

EXECUTIVE OVERVIEW

Chapter 2 - Section 1. GROWTH ALLOCATION AND LAND NEEDS

SUMMARY

The Province assigned Niagara Region a minimum population and job forecast to 2051. The Region must plan to this minimum: 674,000 people and 272,000 jobs to 2051.

Staff's recommendations and Council's decisions must conform to the Provincial *Growth Plan* that sets out this minimum population and job forecast.

To do this, the Region is required to allocate population and job (employment) growth to its local municipalities and undertake a Land Needs Assessment ("LNA"), in conformance with a provincial methodology.

The LNA is a technical, Region-led process, which determines the amount of Community Area (mostly, where people live, work and shop) and Employment Area (mostly, where traditional-type businesses are located) that is needed to accommodate the growth forecasts within municipalities and the overall Region.

The following summarizes the growth Allocations and LNA:

- Niagara Region must plan for a minimum population of 674,000 people and 272,000 jobs to 2051.
- The Province makes the decision on the Region's LNA. They will assess the overall growth across Niagara, not just what may be needed in individual municipalities, to determine whether or not to approve.
- Balancing interests is important in creating the LNA. This includes inputs from other strategies set out in this Report. For example:
 - The Regional Structure, **Appendix 4.3**, sets out Regional Intensification Rate of 56%, above the minimum Provincial *Growth Plan* target of 50%. This is important to support affordable housing, reduce overall Community Area land need, greater preservation of agricultural lands, and helps climate change mitigation. Changes to the Regional Intensification Rate will directly impact the Region's ability to support market-based housing demand.
 - The Housing Report, **Appendix 5.2**, sets out that the Region's core housing need (including, affordability) will get worse if we continue growth at the existing level. Growing at the minimum rates set out the Provincial *Growth Plan* will keep core housing need level at about 13%. To reduce core housing need, even more housing is needed.
 - The Employment Strategy, **Appendix 10.2**, sets out existing and planned densities for Employment Areas. This is used in calculating Employment



Area need for the LNA, and helps ensure a consistent location and supply of Employment Area lands.

- The LNA requires a Market-Based Demand assessment. Such an assessment suggests lower-density housing demand remains significant in municipalities outside of the *Greenbelt Plan* area.
- The draft LNA sets out that Niagara Region requires approximately 460 ha of Community Area land and has a slight oversupply of 20 ha of Employment Area to accommodate 2051 growth. As previously noted, the Province considers these overall numbers rather than municipal-specific numbers.
- When reviewing individual municipalities, Fort Erie, Niagara Falls and West Lincoln suggests they have a need for additional Community Area lands to accommodate population growth to 2051. Pelham has a small need of Community Area land.
- The LNA suggests Fort Erie and West Lincoln have a need for additional Employment Area land to accommodate employment growth to 2051.
- In January 2021, Regional Council approved Welland’s urban boundary expansion of approximately 95 Ha – no additional land is required in Welland.
- Grimsby, Lincoln, St. Catharines and Niagara-on-the-Lake have an appropriate supply of Community and Employment Area lands to accommodate 2051 forecasts. Wainfleet is entirely rural lands, which has assigned growth, but not in the Community and Employment Area lands categories.
- The LNA information provided here is for review and discussion. Comments are sought by **July 2, 2021**. After receiving feedback, a recommended LNA will be advanced for Regional Council consideration in August 2021.
- After receiving direction on the LNA, recommendations to settlement area boundaries will be made. A discussion of the Settlement Area Boundary Review (SABR) process is set out in **Appendix 18.1**.
- The LNA itself does not propose policy direction nor does it provide a range of options; it is simply the calculated land required for growth to 2051 based on inputs identified in associated strategies.
- Included in this Appendix are the following:

- LNA Executive Overview (This document, **Appendix 3.1**)
- Land Needs Assessment Summary Document (**Appendix 3.2**). This document has details about the draft 2051 LNA calculation and results.
- Memo from Hemson Consulting Ltd. “Niagara Region Municipal Comprehensive Review – Growth Allocation Update to 2051” (**Appendix 3.3**). Hemson provided the Region with background information and recommendations that formed the input to this LNA.
- Draft Forecasted Growth policies (**Appendix 3.4**).

A Draft Policy set and supporting information is provided with this sub-section document.

Integration Guide for Sub-sections Reported in PDS 17-2021			
<input checked="" type="checkbox"/>	Regional Structure	<input type="checkbox"/>	Archaeology
<input checked="" type="checkbox"/>	Housing	<input checked="" type="checkbox"/>	Employment
<input checked="" type="checkbox"/>	Land Needs	<input type="checkbox"/>	Agriculture
<input checked="" type="checkbox"/>	SABR	<input type="checkbox"/>	Aggregates
<input checked="" type="checkbox"/>	Transportation	<input checked="" type="checkbox"/>	Natural Heritage incl.
<input checked="" type="checkbox"/>	Infrastructure	<input type="checkbox"/>	Water Systems Options
<input checked="" type="checkbox"/>	District/Secondary Plans	<input checked="" type="checkbox"/>	Watershed Planning
<input type="checkbox"/>	Urban Design	<input checked="" type="checkbox"/>	Climate Change

OVERVIEW

The Region of Niagara must plan to accommodate a minimum population of 674,000 people and 264,000 jobs to 2051 as identified in the *Growth Plan* Schedule 3. This growth must be proactively planned to help achieve it in a fiscally and environmentally sustainable manner.

The *Provincial Policy Statement, 2020* (“PPS”) and *Growth Plan* provide direction to municipalities on how to plan for, accommodate and manage growth. The *PPS* directs municipalities to accommodate an appropriate range and mix of land uses to meet long-term needs and ensure sufficient land is made available to meet projected needs for a time horizon consistent with the *Growth Plan*.

An updated Provincial LNA methodology (“LNA”) was released in August 2020. The LNA introduced new requirements to ensure land need is analyzed in terms of total housing, as well as housing by type, so that a “market-based supply of housing” is

provided to the extent possible when determining lands required to accommodate growth.

Market demand consideration is a requirement for planning to *Growth Plan* targets.

The Region is solely responsible for allocating population and employment growth to local municipalities. The Region does so through a LNA to identify the land required to accommodate minimum 2051 forecasts assigned by the Province.

Growth Forecasts and Municipal Allocations

The Region has been working on the growth allocations and LNA for a number of years. Initial forecasts were based on a planning horizon of 2041. In August 2020, the Province released an amended *Growth Plan* which extended the planning horizon from 2041 to 2051. Significant consultation has been ongoing with municipalities, stakeholders and the public since the release of the amended *Growth Plan*.

Hemson Consulting, the Region's consultants on land need matters, provided the Region with updated municipal-level forecasts based on inputs from consultation and associated Official Plan background strategies, including Watershed Planning, the Natural Environment Strategy, Employment Strategy and Regional Structure Strategy.

A copy of the Hemson Consulting memo that addresses municipal-level forecasts (and several other matters later discussed) is attached as **Appendix 3.3**.

Table 1 provides an overview of municipal allocations to 2051 as set out by Hemson Consulting.

Table 1: Municipal Population, Household and Employment Forecasts (2021 and 2051)

Municipal Growth Allocations: 2021 and 2051						
Municipality	Population		Households		Employment	
	2021	2051	2021	2051	2021	2051
Fort Erie	33,930	48,050	14,150	21,510	10,530	17,430
Grimsby	30,300	37,000	11,470	16,070	10,690	14,670
Lincoln	26,860	35,660	9,590	14,190	11,390	15,960
Niagara Falls	97,220	141,650	38,520	58,740	37,780	58,110
Niagara-on-the-Lake	19,970	28,900	7,910	12,500	11,800	16,960
Pelham	19,320	28,830	7,150	11,280	4,810	7,140
Port Colborne	19,250	23,230	8,210	10,500	5,910	7,550
St. Catharines	140,250	171,890	58,550	78,320	61,780	81,010
Thorold	24,440	39,690	9,230	15,660	8,530	12,080
Wainfleet	7,000	7,730	2,580	3,040	1,400	1,830
Welland	56,210	73,000	23,610	32,340	18,030	28,790
West Lincoln	16,370	38,370	5,330	14,060	4,460	10,480
Niagara Region	491,120	674,000	196,300	288,200	187,110	272,000

Source: Niagara Region Municipal Comprehensive Review – Growth Allocation Update to 2051 (Hemson Consulting, 2021). **Appendix 3.3.**

Preliminary Land Needs Assessment Summary

The LNA sets out a plan for managing growth by calculating the overall Community Area and Employment Area land needs associated with *Growth Plan* forecasts.

Community Area is defined as the Urban Area, minus Employment Areas, and is made up of both the Built-Up Area (as defined and mapped by the Province in 2006) and the Designated Greenfield Area.

Employment Area is defined as a cluster of business and economic activities including, but limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities.

The LNA requires household and employment forecasts be categorized by housing and employment type prior to allocating forecasts to the Community and Employment Areas.

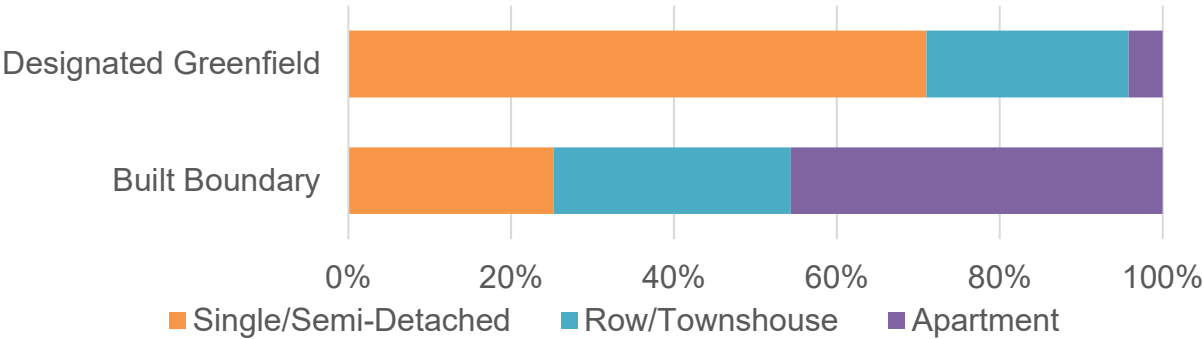
The starting point to look at housing by type is from a market-based demand forecast. Hemson did so in their work, and concluded a mix of 23% apartment units and 77% ground-related units. Further details is provided in **Appendix 3.3.**

This overall housing by type mix is allocated across the Community Area to the Delineated built-up area (“BUA”) and Designated greenfield area (“DGA”) based on municipal Intensification Rates identified within the Regional Structure Strategy. Those terms are further explained in the Regional Structure Policies (**Appendix 4.3**).

The BUA has a greater concentration of higher density and more affordable housing types; the DGA has a greater share of lower density housing types.

Figure 1 identifies the share of housing units within the Community Area geographies.

Figure 1: Share of Housing Unit Types within Delineated Built-Up Area and Designated Greenfield Area

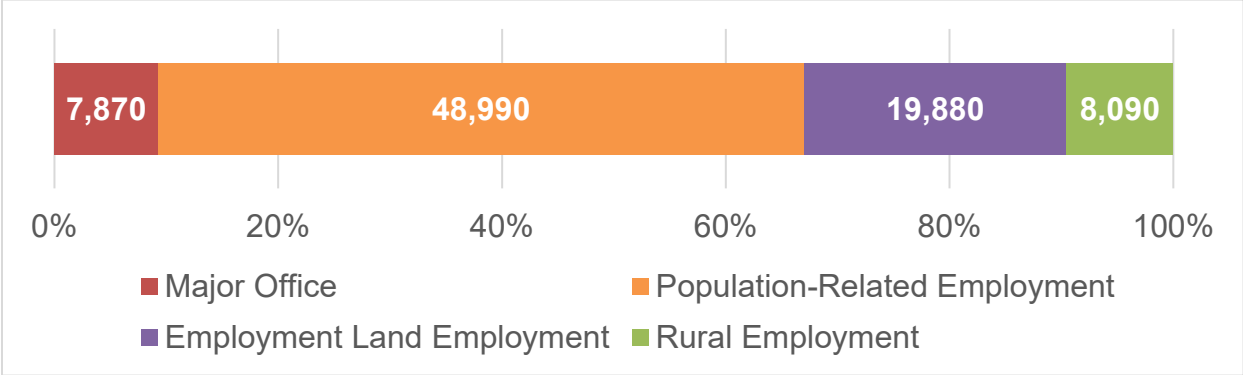


Hemson Consulting, Niagara Region Municipal Comprehensive Review – Growth Allocation Update to 2051, Tables 13 and 15.

Employment growth is factored into both the Community and Employment Areas based on employment type. The *Growth Plan* provides a preliminary breakdown of employment by type. That data was further refined by Hemson Consulting from data provided by the Region from the Niagara Region Employment Inventory.

Figure 2 provides a breakdown of employment growth by type.

Figure 2: Growth Plan Employment Forecasts by Employment Type



Source: Hemson Consulting, Niagara Region Municipal Comprehensive Review – Growth Allocation Update to 2051, Tables 22-25.

The majority of Population-Related employment and half of Major Office employment jobs are allocated to the Community Area. The majority of Employment Land Employment, remainder of Major Office employment and a small portion of Population-Related employment are allocated to the Employment Area.

The remaining rural households and employment are directed to the Rural area. The Provincial LNAM does not provide detail on calculating need for additional Rural Settlement Area lands and, therefore, are not a component of the draft Land Needs Assessment. Additional consultation is underway with West Lincoln and Wainfleet to ensure Rural Settlement Areas also have a sufficient supply of developable land to support growth to 2051.

Table 2 provides the draft Community and Employment Area Land Needs. This is further detailed in the Land Needs Assessment Summary Document (**Appendix 3.2**).

Table 2: Draft Community and Employment Area Land Needs Assessments

Draft Land Needs Assessment Summary		
Municipality	New Community Area Land Need (ha)	New Employment Area Land Need (ha)
Fort Erie	105	130
Grimsby	5	0
Lincoln	0	15
Niagara Falls	260	(35)
Niagara-on-the-Lake	0	(25)
Pelham	40	0
Port Colborne	(175)	(120)
St. Catharines	15	30
Thorold	(160)	(55)
Wainfleet	0	0
Welland	0	(10)
West Lincoln	370	50
Niagara Region	460	(20)

Although Table 2 shows Community Area and Employment Area land needs as two separate assessments, the Province requires one overall land need number Region-wide. The final LNA will present local municipal needs, but ensure an overall Region-wide supply to meet the 2051 forecasts.

Relationship between LNA and Other Official Plan Strategies in this Report

The **Regional Structure (Appendix 4.3)** proposes an overall Intensification Rate of 56%, which is above the *Growth Plan* minimum of 50%. This allows for a housing mix that conforms to market-based demand. The higher intensification rate provides a stronger focus on higher density units, reduced Community Area land need, a greater preservation of agricultural lands, and assists with climate change mitigation.

Significant changes to municipal allocations or Intensification Rates will directly impact the housing by type mix as currently identified. This may impact the Region's ability to support a market-based supply of housing.

The Region is responsible for identifying Employment Areas. The **Employment Strategy (Appendix 10.2)** provides direction to the LNA on the Region's Employment Areas including proposed density targets, land supply and characteristics of the area.

Since Employment Areas are discounted from Community Area land needs, there is a direct relationship between the two assessments.

If an Employment Area boundary is changed, it will directly impact the Community Area land need. If the Employment Area is within the BUA, the result may be an increase to the Intensification Rate. If the Employment Area is within the DGA, the result would be a decrease in Community Area land needs.

Finally, developable land supply is a core component of both the Community Area and Employment Area calculations. Developable supply removes natural heritage features and will be based on the Natural Environment System (NES). Generally, there is little impact on the LNA results between the NES Options under consideration.

Consultation

The draft LNA was prepared over many years with significant input from local municipal planners, public feedback and direction from our consultant, Hemson (refer to the Public Consultation and Engagement section in **Appendix 3.2** for more information).

Most recently, the Region reported on land needs in September 2020, in PDS 29-2020: Settlement Area Boundary Review Program: Growth Plan Forecasts and Land Needs Assessment Update.

The Region has consulted with the Province on several occasions, including most recently, in mid-March. This is critical as it is the Province which will approve the LNA.

Additional consultation is planned for the spring and summer 2021. Consultation will seek to confirm and refine the LNA results as necessary. Outside the LNA specifically, changes to the Natural Environment System option, Regional Structure and Employment Strategy will all result in changes to the final LNA.

We welcome all feedback and ask that it be provided no later than July 2, 2021.

This date is selected to allow the Region sufficient time to review and comment for reporting to Planning and Economic Development Committee in August 2021. At that meeting, the Region will seek endorsement of a final land needs assessment to establish 2051 land needs.

Doing so at that time will allow Regional staff to, at a later time, make recommendations on Settlement Area Boundaries. Details of the Settlement Area Boundary Review is provided in Appendix **18.1**.