go beyond the above stated minimums based in order to better respond to the local context.

The UHOP policies recognize watershed planning as an important mechanism for guiding land use and infrastructure decisions. Further, the UHOP policies identify watershed planning as a tool to protect/improve or restore the quality and quantity of water and land resources by minimizing potential negative impacts, including climate change, cross-jurisdictional and cross-watershed impacts (C.2.8.1, C.2.13.1, C.2.13.2). Accordingly, the UHOP requires that all applications for development must conform to the recommendations in a Secondary Plan as it pertains to Subwatershed Plan requirements (C.2.8.4).

Amongst other matters, the policies of the UHOP provide that Subwatershed Plans may be used to:

- Refine the boundaries of various components of the Natural Heritage System (C.2.2.4);
- Identify linkages between Core Areas of the Natural Heritage System (C.2.7.1);
- Determine the appropriate width of required Minimum Vegetation Protection Zones (C.2.5.10);
- Consider the risks and vulnerabilities arising from increased extreme weather events including through the application of low impact development and green infrastructure (C.5.0);
- Inform Stormwater Management Plans (C.5.4.1); and
- May be submitted in place of an EIS where the subwatershed planning process was carried out as part of a comprehensive planning process to the satisfaction of the City in consultation with the applicable Conservation Authority (F.3.2.1.9).

The UHOP specifically identifies Subwatershed Plans amongst a list of studies which may be required to support the preparation of a Secondary Plan for the Urban Expansion Areas (F.1.2.9(x)). However, in identifying the requirements for a complete application, Subwatershed Studies are only identified as being required for Draft Plan of Subdivision or Site Plan Control applications (F.1.19.6). As a result of the

modified settlement area boundary expansion policies of the proposed PPS (2024), it would be possible that a private development application may be brought forward that would trigger the need for an associated Secondary Planning process. Table F.1.19.1 of the UHOP may need to be amended to apply Subwatershed Plans and/or an update to an existing Subwatershed Plan as a complete application requirement for Official Plan Amendments and Zoning By-law Amendments. It is understood that staff plan to address this matter through an OPA that will be brought forward for Council consideration in August of this year.

6.2 Key Findings & Recommendations

6.2.1 Consideration for a Phased Approach to Subwatershed Planning

The proposed PPS (2024) framework for assessing a settlement area boundary expansion does not explicitly direct planning authorities to consider the impacts on water resources and the natural heritage system. However, as outlined in the previous sub-section, other policies of the proposed PPS and the UHOP point towards the importance of comprehensive, integrated planning. Accordingly, it is reasonable that impacts of a privately initiated urban boundary expansion on a subwatershed are assessed and considered for as part of the broader decision-making process. A Subwatershed Study should be a requirement for an Urban Boundary Expansion application, however, the City may choose to consider a phased Subwatershed Study / phased approach as is contemplated in the Provincial Subwatershed Planning Guide (2022)⁶. Within this phased approach, the completion of Phase 1 of the Subwatershed Study would be required for submission with the Official Plan Amendment Application for the Urban Boundary Expansion. Phase 1 would focus on the identification of existing conditions and an initial impact assessment including:

- Confirmation of objectives for the Subwatershed Study;
- Refinement of the Subwatershed boundaries based on water resources and natural heritage systems;
- Identification and mapping of existing natural features, hydrologic features and hazard lands including the related hydrologic functions and conditions;
- Completion of any initial modelling (i.e. hydrological modelling);
- Identification of existing land uses; and,
- Based on a preliminary land use scenario, completion of an initial assessment of the potential impact of development on the water resource and natural systems (including the associated hydrological and ecological functions) in the Subwatershed Study Area based on a preliminary land use scenario.

⁶ Refer to the Subwatershed Planning Guide for more details (note that the Provincial Guidelines have yet to be finalized): https://prod-environmental-registry.s3.amazonaws.com/2022-01/DRAFT%20Subwatershed%20Planning%20Guide%202022_1.pdf

The data and findings of the Phase 1 Subwatershed Study may be used to inform other technical studies that support the Secondary Planning process (i.e. stormwater and flooding/hazard analysis). This Phase 1 work should apply, confirm and extend existing data sources that may be available such as the natural heritage data and mapping completed as part of the GRIDS process, available flood mapping, data available from the applicable Conservation Authority, and/or any Source Water Protection Plans that have been completed for the area. The findings of the Phase 1 study can then be considered and incorporated within the subsequent Phases 2 and 3 work for the Subwatershed Study. It should be noted however, that the collection and analysis of data will be ongoing throughout the phases of the broader Subwatershed Study. For an Urban Boundary Expansion application, a greater level of scrutiny and study may be applied to the areas intended for future development to better scope the study until such time as the Urban Boundary application is approved. However, it should be recognized that a Subwatershed Study is founded on a systems approach to environmental management and this systems approach should not be compromised in the early stages of the work.

A Phase 1 Subwatershed Study should include the following technical studies:

- Hydrogeology;
- Hydrology and Hydraulics;
- Stream Morphology;
- Surface Water Quality; and,
- Terrestrial and Aquatic Ecology.

Phases 2 and 3 of the Subwatershed Study may be completed as part of the continuing Secondary Planning process for the Urban Expansion Area should the Urban Area Expansion Area application be approved. Phase 2 of the Subwatershed Study focuses on the development of a preferred land use scenario and more refined impact assessment. Phase 3 of the Subwatershed Study focuses on the implementation of the Subwatershed recommendations and management strategies.

6.2.2 Consideration of Natural Asset Management

Subwatershed Studies provide an opportunity to feed into a program of natural asset management. Key to this approach is to identify, value and manage natural assets. Such an approach is increasingly a key element in responding to climate change as well as reducing and mitigating risk within the community. Natural assets are natural features or elements of the ecosystem, both biotic and abiotic, that can be leveraged to provide ecosystem services to communities. This includes services such as stormwater management, water filtration, protection from flooding and erosion, heat mitigation and carbon sequestration as well as social and community services such as recreation, health, culture and tourism.

One of the first stages in developing a natural asset management framework is completing a natural asset inventory. This inventory includes the identification of the natural heritage and hydrologic features and the functions they provide. The data and mapping developed for a Subwatershed Study can enhance or be integrated into a broader inventory of natural assets within the municipality. This

inventory can then be fed into the natural asset management framework that identifies how the combination of these natural features and functions relate to a variety of municipal services. The integration of natural assets within a more traditional asset management program provides opportunities for a more cost-effective and reliable delivery of these services. A Natural Asset Valuation Study assigns an economic value to the community services that are supported by these natural assets.

7.0

Approach to Secondary Planning for Proposed UAEs

A secondary plan is a detailed land use plan that is applied to a defined area of the municipality and that is integrated into the City's policy framework as an amendment to the Official Plan. Secondary Plans address such matters as land use, densities, urban design requirements, infrastructure, cultural heritage resources, natural heritage features, and/or community facilities and services. The following chronology is key to understanding the context for the City's Secondary Planning policy framework as it relates to urban expansion areas within the City:

Provincial Approval of Hamilton OPA 167 (November 4, 2022) – OPA 167 is the policy response to Phase 1 of the City's Official Plan Review and the GRIDS 2 / Municipal Comprehensive Review processes. The Province approved OPA 167 with 77 modifications to the UHOP, a number of which were significant policy and mapping modifications. A particularly significant modification was the addition of approximately 2,200 gross ha of urban expansion area to the City's urban boundary.

- **Hamilton OPA 185 (Adopted July 14, 2023/ Effective Date August 16, 2023)** – OPA 185 implemented the Secondary Planning policy framework for the Urban Expansion Areas (as per the Provincial modification to amend the settlement boundary to bring such lands into the urban area), as well as the *Secondary Planning Guidelines for Urban Expansion Areas*. OPA 185 did not address other whitebelt lands (being lands that are outside of the Settlement Area Boundary and outside of the Provincial Greenbelt) for which development applications may now be brought forward in accordance with the PPPS (2024).
- **Bill 150 (Royal Assent December 6, 2023)** – Bill 150 deemed the Provincial modifications to OPA 167 never to have been made and that OPA 167 be approved as of the date of Council adoption save and except for three of the Provincial modifications.
- **Proposed Provincial Planning Statement (April 10, 2024)** – The PPPS (2024) tables additional revisions to the previous draft of the PPPS (2023). The Province is proposing that the new PPPS will replace both the existing Provincial Policy Statement (2020) and the Provincial Growth Plan (2020). In accordance with the PPPS (2024) an urban boundary expansion would be possible in absence of a Municipal Comprehensive Review and thus, private applications to amend the Settlement Area Boundary could be brought forward at any time.

- **Bill 162 (Royal Assent May 24, 2024)** – Bill 162 reinstates 10 of the previous Provincial modifications to OPA 167 as requested by Council.
- **Bill 185 (Royal Assent June 6, 2024)** – Amongst other matters, Bill 185 permits that applicants may now appeal a decision (or non-decision) of Council regarding an amendment to the settlement area boundary provided that the subject lands are not within the Provincial Greenbelt.
- **Hamilton OPA 218 (Adopted July 12, 2024 / Presently in Appeal Period)** – Amongst other matters, OPA 218 amends the Secondary Planning policies of the UHOP to apply to all urban expansion areas and deletes reference to the six Urban Expansion Areas previously identified by the Province through the OPA 167 modifications.

7.1 Context

The City has developed a detailed policy framework to guide the preparation of Secondary Plans in response to the proposed Provincial policy modifications (PPPS 2024) and recent Provincial legislative changes (Bill 185). The policies detailing the Secondary Planning framework have been drafted to apply to future urban expansion areas (as initially identified in Hamilton OPA 185 and more recently OPA 218). The Secondary Planning policy framework establishes the minimum requirements for both city-initiated Secondary Plans as well as private applications seeking to expand existing settlement area boundaries. It should be noted that the Secondary Plan policies of the UHOP are not an endorsement or permission for new urban boundary expansion areas, but rather a recognition that if urban boundary expansion areas are approved by the Province, then these are the standards / process that shall apply.

The PPPS (2024) modifies the current approach to settlement area boundary expansions. As noted earlier, the current PPS (2020) only permits the expansion of a settlement area boundary at the time of a Municipal Comprehensive Review (MCR) subject to the criteria of Section 1.1.3.8 and 1.1.3.9 of the PPS (2020). The proposed policy framework of the PPPS (2024) removes the requirement for the MCR making it possible for a settlement area boundary expansion application to proceed subject to the identified tests of Section 2.3.2 of the PPPS (2024). The PPPS (2024) provides that Council “shall consider” a number of criteria including:

- The need to designate land;
- Whether there is sufficient capacity in existing or planned infrastructure;
- Whether the expanded settlement area provides for a phased progression of development; and,
- The impact on agricultural lands (2.3.2.1).

These criteria essentially establish the base Provincial requirements of the Secondary Planning process.

The Secondary Planning policies of the UHOP, especially those introduced through OPA 185 and OPA 218, outline the process for how development should be provided for in the City’s future urban expansion areas. These policies identify how secondary planning should occur, studies that may be

required in support of the Secondary Plan, and the requirement that the '*Secondary Planning Guidelines for Urban Expansion Areas*' be implemented as part of any Secondary Planning process. More specifically, the Secondary Planning policies for urban expansion areas address matters such as precluding development until such time as a Secondary Plan is approved (F.1.2.7) and identify a number of requirements that must be satisfied as part of the Secondary Planning process (F.1.2.9). This is in addition to the more general Secondary Planning policies that apply city-wide (F.1.2.4).

The Secondary Planning policies for new urban areas, as provided in the UHOP are supported by a set of Council-endorsed *Secondary Plan Guidelines For Urban Expansion Areas*. These Guidelines outline the expectations and standards that a Secondary Planning process is intended to follow in new urban areas. This includes directives on the timing and approval of a Terms of Reference, foundational directions for Secondary Planning (Ten Directions to Guide Development as contained in Section A.2.1 of the UHOP), prescribed process/phases for drafting a Secondary Plan, key components of a Secondary Plan along with public engagement and notification requirements. The UHOP, as amended by OPA 218, requires that Secondary Plans for urban expansion be prepared in accordance with these Guidelines (F.1.2.9(n)).

The policies of the existing UHOP as well as the '*Secondary Plan Guidelines for Urban Expansion Areas*' as build on the current Provincial requirements for settlement boundary expansions. While the *Secondary Plan Guidelines for Urban Expansion Areas* document was drafted to narrowly apply to the Urban Expansion Areas identified by the Province in November 2022, the City is now in the process of adapting this document to work in conjunction with the policy amendments of OPA 218 such that the guidelines would apply to any future urban boundary expansion application.

7.2 Key Findings & Recommendations

The UHOP provides clarity on the role of Secondary Planning as it relates to any future urban expansion areas. Generally, it is the role of Secondary Plans to provide more detailed and community specific guidance to growth and change within a delineated planning district (F.1.2). This includes ensuring the orderly and efficient use of land along with the integration of the proposed development within the broader city-wide infrastructure strategies (F.1.2.1). It is a policy objective of the UHOP that a coordinated approach to Secondary Planning for the new urban Areas will ensure that residential intensification targets for development within the built-up area are prioritized in accordance with the UHOP (A.2.4.1).

Secondary Planning new urban Areas provides the City with an opportunity to plan for new greenfield communities, whether they be residential neighbourhoods or employment districts, that reflect contemporary best practices. This includes communities that showcase the City's planning priorities and objectives such as establishing complete communities, providing for a range of housing forms and tenures at densities at transit supportive densities, providing for an integrated transportation network, protection and enhancement of the Natural Heritage System, community structures and built form that facilitate climate change adaptation, strategies to reduce greenhouse gases and development that

accounts for the full life cycle cost of infrastructure. Many of these elements are reflected in the City's 'Ten Directions to Guide Development' that are now incorporated as a policy within the UHOP (A.2.1).

7.2.1 Framework for Evaluating Urban Area Expansion Applications

The *Framework for Processing and Evaluating Urban Boundary Expansion Applications* distinguishes between two types of criteria for consideration:

- i) Base considerations which assess whether the amount of land proposed for inclusion in the urban boundary is appropriate and reflective of the City's needs; and
- ii) Locational considerations which assess the locational feasibility of the lands proposed to be brought into the urban boundary.

A third consideration is the timing or phasing of the development of the lands and whether the timing to bring the lands within the urban boundary is appropriate and reflective of the City's priorities.

Base Considerations – The base considerations are paramount to any assessment of an urban boundary expansion application. Such considerations should, in a comprehensive and detailed way, demonstrate why there is a need to designate additional lands within the urban area. Any such land needs analysis must take account of the subject lands within the greater context of the City's land needs assessment, population and/or employment projections, and impacts on intensification and/or redevelopment targets. These base considerations must also address the associated infrastructure needs (particularly servicing requirements) and evaluate such against the planned or existing capacity within the broader city-wide systems.

Increasingly, servicing capacity has become a key deciding criterion on boundary expansions specifically as it relates to the proximity of the proposed development to water/wastewater servicing facilities and the availability of plant capacity. The analysis of the above noted items should provide for a comprehensive and detailed justification for the proposed boundary expansion. At this stage, high level consideration should also be given to whether the proposed boundary expansion constitutes a phased progression of urban development and at least a preliminary assessment of the potential impacts on agriculture such that the tests of Section 2.3.2 of the PPPS (2024) may be satisfied.

As per the Ministry of Environment and Energy Guideline D-5-1, it is the position of the Province that new official plans or site-specific official plan amendments, developments committed by virtue of approved zoning, or the number of lots in approved plans of subdivisions should not exceed the design capacity of the sewage and/or water system. In order to ensure that capacity is not exceeded, it is necessary to determine what uncommitted reserve capacity is available in accordance with the methodology provided in the Ministry Guideline. If the City or an applicant brings forward a specific proposal for alternative approaches for calculating and reporting uncommitted reserve capacity, the Ministry of Environment and Energy (MOEE) will consider entering into alternative arrangements. Municipalities should not recommend approval, and approval authorities should not consider approval, for development proposals if the uncommitted reserve capacity calculation has not been prepared and submitted according to the principles set out in the Ministry Guideline D-5-1. Should the City approve

boundary expansions in the future, the Ministry Guideline D-5-1 can will be a critical tool for helping to stage and finance development.

Locational Considerations – The locational criteria functions as the supporting metrics to determine the feasibility that the subject lands may provide for future development. This includes identification of the existing conditions of the lands such as land use and any potential constraints (i.e. natural heritage, hazards lands, cultural heritage, airport noise levels). This information contributes the evaluation of the need for the urban boundary expansion but would become more detailed once the need for the urban boundary expansion is established and approved (as the case may be). Locational criteria would be further refined at a subsequent phase of the planning process as land use options begin to be developed.

7.2.2 Required Applications

In considering the modifications Proposed PPS (2024), the role of Secondary Planning in the any future urban expansion area will need to evolve into what functionally, is more of a phased process achieved through two related but distinct Official Plan Amendment processes.

1) Official Plan Amendment to Expand the Settlement Area Boundary

The base metrics for assessing an application for a settlement boundary expansion are:

- the need to bring additional lands into the urban area;
- the availability of servicing (capacity and timing of the provision of services) within the City's infrastructure network; and
- Impact on prime agricultural lands and MDS requirements.

In order to accurately assess the requirements noted above, the applicant will need to provide a sufficiently detailed land use concept plan that would then be the basis of population, housing mix, land need and density calculations for the proposed Urban Expansion Area. These calculations would then inform a preliminary servicing report to address the matter of the availability and timing of servicing. The plan would also allow the applicant to assess impacts on the agricultural and natural systems at a high level.

2) Official Plan Amendment For Secondary Plan

Step 1 is approval of a settlement boundary expansion. Once the principle has been established to expand the urban area, a Secondary Plan will then be needed to establish a detailed policy framework to guide community planning and phasing for the greenfield area. The balance of the combined Secondary Planning tests of the PPS (2024) and the UHOP (notably more detailed land use plan, detailed servicing studies, environmental, agricultural, and community services amongst others) would be undertaken as a second Official Plan Amendment process should the initial application for the settlement boundary expansion be approved. In that regard, the UHOP provides that no plan of subdivision, zoning by-law amendment or consent to sever shall be approved for

lands within an Urban Expansion Area until a Secondary Plan is in effect, thus providing a check and balance to this approach (F.1.2.7).

8.0 Summary

The recent and expected changes to Ontario's planning system will have significant implications on how the City plans for future growth, in particular future potential urban boundary expansions. The current UHOP does not provide comprehensive guidance for large-scale, private landowner-led applications for settlement area expansion (as at the time the City completed its MCR, this form of application was not permitted or was restricted under previous versions of the Planning Act/PPS). Based on the changes to the legislative environment, the City will need to develop and incorporate a planning framework to assess and respond to urban boundary expansion applications. The key findings of our review are as follows:

- **Growth Allocation:** Future UAE applications should include a Housing Assessment Report which clearly addresses the need for the expansion. The Housing Assessment Report should also address the impact on City-wide Intensification objectives/targets, densification of existing neighbourhoods and DGA supply, impacts on the UHOP Greenfield Density Target and overall phasing of development.
- **Fiscal Impact Assessment:** FIA prepared to support future UAE should include an assessment of the initial round of growth-related infrastructure, including requirements such as storm, water and wastewater and transportation (roads and or transit) which are assumed to be largely paid for by developers through capital revenues generated from such sources as Development Charges and Building Permits. In addition, the FIA should identify preliminary provisions for operating and replacement costs, an assessment of the ecological value of natural heritage features, consideration of broader municipal fiscal implications and conclusions on the net fiscal impact.
- **Energy and Climate Change Assessment Submission Requirements:** Applicants should demonstrate the impact of the potential settlement area expansion on the City's ability to achieve carbon neutrality and demonstrate the opportunities to reduce climate change impacts and avoid climate change risks.
- **Public Engagement Requirements:** The Planning Act requirements provide the minimum level of public engagement required for an Official Plan Amendment. Given the limitations on third party appeals and the extensive prior engagement with the public and stakeholders, the City should provide an opportunity for applicants who wish to undertake enhanced public and stakeholder engagement for proposed UBEs. The enhanced opportunities could include, but are not limited to, increased number of events, increased mail outs/invitations, enhanced notifications, inclusion of virtual engagement, etc.

- **Subwatershed Study Requirements:** A phased approach to subwatershed planning should be a requirement for an UBE application and that the Subwatershed Study completed in phases as per the draft Provincial Subwatershed Planning Guide (2022) recommended for any future UBE. Phase 1 would confirm the objectives for the Subwatershed Study, refine boundaries based on water resources and natural heritage systems, identify mapping of existing natural features, hydrologic features and hazard lands, complete initial hydrological modelling, confirm existing land uses and complete an initial assessment of the potential impact of development on the water resource and natural systems (including the associated hydrological and ecological functions).
- **Secondary Planning:** Secondary planning is a valuable tool for undertaking comprehensive planning for complete communities. In scenarios where a private landowner applies for an UBE, it would be expected that a comprehensive secondary plan is completed should a decision be made to include the lands in the urban area, where the broader criteria under the UHOP and Proposed PPS (2024) have been met. A complete secondary plan would not likely be required at the initial application stage for an UBE, however, various components of a traditional secondary plan will be needed to address the UHOP and Proposed PPS (2024) criteria (as noted earlier in this Memo).