
Subject: Settlement Area Boundary Review Program: Growth Plan Forecasts and Land Needs Assessment Update

Report to: Planning and Economic Development Committee

Report date: Wednesday, September 9, 2020

Recommendations

1. That Report PDS 29-2020 **BE RECEIVED** for information; and
2. That a copy of Report PDS 29-2020 **BE CIRCULATED** to the local municipal Planning Directors and Ministry of Municipal Affairs and Housing.

Key Facts

- The purpose of this Report is threefold:
 - To inform of the status of the Province's changes to *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* ("Growth Plan") and the Land Need Assessment Methodology ("LNAM") as it relates to growth allocations;
 - To explain the state of the Region's land needs work and how it fits with the *Growth Plan* and LNAM; and
 - To provide an update on the Region's Settlement Area Boundary Review ("SABR") Program.
- The Province released a proposed LNAM in June 2020. It differs from the previous version by adding emphasis on housing affordability and market demand.
- The SABR program is a component of the Region's new Official Plan program. SABR involves a technical assessment of the Region's Settlement Area Boundaries in accordance with the Provincial rules. Substantive work will be done this Fall, with completion in early 2021.
- No decisions from Council are sought at this time. This report outlines the recent Provincial changes and sets out the process for boundary reviews.

Financial Considerations

The ongoing costs associated with the Land Needs Assessment and Settlement Area Boundary Review program are accommodated within the Council approved Regional Official Plan (“OP”) project budget.

Analysis

The Growth Plan and Region’s Conformity Work.

Niagara Region must plan to grow in conformity with the *Growth Plan*.

The in-effect 2019 *Growth Plan* forecasts Niagara’s 2041 population and employment at 610,000 and 265,000, respectively. The Region is required to distribute this growth between the local municipalities.

As outlined in PDS 21-2018, the 2041 population and employment forecasts were allocated to municipalities through the *Niagara 2041: How We Grow* exercise and used to inform the *Water and Wastewater Master Servicing Plan*, *Transportation Master Plan*, and the *Development Charges Background Study* and associated By-law 2017-98.

The *Niagara 2041* reports are included as **Appendix 1** for reference.

Niagara 2041 allocations have been used to inform the Growth Management Program (“GMP”) that has been underway for several years. This has formed the basis of the Region’s new OP (also called the “Municipal Comprehensive Review”). The GMP includes numerous companion strategies – those most directly related to SABR are the Housing Strategy, Employment Strategy, and Regional Structure.

Since initiation of *Niagara 2041*, the Region has worked with local area planners and consultants to refine the draft population and employment allocations. This includes updates provided in memoranda by Hemson Consulting, on behalf of the Region, in September 2019 (discussed further below).

In June 2020, the Province released for comment a draft Amendment 1 to the *Growth Plan* and revised LNAM. Proposed updates to the *Growth Plan* and LNAM provide a greater focus on housing affordability and market demand.

This is consistent with the Region’s Housing Strategy (PDS 37-2019) that concluded that the Region’s current growth trajectory may result in higher rates of core housing

need, increased difficulty for individuals in the sales and service industry to find housing, and fewer households choosing to live in Niagara compared to a targeted growth scenario (i.e. that which includes more dense forms of housing).

In order to improve affordability, the Region must proactively plan and support a significant increase housing supply of all types, and especially more dense forms of housing.

2020 Growth Plan

As noted above, in June, the Province released draft Amendment 1 to the *Growth Plan* and proposed revised LNAM.

Brief memos on the proposed changes were provided to Council in CWCD 173-2020 (June 19, 2020) and CWCD 218-2020 (July 31, 2020).

The Province's deadline for receiving comments through the Environmental Registry was July 31, 2020. Due to the short comment window, Regional staff prepared and submitted comments prior to this report being received by Committee. The comments submitted by staff are attached in **Appendix 2**. The proposed changes in Amendment 1 and the LNAM are attached in **Appendix 3**.

The comments in this report are based on the *draft* Amendment 1 from when this Report was drafted in July, before Amendment 1 was finalized. The final version of Amendment 1 may differ from the draft version and therefore the following comments may not apply to the final version.

Draft Amendment 1 contains several important changes as it relates to land needs.

A significant change is the proposed new horizon year of 2051. As noted above, the in-effect *Growth Plan* sets out population and employment forecasts to 2041, rather than 2051. The impact of this change is that the Region must plan for a greater share of population and employment.

The draft Amendment 1 provides three scenarios for population and employment forecasts for discussion: Low, Reference and High. When the amendment is finalized, a single forecast will be included in Schedule 3 of the *Growth Plan*.

Since the Scenarios are presented as draft at the time of authoring this report, the actual 2051 forecasted population and employment for Niagara is unknown. However,

even in the most conservative Low Scenario, residential growth will be greater than the 2041 forecasts.

Another important change proposed in Amendment 1 is new wording around the use of forecasts. Instead of these being fixed forecasts, Amendment 1 proposes to treat forecasts as minimums, with an option for *upper-tier municipalities*, like Niagara, to establish higher forecasts through the new OP.

Official Plan and Land Needs

The Region must ensure there is an appropriate amount and mix of land and housing available to meet forecasted population, employment and housing growth by undertaking a land needs assessment based on the LNAM (the “Assessment”) and, if appropriate, updating Settlement Area¹ boundaries.

Inputs for the Region’s Assessment are derived from the associated GMP background strategies (see Figure 1). Results from the Assessment are considered through the SABR program, which includes input from the background work associated with the Natural and Rural Systems review program. The GMP process is iterative as inputs and outputs are refined through each process step and background strategy.

Figure 1 sets out how the Assessment and SABR processes relates to other background strategies in implementing Growth Plan forecasts. As noted, the basis for background strategy analysis to date has been *Niagara 2041*. Revisions to strategies will be required to include changes from *Growth Plan* Amendment 1 after its approval.

¹ The PPS and *Growth Plan* define Settlement Areas as

Urban areas and rural settlements within municipalities (such as cities, towns, villages and hamlets) that are:

- a) built up areas where development is concentrated and which have a mix of land uses; and
- b) lands which have been designated in an official plan for development in accordance with the policies of this Plan. Where there are no lands that have been designated for development, the settlement area may be no larger than the area where development is concentrated.

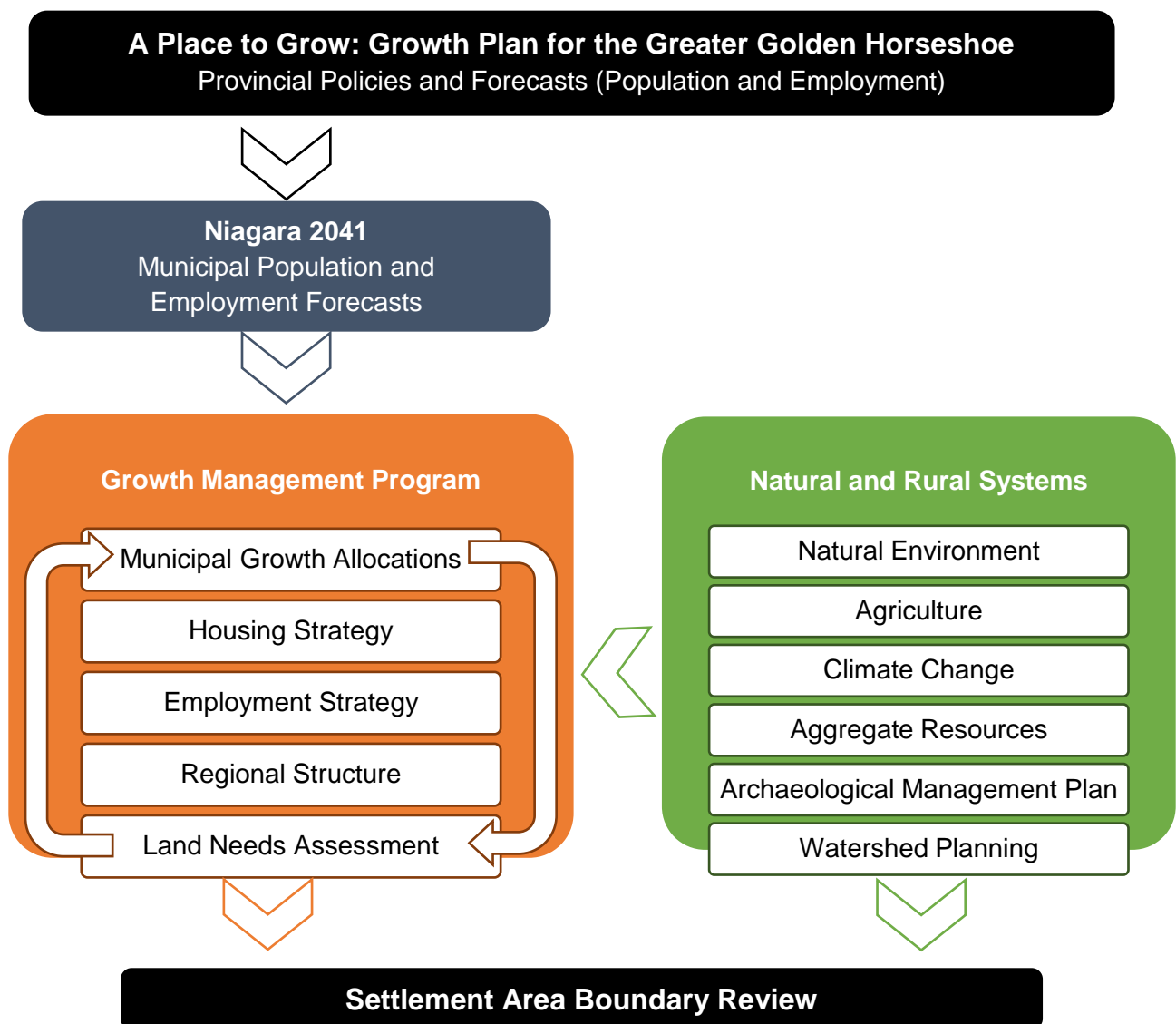


Figure 1: Relationship between Regional Official Plan Background Strategies and the Settlement Area Boundary Review

Settlement Area Boundary Review Program

The *Growth Plan*, and other Provincial and local policy documents, have detailed rules about when a Settlement Area boundary can be changed. Current Settlement Area boundaries were established in the 1970s and further refined through previous *Growth Plan* conformity work.

In developing the Region's new Official Plan, the *Growth Plan* permits reconsideration of Settlement Area boundaries. After Amendment 1 is approved, there will likely be a need to update settlement boundaries based on the 2051 population and employment forecasted in that document.

Once Amendment 1 is approved, the Region will determine how much population and employment will be distributed to each local municipality.

As shown in Figure 1, forecasts were initially distributed to local municipalities through *Niagara 2041* and have or will be refined through other background documents.

The process of allocating population and employment in *Niagara 2041* involved considerable analysis, collaboration between internal departments (including Public Works, Community Services and Economic Development), and local area planners. These were presented at Public Information Centres for *Niagara 2041* and as part of the new Regional Official Plan.

Revised local allocations will be based on the work done to date, with updates to associated background strategies within the GMP. Updated 2051 housing forecasts (by type and affordability), employment forecasts (by land use type) and other inputs (such as intensification rates, density targets and affordability objectives) will inform the land needs process. Refer to *PDS 28-2020, Regional Structure Background Report*, for greater detail on intensification rates, density targets and spatial distribution of growth forecasts.

Land Needs Assessment Methodology Update and Analysis

The LNAM is a technical document that sets out how single- and upper-tier governments look at their land supply. This document is to be used in assessing the appropriateness of Settlement Area boundary expansions.

The draft LNAM suggests the Region analyze its household, population and employment forecasts, density targets, intensification rates, employment growth by land use type and housing distribution to calculate the overall amount of Designated Greenfield Area (i.e. unbuilt areas within settlement areas) and Employment Area needed to 2051.

These inputs are used to determine if a municipality needs additional land to accommodate its forecasted growth (which could support an expansion) or if a municipality has Excess Lands.²

The Region currently has a working draft of its Assessment based on the in-effect *Growth Plan*. This has been peer reviewed by Hemson Consulting, who produced, most recently, a September 2019 Memo outlining their agreement with the Region's conclusions (see **Appendix 4**).

This Assessment material was provided to local municipalities in September 2019 and have been relied on by municipalities and landowners, with the understanding that these were interim land needs assessment numbers to be used only until the *Growth Plan* was amended.

After the Province finalizes Amendment 1, the Region will revisit its interim Assessment and update it according to the new methodology.

The Ministry of Municipal Affairs and Housing directs municipalities to provide their Assessments to the Ministry for review and comment before the Assessment is finalized.

Settlement Area Boundary Recommendations

After completing the above, the Region will be able to make recommendations to Committee for Settlement Area boundary changes. This process will be collaborative with local area planners and others.

The *Growth Plan* provides direction for where and when Settlement Area boundary expansions are permitted. This includes policies directing expansions to areas with sufficient planned or existing infrastructure and public service facility capacity. Settlement Area boundary expansions should avoid Prime Agricultural Areas and the Natural Heritage System where possible. Expansions into Specialty Crop Areas (as identified in the Greenbelt Plan) are prohibited.

² Excess Lands are vacant, unbuilt but developable lands within settlement areas but outside of delineated built-up areas that have been designated in an official plan for development but are in excess of what is needed to accommodate forecasted growth to the horizon of the Growth Plan.

In addition to establishing Settlement Area boundaries based on the horizon of the *Growth Plan*, the *Provincial Policy Statement* (PPS) requires municipalities provide an appropriate range and mix of housing options, including affordable housing, at all the times to accommodate residential growth for a minimum of 15 years.

As shown in Figure 1, recommendations for where an expansion may be considered will be informed by the Natural and Rural Systems program for the new Niagara Official Plan, which includes:

- Natural Environment Background Study;
- Watershed Planning Background Study;
- Climate Change Background Study;
- Agricultural Background Study;
- Aggregate Resources Background Study; and
- Archeological Management Plan

Collaboration and Consultation Program

Collaboration with local municipalities and consultation with public and private stakeholders is a critical component throughout each step in the SABR program.

Regional staff met individually with each municipality over the summer of 2019 to discuss the Region's work on the land needs assessment, boundary requests, and population and employment growth to 2041 (as set out by the in-effect *Growth Plan*).

In August 2020, the Region hosted further consultation with local area planners, including direction on allocation of updated forecasts to 2051, input on revising the Assessment and updates on Settlement Area boundary requests received to date.

Regional Staff will continue to work closely with local municipalities, including one-on-one meetings planned for late summer and fall 2020. Local planning staff, in collaboration with Regional staff, will undertake a review of Settlement Area boundary requests and provide recommendations to local Councils.

Local Council recommendations will be received by Regional staff and reviewed for conformity with the Assessment and associated *Growth Plan* policies. The Region will

then provide a final recommendation report to Regional Council for Settlement Area Boundaries to be included in the 2021 Regional Official Plan.

Approximately 85 requests for Settlement Area boundary expansions have been received to date. The Region, in close collaboration with local municipal planning staff, have been analyzing these requests and will continue to do so in the coming months.

Appendix 5 provides an overview of the collaboration and consultation program for SABR. Consultation and engagement with public and private stakeholders will occur frequently throughout the remainder of the work program. This includes Regional Official Plan Open Houses, virtual SABR sessions, online surveys and correspondence with individual landowners which have made SABR requests.

The program timing assumes the Province's prompt approval of Growth Plan Amendment 1 and the LNAM and that these documents will not be substantially different from the draft documents provided. If otherwise, the Region's timeline will be adjusted and delayed.

Alternatives Reviewed

The purpose of this report is to provide Planning and Economic Development Committee with background information on the *Growth Plan* and SABR program and, therefore, no alternatives were reviewed.

Relationship to Council Strategic Priorities

The Settlement Area Boundary Review Program ensures an appropriate amount and mix of land is available to achieve growth forecasts which directly support the priorities of Healthy and Vibrant Community, Responsible Growth and Infrastructure Planning and Support Businesses and Economic Growth.

Other Pertinent Reports

- PDS 21-2018 Municipal Comprehensive Review Update: New Regional Official Plan and Growth Management Program
- PDS 37-2019 Growth Scenario Analysis Related to the Regional Housing Strategy
- PDS 33-2019 Growth Management Program Update for the New Official Plan

- PDS 14-2020 Niagara Region's Employment Area Strategy: Background Report and Recommendations
- PDS 28-2020 Regional Strategy Background Report

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Appendices

Appendix 1	Niagara 2041 Reports
Appendix 2	Niagara Region Staff Response to Proposed Growth Plan Amendment 1 and Associated Land Needs Methodology (ERO 019-1680)
Appendix 3	Proposed Growth Plan Amendment 1 and Proposed Land Needs Methodology.
Appendix 4	Niagara Region Municipal Comprehensive Review – Review and Update of MCR Forecast Allocations and Land Needs Assessment Results, Hemson Consulting, September 2019
Appendix 5	Collaboration and Consultation Program Timeline