

Staff Report



Development Services Department

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REPORT TO: Special Council

DATE OF MEETING: May 30, 2022

SUBMITTED BY: Rosa Bustamante, Director of Planning, 519-741-2200 ext. 7319

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WARD(S) INVOLVED: All

DATE OF REPORT: May 25, 2022

REPORT NO.: DSD-2022-260

SUBJECT: Regional Official Plan Review – Draft Land Needs Assessment

RECOMMENDATION:

That Kitchener's comments on the Region of Waterloo's Draft Land Needs Assessment be formulated through Council deliberation on Report DSD-2022-260 and provided to the Region of Waterloo for consideration.

REPORT HIGHLIGHTS:

- The purpose of this report is to summarize the most important implications of the three growth options presented in the Region of Waterloo's Draft Land Needs Assessment (LNA) for Kitchener so that Council can provide its comments to the Region. Individual comments will be recorded as well as any joint positions on matters of interest to Kitchener Council.
- There are no direct financial implications from this report.
- The Region has been conducting community engagement on their Official Plan Review since 2019 through a variety of methods. Engagement on the draft LNA commenced in early April.
- This report supports the delivery of core services.

BACKGROUND:

In 2018 the Region of Waterloo commenced a review of their Official Plan (ROPR) to, among other things, conform with the Province's A Place to Grow: Growth Plan for the Greater Golden Horseshoe (AP2G), 2020. In March and August of 2021, staff presented aspects of the ROPR to Kitchener Council. Since that time, the Region has tabled growth options and a draft Land Needs Assessment (LNA) at Regional Council. This report presents highlights of the draft LNA and key implications of it for Kitchener. The draft LNA determines the amount of urban land required to accommodate the Region's forecasted population and employment growth to 2051 and must follow the prescribed provincial methodology.

The LNA was presented to Regional Council on April 12 2022 via [Regional report #PDL-CPL-11](#) and was further discussed at an [All-Councils meeting](#) on April 29.

REPORT:

The draft LNA presents three options that vary the amount of residential growth throughout the built-up area (BUA) (i.e., intensification) and the amount and density of growth in the designated greenfield area (DGA). All three options plan for a total of 923,000 people and 470,000 jobs across the Region by 2051. This report provides an overview of the growth options that are currently being considered by the Region as outlined in the draft LNA only. The Region has indicated that through their ongoing engagement process alternative growth options are being presented that will be considered by Regional staff as appropriate.

Generally, **growth option 1** meets the minimum intensification and Designated Greenfield Area (DGA) density targets of AP2G, which require a minimum of 50 percent of residential development occurring within the Built-Up Area (BUA) of the Region annually, and 50 residents and jobs per hectare across the Region's DGA. Planning for the minimum AP2G targets would see a Regional intensification target below what is being achieved today (57 percent in 2014-2019) and 2,208 hectares of new lands added for urban uses to the DGA. Through this option 192 hectares of land from the Southwest Kitchener Policy Area would be added to Kitchener's DGA and the minimum intensification target would be 54 percent, lower than the Council-adopted targets within Kitchener's Official Plan for the time period from 2021-2031 (60 percent). This growth option would require planning for growth beyond the countryside line within Waterloo Region.

Growth option 2 increases the Region-wide DGA target to 60 residents and jobs per hectare and intensification target to 60 percent. Option 2 sees the need for 376 hectares of new DGA land across the Region, none of which is currently allocated to Kitchener. Growth option 2 has an intensification target that is consistent with Kitchener's existing intensification target for 2026-2031. Growth option 2 is advancing DGA density targets that would see unplanned DGA lands in Kitchener approaching frequent/very frequent transit supportive densities.

Growth option 3 maintains the same Regional intensification target of 60 percent but increases the Region-wide DGA density target to 66 residents and jobs per hectare resulting in no additional DGA lands needed to 2051 across the Region. Achieving the Region-wide DGA density target in this option, would require Kitchener's DGA lands to be planned to achieve an average density of almost 70 residents and jobs per hectare. This DGA density target for Kitchener may be ambitious for unplanned areas given our current DGA density, which is approximately 53 residents and jobs per hectare (including built, draft approved and registered lots) and the amount of low-density housing forecast in Kitchener to 2051.

All three growth options require an additional 456-659 hectares of DGA land for employment areas, none of which is planned to be allocated to Kitchener. Additionally, the DGA densities for all three growth options are measured in accordance with requirements in AP2G and include lands that are already developed, lands that are planned for development, and those that are unplanned within the existing DGA as well as any new DGA lands proposed in each option.

Table 1 provides a summary of the factors considered in the draft LNA by growth option and implications of each for Kitchener. Footnotes provide current comparable figures where available.

Table 1: Draft Land Needs Assessment Growth Options: Highlights for Kitchener

LNA factors	Growth Option 1	Growth Option 2	Growth Option 3
Kitchener Population 2051 ¹	368,500	410,700	417,500
Kitchener Population Growth 2021-2051	99,400 (+37%)	141,600 (+53%)	148,400 (+55%)
Kitchener share of Regional population Growth ²	32%	46%	48%
Kitchener Low Density Housing Growth (2021-2051) ³	11,575 (30%)	8,660 (16%)	9,490 (16%)
Kitchener Medium Density Housing Growth (2021-2051)	5,820 (15%)	14,420 (26%)	15,095 (26%)
Kitchener High Density Housing Growth (2021-2051)	21,725 (56%)	32,215 (58%)	32,975 (57%)
Kitchener Total Housing Growth	39,120 (100%)	55,295 (100%)	57,560 (100%)
Kitchener Jobs 2051 ⁴	167,900-170,700	167,900-170,700	167,900-170,700
Kitchener Job Growth 2021-2051	56,900-59,700 (34%-36%)	56,900-59,700 (34%-36%)	56,900-59,700 (34%-36%)
Region Wide Intensification Rate ⁵	50%	60%	60%
Kitchener Intensification Rate 2022-2051 ⁶	54%	61%	59%
Region-wide Designated Greenfield Area Density	50 residents+jobs/ha	60 residents+jobs/ha	66 residents+jobs/ha
Kitchener Designated Greenfield Area Density ⁷	55 residents+jobs/ha	66 residents+jobs/ha	69 residents+jobs/ha
Region-wide Additional Designated Greenfield Area (Community Area) ⁸	2,208 ha	376 ha	0 ha

¹ 2021 Kitchener population was 269,100

² 2021 Kitchener share of regional population was 44%

³ 2021 Kitchener housing split was 52% low density, 17% medium density and 31% high density

⁴ In 2021, Kitchener had 111,000 jobs. 37% of the regional total

⁵ Regionwide intensification rate for 2014-2019 was 57% according to Regional data

⁶ 2016-2021 intensification was 56% in 2016-2021 and 46% 2011-2016 according to Kitchener data

⁷ According to Regional data, built portions of the DGA in Kitchener are built at 60 r+j/ha. Draft approved and registered vacant lands are 53 r+j/ha

⁸ Regionwide DGA in the existing ROP for Community Area is 3,734 ha

LNA factors	Growth Option 1	Growth Option 2	Growth Option 3
Kitchener Additional Designated Greenfield Area (Community Area) ⁹	192 ha	0 ha	0ha
Region-wide Additional Designated Greenfield Area (Employment Area) ¹⁰	456-659 ha	456-659 ha	456-659 ha
Kitchener Designated Greenfield Area (Employment Area)	0 ha	0 ha	0 ha

Kitchener is planned to receive close to half of the Region’s growth under growth options 2 and 3

Growth options 1, 2, and 3 see Kitchener accommodating 40 percent, 46 percent, and 48 percent of regional population growth to 2051 respectively. Currently Kitchener accommodates approximately 44 percent of the regional population which is more than the planned growth for Kitchener under growth option 1.

Under growth options 2 and 3, the forecasted rate of housing growth is 1,845 and 1,920 units per year respectively. This is somewhat higher than the 1,655 average in 2016-2021 and 1,165 in 2011-2016. Much of this growth will occur in high density forms including stacked townhouses, and apartments, broadly similar to trends of the last eight years.

Continued DGA growth is planned for Kitchener under all scenarios

The City currently has 1,732 hectares of DGA land as defined by the 2006 Growth Plan and established through the previous ROP review. As of mid-2019, Kitchener’s DGA lands consisted of 598 hectares of developed land, 611 hectares of land that was approved for development but was unbuilt, and 523 hectares still in the planning stage (e.g. Dundee North Secondary Plan) according to Regional data. To contribute to the City’s DGA density target of 66 residents and jobs per hectare in growth option 2, development in Kitchener’s DGA lands that currently do not have planning approvals would need to be planned at a minimum of 87 residents and jobs per hectare on average to compensate for built and approved plans of less than 66 residents and jobs per hectare since 2006. Lands within the Rosenberg Secondary Plan area are planned to an average density of 75 residents and jobs per hectare.

Under all growth options, Kitchener will accommodate significant growth in low density (single and semi-detached) housing units. A total of 30-46% of the Region’s low density housing growth will be accommodated in Kitchener, more than any other lower-tier municipality in the Region.

⁹ Existing Kitchener DGA for community area is 1,732 ha.

¹⁰ There are currently 1,072 ha of vacant employment land in the Region. 876 ha of this are in the DGA

Kitchener has a significant number of development applications in progress to accommodate growth in the short to medium term

Kitchener has a significant number of Official Plan Amendments (OPAs), Zoning By-law amendments (ZBAs), subdivisions (not yet approved) and site plans (final approval pending) applications under review. These applications have the potential to provide short- and medium-term growth of approximately 14,000 high density units, 5,900 low and medium density units, 10,000 m² of commercial floor space and 48,500 m² of industrial floor space.

New DGA lands

The Region is forecast to accommodate significant growth over the next 30 years with Kitchener seeing close to half of the Region's growth. Kitchener is well positioned to accommodate growth over the next 30 years, however any growth to be accommodated on lands that have yet to receive planning approvals and potential new DGA lands, including those proposed in growth option 1, requires careful planning and management (e.g., staging or phasing of growth). Careful planning and management will ensure, among other things, that the growth is fiscally and environmentally sound, can be planned as complete sustainable communities, and is coordinated with the necessary infrastructure and servicing to support the growth.

The proposed new DGA lands identified in Kitchener in growth option 1 comprise the Southwest Kitchener Policy Area (SKPA) that straddles the headwaters of the Cedar and Blair Creek subwatersheds. The Cedar Creek Subwatershed Study (2019) found that the SKPA lands recharge the regional aquifer and a small portion directly recharge municipal wells. Development would involve non-typical, costly, and complex stormwater solutions for capturing and managing salt-laden runoff prior to discharge or infiltration. The Upper Blair State of the Watershed Report (2020) found water quality and erosion concerns due to recent development. Development within the Dundee North Secondary Plan Area and SKPA will put further pressure on this cold-water stream. A consultant is working on the City's behalf to determine high-level infrastructure and costs implications of developing within SKPA.

Next Steps

The Region's timeline for Regional Council approval of an amendment to the ROP to conform with AP2G is currently as follows:

- May 27 – Deadline for public feedback on the draft LNA
- June 15 – Preferred growth option presented to Regional Council for endorsement and the release of the draft ROP amendment
- Mid July – Open house and statutory public meeting for the ROP amendment
- August 11 – ROP amendment presented to Regional Council for decision
- Fall 2022 – Drafting of non AP2G-related ROP policies

At this time, staff intend to bring a report to the August Committee of Council on the ROP amendment.

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.

The Region has been conducting community engagement on the ROPR since 2019 through a variety of methods such as online surveys, town halls, information meetings, webinars, and technical, stakeholder, area municipal, and steering committees. Engagement on the draft LNA commenced in early April and has included Q and A sessions, an online survey, a public information meeting, an All-Councils meeting, meetings with the technical, stakeholder, area municipal and steering committees, and a meeting with the Waterloo Region Home Builders Association.

PREVIOUS REPORTS/AUTHORITIES:

- DSD-2021-5 Regional Official Plan Review
- DSD-2021-127 Regional Official Plan Review: Growth Scenarios
- DSD-2021-160 Supplemental Report - Regional Official Plan Review: Growth Scenarios

REVIEWED BY: Natalie Goss, Manager, Policy and Research

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