

Staff Report



Development Services Department

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REPORT TO: Planning and Strategic Initiatives Committee

DATE OF MEETING: March 25, 2024

SUBMITTED BY: Rosa Bustamante, Director, Planning and Housing Policy, 519-741-2200 ext. 7319

PREPARED BY: Gaurang Khandelwal, Planner (Policy), 519-741-2200 ext. 7611
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WARD(S) INVOLVED: ALL

DATE OF REPORT: March 8, 2024

REPORT NO.: DSD-2024-130

SUBJECT: Kitchener Growth Management Strategy: Annual Monitoring Report 2023 – DSD-2024-130

RECOMMENDATION:

That the Kitchener Growth Management Strategy Annual Monitoring Report – DSD-2024-130 be used as the basis to fulfill Clause 22.1 of the Administrative Agreement between the City of Kitchener and the Regional Municipality of Waterloo regarding delegated approval authority.

REPORT HIGHLIGHTS:

- The purpose of this report is to highlight key growth trends in the City over the past two years, track the developable land supply and measure progress against density and intensification targets.
- The key findings of this report are that:
 - Kitchener exceeded the provincially assigned 2023 housing starts target under the Building Faster Fund by 39%.
 - Kitchener is on track to achieve the municipal housing target of 35,000 new units by 2031. Between March 31, 2023 and December 31, 2023, Council approved 11,457 units through site specific applications, and staff issued final site plan approval for 3,410 units. Between January 1, 2024 and March 13, 2024, Council has approved 1,051 units through site specific applications and staff issued final site plan approval of 203 units.
 - Growth remained strong in the last year with 3,985 dwelling units created.
 - A broad range of housing types have been developed in the last two years (2022 and 2023) with 64% as multiple dwelling types (49% of multiple dwelling types were in the form of low to mid rise buildings), 6% as townhouses, and 30% in single-detached, semi-detached, duplex, triplex and detached additional dwelling types.
 - Kitchener exceeded its minimum annual intensification target with 69% of residential growth within the Built-up area in 2023.

*** This information is available in accessible formats upon request. ***
Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

- With planned updates to land uses and zoning within Kitchener's protected major transit station areas, land use reviews that will occur as part of Kitchener's Official Plan review over the next two years, and ongoing secondary planning work in the Dundee North area of southwest Kitchener, there continues to be sufficient opportunities to accommodate planned residential growth to 2051.
- There are no financial implications arising from this report.
- Community engagement included posting the report on City's website with the agenda in advance of the Council / Committee meeting. In addition, the monitoring report information will be presented to the Kitchener Developers Liaison Committee in March.
- This report supports the delivery of core services.

BACKGROUND:

The purpose of this report is to provide Committee and Council with the Kitchener Growth Management Strategy: Annual Monitoring Report 2023 – DSD-2024-130 (Monitoring Report). The Monitoring Report is an action item of the 2009 Kitchener Growth Management Strategy (KGMS), which requires tracking of the general supply of land and the achievement of intensification and density targets on an annual basis.

REPORT:

The KGMS provides a long-term framework for planning where and how future residential and employment growth should occur in Kitchener. To ensure that growth contributes positively to quality of life, the KGMS coordinates the provision of infrastructure and services with new development. The 2009 KGMS goals and actions support the Provincial Growth Plan for the Greater Golden Horseshoe (Growth Plan) and the Regional Growth Management Strategy (RGMS).

The KGMS introduced a number of goals, one of which was to develop and facilitate an ongoing growth management program to manage growth-related change in an effective and co-ordinated manner (Goal 6). One of the action items of this goal is to prepare an annual monitoring report to track the supply of development opportunities and the achievement of intensification and density targets. This is also a requirement of the Growth Plan and the Regional Official Plan. Monitoring reports have been prepared since 2010.

This is the 14th edition of the Monitoring Report and has been updated from the previous iterations. The updates reflect the recent changes to provincial legislation and to the Regional Official Plan (ROP). It includes statistics for Protected Major Transit Station Areas and other primary intensification areas that were established in Kitchener's 2014 Official Plan. This report also tracks progress towards the City of Kitchener's [housing pledge](#) that was approved in response to a request from the Minister of Municipal Affairs and Housing, on March 20, 2023 supporting the building of 35,000 homes in Kitchener by 2031.

Highlights of the 2023 Monitoring Report include:

Municipal Housing Targets

- Council approved development applications for 8,271 units in 2022 and 12,227 units in 2023, a cumulative total of 20,498 units.
- Kitchener's Housing Pledge is 35,000 new housing units between March 2023 and 2031.

- Building permits were issued for 2,303 units in 2022 and 3,985 units in 2023, accounting for a total of 6,288 units since 2022.
- The Province's evaluation of the housing target is based on new housing and additional residential unit starts as provided by the Canada Mortgage and Housing Corporation (CMHC) and the new or upgraded beds in long-term care homes as provided by the Ministry of Long-Term Care. Kitchener's annual housing starts target, under the [Building Faster Fund is 2,567 for 2023](#). In 2023, Kitchener had housing starts for 3,579 units, exceeding the target (139% of target met).
- Kitchener is currently on track to achieve its assigned housing target by 2031.

Residential Development Rates

- The number of new dwelling units created in 2023 (3,985) is the highest figure on record. The number of dwelling units created in 2022 (2,303) is the lowest figure in the last five years (2019-2023).
- 77% (3,068) of the new residential units in 2023 were in the form of multiple dwellings, which is the highest on record. This was a considerable increase compared to that in 2022 of 40% (926) of the new residential units in the form of multiple dwellings.
- 1,906 multiple dwelling units created in 2023 were within 6 tall buildings (9 storeys or higher), representing about 48% of the total new units created. The rest of the multiple dwelling units created (38%) were either in the form of low to mid rise buildings or additions to existing buildings.
- In contrast to 2023, 127 multiple dwelling units were created within 1 tall building, representing 6% of the total new units created in 2022. The rest of the multiple dwelling units created (86%) were in the form of low to mid rise buildings or additions to existing buildings.
- 688 duplex dwelling units were created in 2023 and 547 duplex dwelling units were created in 2022, a continued increase from historical averages.
- 27 permits were issued for Detached Additional Dwelling Units (also referred to as backyard homes) in 2023 and 15 permits were issued in 2022, showing a steady increase since detached Additional Dwelling Units were first permitted in 2021.

Development within Built Up Area and Designated Greenfield Area

- Building permits issued for new residential units within the Designated Greenfield Area continue to provide a varied and balanced supply of dwelling types.
- The number of multiple dwelling building permits issued in the Built-Up Area far exceed those that were issued within the Designated Greenfield Area. This is expected as higher density multiple dwellings are focused within intensification areas (e.g., Protected Major Transit Station Areas, nodes, and corridors).
- The residential intensification level (new residential construction that occurs within the Built-up Area) saw a dip in 2022 (32%) and a spike in 2023 (69%) as the timing of six (6) high rise multiple dwellings with a total of 1,906 units in 2023 affected the reported development rate in 2023.
- The City's 5-year average residential intensification level is 61%, which continues to be an indication that the City is on track to contribute towards, and in some years exceed, its intensification target of 60%.

Urban Growth Centre (UGC) Density

- The estimated density of the Urban Growth Centre (UGC) is 220 residents and jobs per hectare. Kitchener is on track to achieve the City's Official Plan minimum density target of 225 residents and jobs per hectare by 2031.

Protected Major Transit Station Area (PMTSA) Density

- The estimated existing density of the Queen and Frederick PMTSA is 185 residents and jobs per hectare, exceeding its minimum density target of 160 residents and jobs per hectare.
- Five (5) PMTSAs (Central Station, Victoria Park and Kitchener City Hall, Kitchener Market, Borden, and Block Line) are also positioned to meet the prescribed minimum density targets based on the current zoning.
- Four (4) PMTSAs (Grand River Hospital, Mill, Fairway, and Sportsworld) may not be able to achieve their prescribed density target of 160 residents and jobs per hectare based on current zoning. However, with the Growing Together project, the City will be positioned to achieve its minimum density targets for these PMTSAs.

Capacity for Growth

- The City continues to have the potential to accommodate its allocated employment growth to 2051 within its urban area.
- With planned updates to land uses and zoning within Kitchener's protected major transit station areas through the Growing Together project; the Enabling 4 Units project; land use reviews that will occur as part of Kitchener's Official Plan review over the next two years; and ongoing secondary planning work in the Dundee North area of southwest Kitchener, there continues to be sufficient opportunities to accommodate planned residential growth to 2051.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation has no impact on the Capital Budget.

Operating Budget – The recommendation has no impact on the Operating Budget.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City's website with the agenda in advance of the Council / Committee meeting. In addition, monitoring report information will be presented to the Kitchener Developers Liaison Committee in March.

PREVIOUS REPORTS/AUTHORITIES:

- DSD-2022-410 Kitchener Growth Management Strategy 2022 Annual Monitoring Report
- DSD-19-206 Kitchener Growth Management Plan 2019-2021
- DTS-09-011 Kitchener Growth Management Strategy
- 2010-2022 Annual Monitoring Reports and Biennial Plans available at <https://www.kitchener.ca/en/strategic-plans-and-projects/growth-management.aspx>

REVIEWED BY: Natalie Goss, Manager, Policy and Research

APPROVED BY: Justin Readman, General Manager, Development Services

ATTACHMENTS: Attachment A – Kitchener Growth Management Strategy (KGMS)
Annual Monitoring Report 2023