

Region of Waterloo
Planning, Development and Legislative Services
Community Planning

To: Chair Tom Galloway and Members of the Planning and Works Committee

Meeting Date: April 12, 2022

Report Title: Regional Official Plan Review Draft Regional Land Needs Assessment

1. Recommendation:

For information

2. Regional Official Plan Background

The Regional Official Plan (ROP) is a powerful planning tool that shapes and defines our community for future generations. It has guided decision making for profound transformation of this region including the addition of the ION light rail, protection of agricultural lands and the natural environment, and a high quality of life for residents.

This community is set to grow to 923,000 people and 470,000 jobs by 2051, representing about a 50% increase in population and 60% increase in jobs from 2021. As a result, we are working to update the plan to accommodate this projected growth.

3. Purpose / Issue:

This report presents the preliminary results of the draft Regional Land Needs Assessment (LNA), which determines the amount of urban land the Region requires to accommodate the Region's forecasted population and employment growth to 2051. This report also identifies the public and stakeholder engagement that will occur on the draft LNA.

Strategic Plan:

This report relates to several strategic focus areas, including: Thriving Economy; Sustainable Transportation; Environment and Climate Action; and Health, Safe and Inclusive Communities. It also relates to Objective 4.2, "Make affordable housing more available to individuals and families" and Action 3.5.1, "Promote efficient urban land use

through greenfield and intensification policies while conserving natural heritage and agricultural areas.”

4. Key Considerations:

a) The ROP establishes a vision for how we live, work and play and helps us prepare for future challenges and opportunities.

The ROP’s vision is:

“Waterloo Region will be an inclusive, thriving, and sustainable region of connected urban and rural communities with global reach, fostering opportunities for current and future generations.”

The current ROP Review focusses on providing a thoughtful and realistic approach to land use planning and growth management to ensure that Waterloo Region continues to be a world-class community.

b) The Region has completed a draft land needs assessment in accordance with the Provincial Land Needs Assessment methodology to ensure it has enough land to accommodate its forecasted growth to 2051, including the need for any urban boundary expansions.

In the fall of 2021, Regional Council provided a motion to staff with respect to the LNA as follows:

- That staff ensure the Land Needs Assessment be completed in accordance with provincial requirements providing different growth options for consideration.
- That thorough engagement take place between regional staff, community stakeholders, and area municipalities after the LNA is complete and made available to the public for consultation, prior to a staff recommendation of a Preferred Growth Option.

Staff have been in regular contact with Provincial staff throughout the ROP Review process. Provincial staff have raised no concerns and are supportive of the Region’s approach to the LNA.

d) The LNA includes land use options with varying levels of intensification and designated greenfield area density targets.

The Provincial LNA methodology provides municipalities the flexibility to assess different assumptions within the LNA. The Region’s draft LNA includes three Community Area growth options and two Employment Area growth options, which is similar to the approach followed by the City of Hamilton, Halton Region, City of Guelph, Peel Region and Durham Region.

The Provincial LNA methodology also provides flexibility to change the order of the steps as long as all the required steps are completed. In addition, the Provincial LNA methodology provides for the consideration of higher intensification and designated greenfield density targets and reiterates that decision-makers should consider an intensification first approach when assessing future land needs. Such an approach to city building optimizes the existing urban land supply and makes better use of existing infrastructure and public service facilities.

e) Under all Options, all Area Municipalities would be allocated population growth to 2051.

The LNA is prepared following a series of steps outlined by the Province related to two types of places:

Community Areas – Where most housing, commercial, retail and institutional growth will be located.

Employment Areas – Where most industrial land, like manufacturing, logistics and warehouses, will be located.

The applicable minimum Provincial intensification target for the Region of Waterloo is 50% of all residential development occurring annually will be within the Built Up Area (BUA).

The minimum Provincial density target applicable to the Designated Greenfield Area (DGA) for the Region of Waterloo is to achieve, by 2051, 50 people and jobs per hectare (pj/ha).

The housing mix forecasts used in the draft LNA are forward-looking and based on anticipated future conditions and shifting demographics. All Options provide a greater mix of medium and high-density housing options relative to the current trends, however, Options 2 and 3 provide a greater shift of housing from low-density housing to medium and high-density housing forms.

Some area municipalities would not be allocated any new community area over and above what exists as designated greenfield area, although all municipalities would see population growth to 2051.

Three Community Area growth options and two Employment Area options are provided in the draft LNA. Additional information on the Area Municipal allocation for each growth option are included in Appendix A.

Community Area Land Needs

Community Area Option 1 (Provincial Growth Plan minimums of 50% intensification and 50 people and jobs per hectare) – Key Considerations

- Between 2009 and 2013, the Region achieved a 51% intensification in the Built-Up Area (BUA). The target established under the current ROP, adopted in 2009, is 45%. Between 2014-2019, the Region achieved 57% intensification. Under Option 1; the intensification rate of 50% is lower than recent trends.
- Option 1 would generate the maximum amount of future low-density housing using the minimum targets in the Growth Plan. As a result, Option 1 would yield the largest urban area expansion of the three options, beyond the existing Countryside Line when combined with the Employment Area Options.
- To achieve a density of 50 people and jobs per hectare (pj/ha), the Region would require a density of 49 pj/ha on an incremental basis to 2051, lower than the 54 pj/ha in the DGA being achieved as of 2019.

Community Area Option 2 (60% intensification and 60 pj/ha) – Key Considerations

- Option 2 would generate a denser housing mix than Option 1 because of the higher intensification target (60%) and the corresponding decrease in the number of low-density units in new designated greenfield areas.
- To achieve a density of 60 people and jobs per hectare (pj/ha), the Region would require a density of 63 pj/ha on an incremental basis to 2051. The density in the cities under this option would average 69 pj/ha.
- Option 2 would result in a smaller urban area expansion than Option 1 and can be accommodated within the existing Countryside Line.

Community Area Option 3 (More compact development, no urban expansion of Community Areas) – Key Considerations

- This Option would generate the most dense housing mix because it has the highest designated greenfield area density target (66 pj/ha). As a result, implementing Option 3 could be accommodated within the existing urban area boundary and does not require an urban area boundary expansion for new community area anywhere in the region.
- The number of people that could be accommodated in new units would decrease with Option 3 as there is a greater proportion of high density units which typically have lower people per units than other building forms. As a consequence, there would be greater pressure on existing neighbourhoods in designated greenfield

areas to accommodate more population growth.

- To achieve a density of 66 people and jobs per hectare (pj/ha), the Region would require a density of 73 pj/ha on an incremental basis to 2051. The density in the cities under this option would average about 76 pj/ha.

Staff have also considered two additional growth options that assumed even higher intensification rates and DGA density targets (i.e., 65% and 70% intensification rates, and 65pj/ha and 70pj/ha DGA density targets). Those options would generate an excess amount of DGA lands currently designated in the region of 610ha and 1,044ha respectively. Applying those targets would require the Region to prohibit development on either 610ha or 1044ha of lands already committed for development, until the year 2051. As a result, staff provided an update to Regional Council in December 2021 on the implications of excess lands and did not pursue a full assessment of these options.

Employment Area Land Needs

Several macro-economic trends are influencing average density levels on employment lands. In general, average density levels on employment lands are declining in the manufacturing sector, as domestic manufacturers focus efforts on increased efficiency and competitiveness through automation. This trend is coupled with increasing demand for large, land-extensive warehousing and logistics facilities to support distribution and transportation of goods throughout the expanding urban population base.

The draft LNA considered the following two growth options for the region’s Employment Areas:

Option	Option 1	Option 2
Intensification Rate in Existing Employment Areas	15%	25%
Density Target (jobs per hectare)	35	35
Total Employment Area Land Need (hectares)	659	456

Employment Area Option 1 (15% Employment Area land intensification) – Key Considerations

- This option would assume a moderate intensification rate of 15% within existing employment areas, similar to existing trends observed in the region.
- It would also assume a density target of 35 jobs per hectare, allowing for diverse

mix of employment areas which can accommodate a wide range warehousing, office and manufacturing uses.

Employment Area Option 2 (25% Employment Area land intensification) – Key Considerations

- This option would assume a higher intensification rate of 25% within existing employment areas, requiring a greater proportion of under-utilized land (e.g. large parking lots) to be developed for new or expanded employment uses.
- This option would also assume a density target of 35 jobs per hectare the same as Option 1.

f) Release of the draft LNA marks the beginning of a public engagement period between April 12, 2022 and May 27, 2022.

The results of the LNA engagement process will be summarized in a response report that will accompany the June recommendation report on the preferred growth option. Following the draft LNA engagement process, staff will evaluate each of the growth options based on the feedback received from the community, stakeholders and area municipalities and against a series of detailed evaluated criteria covering six broad themes viewed through a climate change lens (see Appendix B).

A recommendation report on the preferred growth option is anticipated in June 2022 along with the release of a draft Regional Official Plan Amendment with accompanying information report.

5. Background:

In 2018, the Region initiated a review of the ROP to plan for forecasted growth to 2041. On August 28, 2020, the Province approved Amendment 1 to the Growth Plan which included changes to the Growth Plan's Schedule 3 population and employment forecasts, and extended the planning horizon to 2051. A Provincial LNA methodology was also established that all Upper and single-tier municipalities are required to use in combination with the policies of the Growth Plan to assess the quantity of land required to accommodate forecasted growth. The LNA is one study that must be completed as part of the ROP Review.

This update to the ROP is important because it helps guide decisions about regional services, including transportation and public transit, water supply and wastewater treatment systems; public health; economic development; affordable housing, and many others.

The foundational themes and priorities include:

- Building equitable, thriving, transit-supportive complete communities;

- Continuing with an intensification-first approach to growth management;
- Realizing transformational climate action;
- Advancing Indigenous relationships and reconciliation; and
- Continuing to protect water, agricultural, and natural systems.

A significant amount of work has been completed on the Region's population, housing and employment trends to support the draft LNA. Technical briefs prepared by the consultant team supporting the draft LNA include:

- Region-Wide Long-Term Population and Housing Growth Analysis Technical Brief (December 2020);
- Employment Strategy Technical Brief (August 2021);
- Intensification Strategy Technical Brief (August 2021).

6. Area Municipality Communication:

Consultation and engagement with the various Project Committees, including the Steering Committee, Stakeholder Committee, Technical Team and Area Municipal Working Group, as well as Indigenous engagement and public consultation is continuous throughout the ROP Review project. Collaboration and discussion is iterative and ongoing on a regular basis.

7. Financial Implications:

The Region's approved 2022 - 2031 Community Planning Capital Program includes a budget of \$756,000 in 2022 and \$3,250,000 in 2023-2031 for the Regional Official Plan Review (project 22007). The costs are to be funded from Development Charges (90%, \$3,605,000) and the Community Planning Capital Reserve (10%, \$401,000).

8. Conclusion / Next Steps:

April 12- May 27, 2022: Public engagement on the draft LNA

April 22, 2022 and April 25, 2022: Virtual and interactive public engagement sessions

Mid-May 2022 – Special Regional Planning and Works public input meeting

May 27 – Deadline for public feedback on the draft LNA

Following the draft LNA public engagement process, the growth options will be evaluated against a series of criteria (Appendix B). The evaluation criteria also incorporate a "climate change lens" to identify growth options that help reduce

greenhouse gas emissions, and support stronger and more resilient communities.

Mid June 2022 – Recommendation report on preferred growth option and release of draft Regional Official Plan Amendment (Growth Components) with accompanying information report

July 2022 - ROP amendment open house

Late July 2022 - ROP amendment Statutory Public Meeting

August 2022 - Recommendation report to Council on adoption of ROP amendment.

Non-growth related components for the second ROPA will be developed in Fall 2022 and Winter 2023 and include: natural heritage system mapping and policies; water resources system mapping and policies; a review of the ROP's mineral aggregate policies; updated source water protection mapping and policies; a review of the ROP's agricultural policies and a review of the ROP's infrastructure policies and needs including the transportation system, water and wastewater systems, waste management and the provision of utility services.

9. Attachments / Links:

Attachment A: [Draft Land Needs Assessment \(DOCS 3999710\)](#)

Attachment B: [Evaluation Criteria for Growth Options \(DOCS 3999789\)](#)

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