



STAFF REPORT Growth Management

Title: Comments on Proposed Amendment to the Growth Plan for the Greater Golden Horseshoe, 2017
Report Number: IPPW2019-017
Author: Ric Martins
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Council/Committee Date: February 4, 2019
File: NA
Attachments: NA
Ward No.: City Wide

Recommendation:

1. That IPPW2019-017 be approved
2. That IPPW2019-017 be forwarded to the Province as the City of Waterloo's initial comments on the proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe

A. Executive Summary

The Province has introduced a proposed amendment to the Growth Plan for the Greater Golden Horseshoe (Growth Plan) to address certain implementation issues associated with the plan. Some of the proposed changes include:

- Updating the intensification target and greenfield density targets
- Modifying densities and transit trip generator policies for major transit station areas
- Modifying employment areas policies to allow for limited conversions outside of a municipal comprehensive review process
- Altering the requirements for settlement area boundary expansions
- Modifications to how natural heritage areas mapping is implemented and managed in the context of the Growth Plan

Planning staff have reviewed the proposed modifications, and assessed how the proposed changes may affect planning within the City of Waterloo. In general, the proposed amendment addresses many of the areas of concern raised by the City during the preparation of the revised Growth Plan, which came into effect in 2017. It is recommended that IPPW2019-017 be forwarded to the Province as the City of Waterloo's comments on the proposed Growth Plan Amendment 1.

B. Financial Implications

None.

C. Technology Implications

None.

D. Link to Strategic Plan

(Strategic Priorities: Multi-modal Transportation, Infrastructure Renewal, Strong Community, Environmental Leadership, Corporate Excellence, Economic Development)

This report supports the Strategic Plan priorities including Multi-Modal Transportation and Strong Communities.

E. Previous Reports on this Topic

IPPW2016-085: Updates to Ontario Land Use Plans: City of Waterloo Review and Comment

IPPW2015-031: 2015 Coordinated Provincial Land Use Plans Review: City of Waterloo Comments

F. Approvals

Name	Signature	Date
Author: Ric Martins		
Director: Joel Cotter		
Commissioner: Cameron Rapp		
Finance: NA		

CAO



Comments on Proposed Amendment to the Growth Plan for the Greater Golden Horseshoe, 2017 IPPW2019-017

1.0 Introduction and Context

The Growth Plan for the Greater Golden Horseshoe, 2017 (the “Growth Plan”) is a provincial land use plan, which provides policy direction for municipalities for managing growth and land use planning. The second version of the Growth Plan came into effect on July 1, 2017, replacing the original 2006 Growth Plan. At the time, City staff (through Council approved staff report IPPW2016-085), other municipalities, and stakeholders raised various implementation concerns. As part of the implementation of the Growth Plan, the Ministry of Municipal Affairs & Housing engaged with stakeholders and municipalities in the fall of 2018 to discuss various solutions to concerns raised by municipalities and stakeholders.

As a result of the municipal / stakeholder engagements and to address the new provincial government’s priorities, an amendment to the Growth Plan has been proposed and released for public comment. Several of the amendments proposed help address some of the City’s specific concerns submitted to the Province. Many of the proposed changes would affect the City of Waterloo and its land use policy framework. Some of the key proposed changes to the Growth Plan include:

- Updating the intensification target and greenfield density targets
- Modifying densities and transit trip generator policies for major transit station areas
- Modifying employment areas policies to allow for limited conversions outside of a municipal comprehensive review process
- Altering the requirements for settlement area boundary expansions
- Modifications to how natural heritage areas mapping is implemented and managed in the context of the Growth Plan

This report sets out Planning staff’s initial comments of the proposed changes to the Growth Plan. It is recommended that this report be forwarded to the Province as the City of Waterloo’s initial comments related to the proposed changes.

2.0 Overview of Proposed Changes to the Growth Plan and Staff Comments

Several modifications and updates have been proposed, ranging from new and modified goals and principles to defined glossary terms. This report highlights the key proposed changes, grouped by theme (generally most relevant to the City of Waterloo). Staff comments/recommendations are offered for consideration. Planning staff remain

supportive of the principles and concept of the Growth Plan, which helps to direct and manage growth in the Greater Golden Horseshoe area, including the development of complete communities.

2.1 General themes from Amendment 1

The overall theme of the proposed amendment is to shift the focus of the Growth Plan from intensification in all areas to intensification of targeted strategic and larger urban areas. There is also an increased emphasis on ensuring “*sufficient housing supply that reflects market demand*” whereas the existing plan focuses more on providing a variety of housing through intensification.

The existing Growth Plan establishes a high-level policy framework related to addressing climate change, and references the previous government’s climate change plans. The proposed amendment generally removes references to the former climate change plans including specific targets such as creating “net zero” communities and modifies these references with terminology such as “environmentally sustainable”.

One of the key focus areas of the existing Growth Plan is the requirement for a Municipal Comprehensive Review (MCR) process to accompany key municipal processes, including changes to employment areas, land budgeting, settlement boundary expansions and allocation of density. The ability to undertake an MCR is limited to single and upper-tier municipalities. The proposed amendment still requires an MCR for many changes to municipal land use policy. However, the Province has introduced a potential new process for policy changes without the need for an MCR. These specific provisions are detailed further in Section 2.2 of this report.

Comment/Recommendation

While staff appreciate the need to make land available for additional urban development, staff note there already is undeveloped greenfield land available throughout the Region and the Greater Golden Horseshoe. Affordability and availability of housing supply is a multi-faceted challenge that cannot be addressed by any single tool. Staff support making sufficient housing supply available, but this goal should be balanced with responsible growth management and environmental protection.

Deleting the reference to “the long-term goal of net-zero” and replacing it with “environmentally sustainable” replaces a measurable aspiration with a more vague term. Most of the other directions in the Growth Plan are more measureable.

During the development of the existing Growth Plan (2017), the City of Waterloo expressed concern with the MCR process especially as it relates to Employment Areas that overlap with Major Transit Station Areas. The City did not agree with removing the ability for local municipalities to undertake an MCR for the purpose of updating local Employment Area policies and creating mixed-use development to support investment in high-order transit infrastructure. Therefore, staff supports the framework in the proposed Amendment 1 that potentially allows the City to update its employment area policies and fully implement the Station Area Plans as approved by Council.

2.2 Specific Proposed Growth Plan Modifications

2.2.1 Intensification and Density Targets

The proposed amendment identifies an intensification target of 60 percent of all residential development occurring annually within the Region of Waterloo to be within the delineated built-up area. The intensification policies as proposed have also been clarified and simplified. In the current Growth Plan, the intensification target was to be calculated and implemented differently before and after 2031. The proposed new policies simply require an intensification target of 60 per cent following the next Regional Comprehensive Review.

Also included in the proposed amendment are varying intensification targets for different areas within the Greater Golden Horseshoe. Waterloo Region along with the Regions of Peel and York and the City of Hamilton are all required to achieve a 60 percent intensification target. Other municipalities in the Greater Golden Horseshoe have an intensification target of 50 percent or lower depending on the specific area.

Greenfield densities in the proposed amendment are lowered to 60 residents and jobs combined per hectare from the existing 80 residents and jobs combined per hectare. Similar to the intensification target, the proposed amendment to the Growth Plan has a tiered approach to density, where municipalities such as Waterloo Region have the highest greenfield density target of 60 residents and jobs combined per hectare while other municipalities have targets of 50 and 40 residents and jobs combined per hectare respectively. The option remains for municipalities (upper and single-tier only) to request an alternative density target. However, in the current plan there are several tests a municipality must demonstrate for a lower density target to be considered. In the proposed amendment, a municipality may request a lower target by demonstrating the alternative target will:

“support the diversification of the total range and mix of housing options and the achievement of more compact built form in designated greenfield areas to the horizon of this Plan in a manner that is appropriate given the characteristics of the municipality and adjacent communities”,

Compared to the existing requirements, the threshold for lowering greenfield density targets has been reduced.

Comment/Recommendation

Given the varying geographic and economic conditions of the various municipalities found in the Greater Golden Horseshoe, staff supports a tiered approach to the Growth Plan intensification target. A 60 per cent target is consistent with the existing and planned land use policy framework in the City. The target generally remains realistic and achievable for both the City and the Region given the Waterloo context, directing higher density growth to strategic growth areas such as Nodes and Corridors, Station Areas and Waterloo's Urban Growth Centre.

In previous comments to the Province, staff noted that rather than being measured annually the intensification target should be measured as an average. This average would better recognize the variability in rates of development from year to year. This comment has not been addressed, and staff continue to recommend that an alternative to an annual target be considered.

Previously staff had raised concern that the Growth Plan density requirements for greenfield areas at 80 residents and jobs was too high. Staff are of the opinion that the proposed density of 60 residents and jobs for greenfield areas is more realistic and reasonable, however it will be challenging to achieve on certain lands that are constrained due to irregular parcel configuration, grades, environmental features, and infrastructure limitations. The proposed density of 60 residents and jobs generally translates to smaller lots, which may not align with market demands. The lower density requirement will allow for a range of housing types within neighbourhoods, with intensification directed to strategic growth areas identified in the Official Plan.

The Province has added “natural heritage systems” to the list of features excluded when calculating the developable area when applying greenfield density. The Province should confirm that the buffers identified to protect “natural heritage features” would be captured under the definition of “natural heritage systems” and would therefore be excluded from the area subject to density calculations.

2.2.2 Major Transit Station Areas

The Growth Plan outlines density targets for Major Transit Station Areas (MTSA) such as those around the ION•LRT stops in Waterloo. For MTSA's serviced by LRT, the target is 160 residents and jobs per hectare. For a variety of reasons, it may not always be possible to achieve the MTSA density target. For example, in Waterloo, one of the Station Areas includes Waterloo Park, which does not allow for the realization of density, though it does serve as a trip generator and destination for high-order transit. The proposed amendment contains provisions that allow for alternative density targets. The proposed amendment simplifies the process and test for the Minister to approve a lower density target. For example, a lower density target can be requested outside of undertaking a Municipal Comprehensive Review (MCR). With the proposed amendment there are two tests that would allow for a lower density target, including where:

1. development is prohibited by provincial policy or severely restricted on a significant portion of the lands within the delineated area; or
2. there are a limited number of residents and jobs associated with the built form, but a major trip generator or feeder service will sustain high ridership at the station or stop.

Both the tests noted above are applicable to Station Areas in Waterloo. The amendment also proposes to modify the definition of what constitutes a “major trip generator” for transit to include “large parks and recreational destinations, post-secondary institutions” in addition to the existing uses listed. Further, whereas the current Growth Plan requires single and upper-tier municipalities to delineate major transit station area boundaries as

part of an MCR, the proposed amendment would allow municipalities (upper-tier) to delineate station area boundaries outside of an MCR process.

Comment/Recommendation

Staff support the proposed changes to the MTSA policies. The City has already undertaken an extensive Station Area planning process (Council adopted in June 2017) that achieves the same goals and principles outlined in the Growth Plan. It would be inefficient to require an MCR to confirm the direction already outlined in the City's Station Area policies including the delineation of Station Area boundaries. With the proposed policies in Amendment 1, the Region can confirm the Station Area boundaries outside of an MCR process. Staff support this proposed approach.

City staff had previously noted the challenge of meeting density targets in Station Areas such as Waterloo Park. The proposed amendment recognizes that areas like Waterloo Park contribute to transit use, thus an exemption to the density target can be provided. Waterloo is also home to large post-secondary institutions and Planning staff have noted the challenge of prescribing density to these lands in Station Areas. Staff support the proposed expansion to recognize additional major trip generators.

2.2.3 Employment Areas

Currently the Growth Plan includes a policy that requires municipalities to develop an employment strategy. The proposed amendment replaces this policy with a simplified policy that requires municipalities to designate and preserve employment uses. Single and upper-tier municipalities are required to designate employment areas in their Official Plans. Some upper-tier municipalities such as the Region of Waterloo do not currently designate employment areas in its Official Plan. New policy provisions would allow these designations to occur in advance of an MCR process.

The proposed amendment would remove the newly created category of "Prime Employment Areas", which are intended to be land intensive, low employment density employment areas. Instead, the proposed Growth Plan amendment has identified a new employment area classification called a "Provincially Significant Employment Zone". There are 29 such zones identified by the Province, one of which is located in Waterloo. This area identified as "the area surrounding the intersection of Northfield Drive and Conestoga Parkway", includes the Employment designated area north of Northfield Drive, south of Bridge and east of Weber Street North. The Provincially Significant Employment Zones are intended to support the coordination of planning for jobs and economic development at a regional scale.

Currently, the Growth Plan prohibits the conversion of Employment Areas to non-employment uses outside of an MCR process undertaken by the Region of Waterloo as an upper-tier municipality. The proposed amendment would allow for a one-time conversion of Employment Areas uses without an MCR process. Lands within a Provincially Significant Employment Zone are not permitted to be converted outside of an MCR.

Comment/Recommendation

As part of the City's Station Area planning process the City identified select sites where the introduction of some limited non-employment uses in Employment Areas would be appropriate and desirable. Under the current Provincial framework, introducing residential uses in Employment Areas is not permitted until the Region undertakes a full MCR. One of the main concerns expressed by Planning staff during the development of the second Growth Plan was the removal of the ability for lower-tier municipalities to undertake a Municipal Comprehensive Review (MCR), specifically for the purposes of allowing residential uses in certain Employment Areas where comprehensive planning has been undertaken to demonstrate that mixed-use buildings and mixed-use development is desirable and appropriate (e.g. Station Areas). City staff support the proposed framework allowing non-employment uses to be introduced to support transit supportive development near ION station. However, it is unclear if lower-tier municipalities would be permitted to utilize the proposed limited conversion policy. Planning staff recommend the Province clarify if the conversion policy applies to an upper-tier municipality and or lower-tier municipality – in staff's opinion, it should apply to both.

The Province has identified that several Provincially Significant Employment Zones overlap with Station Areas. Staff recommends that Station Areas be excluded from the significant employment zones to allow for the potential of conversion prior to any MCR. In particular, a portion of the Waterloo Corporate Campus (north of Northfield Drive West and east of Weber Street North) was identified during the Station Area Planning process as a priority area. Staff recommends these lands be removed from the proposed Provincial Significant Employment Zone for Waterloo. Further, the Waterloo Employment Area as shown by the Province extends north into the adjacent municipality of Woolwich Township. It is unclear why these lands were combined with Waterloo's designated Employment Area and not shown as a separate Provincial Significant Employment Zone. The property located at 10 Northland Drive is designated as Commercial in the Waterloo Official Plan but included in the proposed Provincial Significant Employment Zone – this parcel should be excluded from the proposed zone. In addition, it is unclear why lands designated Open Space along King Street were excluded from the proposed Provincial Significant Employment Zone while those located northwest of McMurray Road were included. There are a few additional smaller Open Space designated parcels that should be reviewed by the Province. Staff recommends that lands designated as Open Space should not be included in the proposed Provincial Significant Employment Zone.

2.2.4 Settlement Area Expansion

The proposed amendment to the Growth Plan would allow municipalities to adjust or expand settlement boundaries outside of an MCR process. Expansions of up to 40 hectares would be permitted outside of an MCR process. The expansion of the settlement areas is generally the jurisdiction of a single or upper-tier municipality in consultation with local municipalities. As part of the settlement area expansion the studies and criteria have been modified to focus on outcomes rather than detailing

which studies are required to justify the feasibility and location of settlement area boundary expansions

Comment/Recommendation

Staff note that there does not appear to be any mechanism to limit the number of settlement area expansions or additions outside of the MCR process. Staff recommends a limit for permitted expansions outside of the MCR process so as to not undermine the intended purpose of a comprehensive planning review.

Settlement boundary expansions may impact adjacent communities. Staff recommends that if settlement boundaries are proposed to be expanded that there be a requirement to notify and consult with adjacent municipalities.

2.2.5 Agricultural and Natural Heritage Systems

As part of the Growth Plan implementation, the Province undertook an exercise to map agricultural lands and natural heritage systems in the Greater Golden Horseshoe. New provisions as part of the Growth Plan amendment outline that the agricultural and natural systems mapping will not come into effect until the upper-tier municipality has implemented the mapping in its Official Plan.

Comment/Recommendation

Staff support that Agricultural and Natural Systems mapping only take effect when they are implemented by the Region through an amendment to the Regional Official Plan. City staff have consistently stated that agricultural lands in Waterloo which are primarily located in the Environmental Sensitive Landscape (ESL) area in the northwest quadrant of the city should continue to be designated “Rural”.

Furthermore, the Province released a document entitled “Regional Natural Heritage System for the Growth Plan for the Greater Golden Horseshoe – Summary of Criteria and Methods” in February 2018. It describes the types of refinements that can be made to the Natural Heritage System mapping. The Province should confirm if this document still applies or if it will be revised.

A number of policies are proposed to be amended by adding “or equivalent” when “watershed planning” is referenced. The draft Watershed Planning Guidance document released by the Province in early 2018 provided direction on what would be considered an equivalent study. It is unclear if the Province intends on finalizing this document, which would aid in providing additional guidance to municipalities.

3.0 Next Steps

The above noted proposed amendments and staff comments are advanced having regard to the context of and planning for the City of Waterloo. The Province has given until February 28, 2019 for stakeholders and interested parties to submit comments on the proposed changes associated with Amendment 1. City staff have reviewed the proposed changes in detail and will submit this report to the Province by the February deadline if approved by Council.

Given the Region of Waterloo has already initiated the process to undertake an MCR, it is unclear at this time what if any of the proposed changes will immediately impact the City of Waterloo. Staff will continue to work with the Region to coordinate efforts should the proposed changes be approved and take effect.

After receiving comments on the proposed amendments, the Province intends to make changes to the Growth Plan. Staff will continue to update Council on implementation issues relevant to the City of Waterloo.