
Subject: Regional Structure Background Report
Report to: Planning and Economic Development Committee
Report date: Wednesday, September 9, 2020

Recommendations

1. That Report PDS 28-2020 **BE RECEIVED** for information; and
2. That a copy of Report PDS 28-2020 **BE CIRCULATED** to Local Municipal Planning Directors and the Ministry of Municipal Affairs and Housing.

Key Facts

- This report outlines a component of the new Official Plan known as the Regional Structure. The Regional Structure was previously called “Urban Structure”.
- The Regional Structure will provide policy and mapping that identifies where and how growth will be managed across Niagara.
- This is important because Provincial law requires the Region to assign *minimum* growth forecasts provided for Niagara Region. The Region is mandated to grow at a faster rate than it has done historically. We must plan for this growth by directing development to existing built-up areas (known as “intensification”) and undeveloped lands in urban areas (known as “Designated Greenfield Areas”).
- The Regional Structure must support the achievement of complete communities, including the provision of affordable housing. Previous work endorsed by Council set out that we need more dense forms of housing (like townhouses and apartments) to make Niagara more affordable.
- Engagement on the Regional Structure occurred in 2018 and 2019 and will continue this Fall.
- No approvals are sought at this time. Staff will report to Committee in Fall 2020 to report on the engagement feedback and to provide a recommendation.

Financial Considerations

The ongoing costs associated with the Regional Structure are accommodated within the Council approved Regional Official Plan (“OP”) project budget.

Analysis

Relationship to the New Niagara Official Plan

Niagara’s OP guides the short- and long-term development of the Region. Its requirements are set out in the *Planning Act, 1990* and are used to plan the social, economic, and environmental resources of Niagara’s communities.

The Region is preparing a new OP in a process known as a Municipal Comprehensive Review (“MCR”). The MCR involves many components that help inform and shape the new OP. The existing OP has not been comprehensively updated since the 1970s; the new version will reflect current and future needs and align with the Province’s contemporary land use framework.

The Regional Structure is a key component of the new OP. It outlines where growth and development is to occur within Niagara to achieve the objectives, forecasts and targets required by Provincial Policy.

The following will be included in the new OP Regional Structure at completion:

- A new “Schedule A” that sets out the land use structure for Niagara, including the boundaries of Urban Settlement Areas, Rural Settlement Areas (Hamlets), Agricultural Areas, and Rural Lands. (These terms are defined below.)
- A new schedule that sets out the boundaries of designated growth areas, including Built-Up Areas, Designated Greenfield Areas, Major Transit Station Areas, Employment Areas, Urban Growth Centres, and other Strategic Growth Areas.
- A comprehensive set of policies that implement required intensification and density targets, and incorporates strategic infrastructure planning and urban design principles to support the achievement of complete communities.

The Regional Structure was previously called “Urban Structure” and was renamed to reflect that it includes the identification of Hamlets, Agricultural Areas, and Rural Lands,

which are located outside urban areas. A limited amount of growth is planned for these areas, which will be reflected in the Regional Structure policy.

Niagara's Growth Management Program

Schedule 3 of *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* ("the Growth Plan") provides population and employment forecasts for single- and upper-tier municipalities in the Greater Golden Horseshoe.

The Region is responsible for implementing these forecasts through its Official Plan. Once implemented by the Region, the forecasts are used by local municipalities to plan their growth.

On June 16, 2020, the Ministry of Municipal Affairs and Housing released Amendment 1 to the Growth Plan, which among other things, proposes to introduce new population and employment forecasts to a planning horizon of 2051. Details of the changes in Amendment 1 are set out in *PDS 29-2020 – Settlement Area Boundary Review Program: Growth Plan Forecasts and Land Needs Assessment Update*.

The Region's Growth Management Program ("GMP"), a subset of the work on the new OP, must conform to the Growth Plan including Amendment 1 once approved. The GMP is made up of a series of interrelated strategies focused on the management of future population, housing, and employment growth:

- The **Settlement Area Boundary Review (SABR)**, including a land needs assessment, which will determine the amount of land required to accommodate the market demands for additional housing units and jobs in conformity with Schedule 3 of the Growth Plan. Details on this program are set out in the above-noted report *PDS 29-2020 – Settlement Area Boundary Review Program: Growth Plan Forecasts and Land Needs Assessment Update*.
- The **Employment Strategy**, which will identify and protect Niagara's Employment Areas to ensure a sufficient, marketable supply of designated land is available to support current and future economic activity.
- The **Housing Strategy**, which determined the type of housing required to meet the needs of Niagara's current and future residents, with a focus on affordability. Previous studies completed for the Housing Strategy indicate that a more dense

housing mix is required to address Niagara's core housing need. This topic is discussed in the following section of this report.

- The **Regional Structure**, which will identify where and how people and job growth will be allocated within Niagara to ensure an efficient use of infrastructure and the protection of the natural system and rural areas. The majority of growth will be directed to urban Settlement Areas, as established by the land needs assessment and SABR work.

Housing Mix and Affordability

Single-detached dwellings currently make-up the majority of available market housing in the Region. To achieve affordability, the Region must have policies that encourage residential development for other kinds of housing types.

The Region retained the Canadian Centre for Economic Analysis (CANCEA) in 2019 to study the issue of affordability and housing need. CANCEA prepared the Niagara Region Growth Scenario Analysis Report (the "Housing Report") that analyzed supply and demand for housing in the Niagara Region. The Housing Report was endorsed by Council on November 6, 2019.

The Housing Report identified the impacts of several growth scenarios on rates of core housing need and affordability in Niagara, as well as the overall capacity of the Region's housing stock.

The scenario that would lead to the most affordability (and best mitigate the rate of core housing need) was the "targeted growth scenario".

The targeted growth scenario would achieve this by shifting the share of dwelling types in Niagara from low-density dwellings (single- and semi- detached) to a mix of more dense housing forms, like townhouses, apartments, and other multi-unit dwellings such as triplexes and fourplexes.

The Regional Structure will support an increase of more dense forms of housing to be consistent with Council's endorsement.

Regional Structure Engagement Strategy

Work on the Regional Structure has been ongoing, and will continue after the implementation of Amendment 1 to the Growth Plan.

Staff are preparing for the following engagement:

- An online survey to assess the public's priorities for growth management in the new OP;
- Meetings with local municipal planning staff about the GMP, including technical discussions about the elements of the Regional Structure set out in this Report;
- Hosting a series of public webinars on the new OP, including the Regional Structure components;
- Additional engagement with key stakeholders, including consultation with indigenous groups, Niagara Home Builders' Association, and the Planning Advisory Committee.

In **Fall 2020**, Regional staff will report on the feedback received during these consultation sessions, and provide recommendations to the Planning and Economic Development Committee ("PEDC").

After that step, staff will prepare draft policies and mapping for the new OP throughout **Winter 2020/2021**. These will be advanced to Council for approval with the balance of the new OP.

Provincial Policy Requirements

The Regional Structure must comprehensively apply Provincial policy. In Niagara, applicable land use policies related to the Regional Structure are the Provincial Policy Statement (PPS), the Growth Plan, the Greenbelt Plan, and the Niagara Escarpment Plan.

The influence of the Greenbelt Plan and Niagara Escarpment Plan is limited in urban areas where the majority of growth is directed. As a result, the requirements of the Regional Structure are primarily set out in the PPS and the Growth Plan, rather than the Greenbelt Plan and Niagara Escarpment Plan.

The following sections outline the Region's main responsibilities in identifying and implementing the Regional Structure as required by Provincial Policy.

Supporting the Achievement of Complete Communities

The achievement of complete communities is a key principle that guides development of lands, the management and protection of resources, and investments in public infrastructure.

Complete communities are defined in the Growth Plan as mixed-use neighbourhoods or other areas within a town or city that offer opportunities for people of all ages and abilities to conveniently access most of the necessities for daily living, including an appropriate mix of jobs, local stores and services, and a full range of transportation and housing options, including affordable housing.

Complete communities are to be designed in ways that reduce urban sprawl and support intensification. Intensification refers to the redevelopment or repurposing of existing parcels, buildings, or other vacant lands within the Built-Up Area of a municipality.

The Growth Plan accomplishes this by establishing minimum intensification and density targets for delineated growth areas within a municipality. Delineated growth areas generally include:

- **Built-Up Areas;** areas within a municipality that represents the general location of existing urban development prior to 2006, as identified by the Province in 2008. Development occurring within the Built-Up Area is considered intensification.
- **Designated Greenfield Areas;** remaining lands within the urban area that are outside of the Built-Up Area, excluding Excess Lands (defined below). Generally, Designated Greenfield Areas comprise large, undeveloped parcels that have access to municipal servicing and are, therefore, able to accommodate a significant amount of growth and development.
- **Strategic Growth Areas;** lands within Built-Up Areas and Designated Greenfield Areas that are to be the focus for accommodating intensification and more dense forms of housing. Strategic Growth Areas can include Urban Growth Centres, Major Transit Station Areas, and other major opportunities, including infill development, redevelopment, brownfield sites and the expansion or conversion of existing buildings or greyfields.

Strategic Growth Areas are discussed below in the section “Planning for Strategic Growth Areas”.

- **Excess Lands;** vacant, unbuilt lands within urban areas that may be considered in excess of what is needed to accommodate forecasted population and employment growth within the planning horizon.
- **Employment Areas;** areas designated for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities. The identification of Employment Areas supports the businesses within them by prohibiting sensitive uses and planning for future employment growth.
- **Hamlets;** non-serviced clusters of uses outside of urban areas that support surrounding agricultural lands and businesses. These areas contain a mix of low density residential and employment uses that usually rely on private water and wastewater systems. Hamlets are not areas for focused population or employment growth. They will develop in a manner consistent with the rural character of the local community.

Establishing Minimum Intensification and Density Targets

The policies of the PPS and the Growth Plan facilitate the achievement of complete communities by establishing minimum intensification and density targets for some of the areas noted above. Intensification and density targets must be identified by the Region within the new OP.

As noted above, intensification refers to new development within the Built-Up Area.

Density refers to how many people or jobs are within a defined area.

Niagara Region must conform to the following Growth Plan intensification and density targets:

| Growth Plan Policy No. | Designated Area of Growth | Required Intensification or Density Target |
|------------------------|---|---|
| 2.2.2.1 a) | Built-Up Area | A minimum of 50 per cent of all residential development that occurs per year will be located within the delineated Built-Up Area. |
| 2.2.3.2 c) | Downtown St. Catharines Urban Growth Centre | A minimum density target of 150 residents and jobs combined per hectare must be achieved within the Downtown St. Catharines Urban Growth Centre by 2031 or earlier. |
| 2.2.7.2 | Designated Greenfield Area | A minimum density target of 50 residents and jobs combined per hectare must be achieved across all Designated Greenfield Areas. |

Implementing Intensification Targets

Intensification targets are a measurement of the amount of new housing that occurs within the Built-Up Area.

The purpose of setting targets is to direct an amount of growth to Built-Up Areas with existing infrastructure, rather than outside areas.

The Growth Plan requires the Region to implement minimum intensification targets for local municipalities based on the capacity of their Built-Up Areas, including any applicable density targets identified for Strategic Growth Areas, such as the Downtown St. Catharines Urban Growth Centre and Major Transit Station Areas.

The Region's Official Plan, which does not yet conform to the in-effect Growth Plan or the Amendment 1 to the Growth Plan, provides a Region-wide minimum residential intensification target of 40 percent. This means that of all development in Niagara, 40 percent of it must be within the Built-Up Area.

The in-effect Growth Plan and Amendment 1 to the Growth Plan require a 50 percent minimum intensification target. In other words, across all of Niagara's local municipalities cumulatively, the Region must have at least half of its residential growth within the Built-Up Area. The 50 percent intensification target must be included in the new OP.

Although the target is Region-wide, Niagara's lower-tier municipalities have different targets to align with their local conditions. For example, the Region's local municipalities that have urban expansion potential typically have low or middle targets and municipalities that are unable to expand because of Provincial policy typically have higher targets. As a whole, the targets must meet the 50 percent minimum to conform to Growth Plan policy 2.2.2.1 a).

Implementing Density Targets

Density targets measures the number of people who live and work within a specific geography based on existing and planned land uses in the area. This ensures that lands are developed in ways that support the achievement of complete communities and a compact built form.

In Niagara, density targets are applied to Designated Greenfield Areas and Strategic Growth Areas.

The Growth Plan requires the Region to identify minimum density targets for local municipalities that will achieve the overall density target for all Designated Greenfield Areas across Niagara. This density target is set at 50 residents and jobs per hectare for the Niagara Region.

Niagara can implement this target non-uniformly across the Region's local municipalities. For instance, some local municipalities would implement lower density targets and others would be implement higher targets, with the cumulative total being a minimum of 50 residents and jobs per hectare across Niagara.

Local municipal density targets can be established based on factors such as rates of population and employment growth, levels of available land supply, the forecasted mix of dwelling types, accessibility to transit, and potential limitations to future development, including designated natural heritage features or limitations to the extension of municipal services.

Specific details will be explored through consultation this **Fall**.

Planning for Strategic Growth Areas

Growth Plan policy 2.2.1.2 provides that the vast majority of growth will be directed to urban areas that can support the achievement of complete communities. Specifically, growth should be focused in Built-Up Areas; Strategic Growth Areas; locations with existing or planned transit; and areas with existing or planned public service facilities.

As described above, Strategic Growth Areas are nodes, corridors and other areas that have been identified by municipalities to be the focus for accommodating intensification and high-density mixed uses in a more compact built form. They represent opportunities within a municipality to strategically plan for growth and support meeting or exceeding intensification and density targets within the Built-Up Area and Designated Greenfield Area.

The Growth Plan directs the Region to delineate the location of Strategic Growth Areas that have Regional or local significance. The Region is also required to identify minimum density targets within these areas to guide future growth and development.

Appendix 1 is a conceptual map of Strategic Growth Areas in Niagara.

Strategic Growth Areas shown on the map are those that have associated policies in the Growth Plan, including Downtown St. Catharines Urban Growth Centre, Major Transit Station Areas (i.e. GO Transit Station Areas), as well as additional areas that have been identified as being the target of a significant amount of growth in Niagara, including Downtown Welland and Downtown Niagara Falls, and the Brock and Glendale Niagara District Plan areas.

As noted, the Region will establish specific density targets for Strategic Growth Areas. The exception is Downtown St. Catharines Urban Growth Centre, which has a minimum density target of 150 people and jobs per hectare already set in the Growth Plan.

In addition to density targets, the Region will explore local implementation measures to address density targets. This includes the use of neighbourhood planning exercises, such as secondary plans, to provide more detailed direction for where and how development is to occur.

Other Strategic Growth Areas may be identified in the new OP, which could include the identification of brownfield sites, infill or redevelopment opportunities, or areas with planned frequent transit service.

Planning Strategic Growth Areas will be further explored through consultation, and subsequently outlined in the recommendation report this Fall.

Alternatives Reviewed

This report is provided for information only. No recommendations for the Regional Structure are provided at this time.

It is critical that the Regional Structure proceed as planned in order to meet required timelines for the development of the new OP.

The engagement strategy outlined within this report will ensure that the recommendations of the Regional Structure are informed by public input, local municipal, stakeholder, and indigenous consultation, and background studies developed for the MCR.

Relationship to Council Strategic Priorities

The Regional Structure Strategy provides direction on policy and location of future housing, population and employment growth.

The Regional Structure should assist communities to achieve greater densities and more mixed-uses, directly supporting the priorities of Healthy and Vibrant Community and Responsible Growth and Infrastructure Planning.

Likewise, the Regional Structure seeks to Support Businesses and Economic Growth by supporting the Employment Strategy in focusing employment growth to areas that need to be transit supportive and investment ready.

Other Pertinent Reports

- PDS 27-2019 Niagara Housing Statement Final Summary Report
- PDS 33-2019 Growth Management Program Update for New Regional Official Plan
- PDS 37-2019 Growth Scenario Analysis Related to the Regional Housing Strategy

- COM 15-2020 Affordable Housing Strategy Update
- PDS 21-2020 Updated Employment Work Plan for the New Niagara Official Plan
- PDS 29-2020 Settlement Area Boundary Review Program: Growth Plan Forecasts and Land Needs Assessment Update

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Appendices

Appendix 1 Conceptual Map of Strategic Growth Areas