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YORK REGION 2031 LAND BUDGET

The Planning and Economic Development Committee recommends:

- 1. Receipt of the presentation by Paul Bottomley, Manager, Growth Management Economy and Information Research; and**
- 2. Adoption of the recommendations contained in the following report dated January 7, 2009, from the Commissioner of Planning and Development Services.**

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council receive the York Region 2031 Land Requirements Report and related attachments for information purposes.
2. Staff consult with the local municipalities regarding an update of the Regional Official Plan.
3. The Regional Clerk circulate this report to the Ministry of Energy and Infrastructure, the Ministry of Municipal Affairs and Housing, the Building Industry and Land Development Association (BILD) and the local municipalities for information purposes.

2. PURPOSE

This report outlines York Region's residential and employment land requirements to 2031 and provides an analysis of the Region's ability to achieve the *Growth Plan's* Designated Greenfield density target. This report is part of the Region's *Places to Grow* conformity exercise.

3. BACKGROUND

Upper and Single Tier Municipalities are required to conform to *Places to Grow*

The Province of Ontario released a Growth Plan for the Greater Golden Horseshoe (GGH) – *Places to Grow* in 2006. The *Growth Plan* guides decisions on issues relating to transportation, infrastructure planning, land use planning, urban form, housing, natural

heritage and resource protection with the intent to help secure the future prosperity of the GGH.

The *Growth Plan* contains population and employment growth forecasts for all upper and single-tier municipalities in the GGH and includes specific policies for where and how to grow including policies for Designated Greenfield Areas and for settlement area boundary expansions.

The *Growth Plan* states that a settlement area boundary expansion may only occur as part of a municipal comprehensive review that is defined as “an official plan review, or an official plan amendment, initiated by a municipality which comprehensively applies the policies and schedules of the *Growth Plan*”. The municipal comprehensive review includes:

- The use of the *Growth Plan*’s forecasts.
- The completion of an intensification strategy that identifies a minimum 40% residential intensification target between 2015 to 2031, and plans for a significant portion of future population and employment growth within the Built-up Areas.
- An assessment of the available residential and employment land supplies and demonstration of the need for a proposed urban expansion.
- A demonstration of how the minimum Designated Greenfield area density target of 50 people and jobs per hectare is to be achieved.

The Region’s ‘Planning for Tomorrow’ exercise is an important component of York Region’s overall conformity work. The ‘Planning for Tomorrow’ exercise includes forecasting and land budget work, a Regional Intensification Strategy, a comprehensive public consultation exercise, infrastructure master plan updates for transportation, sewer and water, an updated Natural Heritage Strategy and a 25 year fiscal impact analysis.

The results of the municipal comprehensive review are to be implemented through the Regional Official Plan process.

This report outlines York Region’s residential and employment land requirements to 2031 and provides an analysis of the Region’s ability to achieve the *Growth Plan*’s Designated Greenfield density target.

A Greater Toronto Area and Hamilton (GTAH) working group was established under the direction of the Regional Planning Commissioners of Ontario (RPCO) to establish a consistent methodology to measure land needs. York Region’s land budget analysis is based on the methodology defined by the GTAH working group.

4. ANALYSIS AND OPTIONS

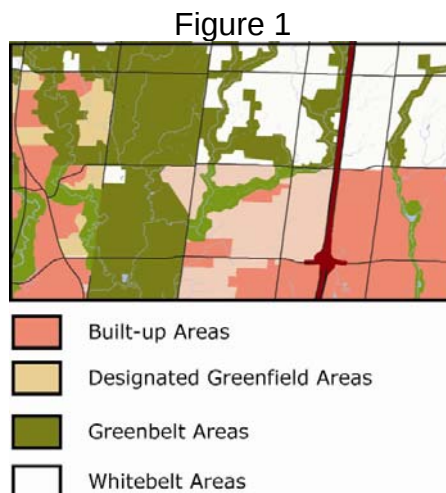
York Region's land budget is based on York Region's 2031 forecasts

The land budget analysis in this report is based on York Region's 2031 population, household and employment forecast. York Region's forecast anticipates 1.5 million people, 510,000 households and 799,000 jobs by 2031. This represents growth of 577,000 people, 234,000 households and 336,000 jobs from 2006 to 2031.

The forecasted employment growth for York Region is approximately 20,000 jobs higher than the *Growth Plan* forecast. The basis for the higher employment forecast includes:

- A need to create and maintain a strong and balanced relationship between residents and jobs for each local municipality.
- A commitment to improve the live/work relationship for York Region residents in each local municipality.
- A commitment to maintain the current Regional Official Plan (ROP) employment forecasts for each local municipality. The *Growth Plan*'s employment forecast for York Region would result in some municipalities not meeting the current ROP employment forecasts.

The forecasted population and employment growth will occur in three land area categories: the Built-up Areas, Designated Greenfield Areas and Whitebelt Areas. These categories are used in York Region's land budget analysis. Figure 1 provides a graphic representation of the three categories.



Source: York Region Planning and Development Services, 2008.

Overview of Land Budget Methodology

York Region's 2031 land requirements were based on a comprehensive demand/supply analysis for residential and employment growth, a consideration of both residential and employment intensification and on an evaluation of the Region's ability to achieve the *Growth Plan's* Designated Greenfield density target.

The residential demand was based on the Region's 2031 population and household forecast. The residential supply included an update of the unit growth potential in vacant designated lands in the Region's approved communities as well as the potential supply in the Built-up Areas to meet the 40% intensification target. Additional unit requirements were then determined.

The employment demand was based on the Region's 2031 employment forecast distributed into three employment types: employment land employment, major office employment and population-related employment. An updated supply analysis was undertaken for employment land employment growth potential in the Region's vacant designated employment lands and additional job requirements were then determined. A separate demand and supply analysis was undertaken for major office employment and population related employment (including major retail).

Additional land requirements for both residential and employment included an analysis for both residential and employment intensification within the Region's Built-up Areas and an evaluation of the Region's ability to achieve the *Growth Plan's* Designated Greenfield density target of 50 people and jobs per hectare.

York Region's Land Budget Highlights

- An urban boundary expansion is required to accommodate the 2031 forecasted population and employment growth in York Region. Boundary expansions will occur on Whitebelt lands in the three municipalities of East Gwillimbury, Markham and Vaughan.
- A total of 2,837 developable hectares (ha) of land in the Whitebelt are required for residential and employment uses in order to achieve the 2031 forecast. This includes 1,771 ha for community land development (including 296 ha for major retail uses) and 1,066 ha for employment land development. The Whitebelt land requirements are distributed to the three Whitebelt Areas, based on local municipal forecasts.
- The analysis includes the identification of 90,700 households to be accommodated within the Built-up Area of the Region in order to achieve the minimum 40% residential intensification target.

- Forty-two percent (42%) of the Region's employment growth will be accommodated within the Region's Built-up Areas.
- The land budget analysis includes targets for achieving more compact, pedestrian and transit supportive communities designed to achieve an average minimum density of 50 people/ jobs per ha that is applied to the developable area in the Designated Greenfield and Whitebelt Areas of the Region.
- The developable area was determined for both Designated Greenfield and Whitebelt Areas by excluding the features listed in the *Growth Plan*, environmental and infrastructure features and existing land uses as identified by York Region.
- Community lands in the Whitebelt are planned based on achieving a density of 70 people and jobs per ha. The addition of employment lands lowers the total to 59 people and jobs per ha. Communities at these densities represent a more compact built form than traditionally built in York Region.
- Community lands in existing Designated Greenfield Areas and Whitebelt lands combined are planned based on achieving a density of 55 people and jobs per ha.
- Employment lands in the Whitebelt Areas are planned based on achieving a density of 40 jobs per ha (50 jobs per net ha). Employment lands in vacant Designated Greenfield Areas and Whitebelt Areas combined are planned based on achieving a density of 36 jobs per ha (46 jobs per net ha).
- The overall Greenfield Area Density for York Region is 50 people/jobs per ha, which meets the *Growth Plan* target.

Land Budget work will inform the update of the Regional Official Plan

The Provincial Growth Plan requires municipalities to update their Official Plans by June 2009. The updated Regional Official Plan will be based on five key policy components, each of which will help inform the location, extent and density of growth:

1. Preservation and Enhancement of the Natural Environment, including the protection of the Greenbelt and Oak Ridges Moraine. The creation of a strong linked Natural Heritage System in conformity with the Greenbelt Plan is a primary objective when planning for growth. The Natural Heritage Strategic Directions Report (PEDC Report No. 1, 2008) have helped inform the land budget.
2. Infrastructure Master Plan Updates help ensure that adequate transportation, water and wastewater services are in place in advance of growth. These master plans were planned based on an ultimate development view (2051) in mind. The Pedestrian and

Cycling Master Plan has been adopted and the final Transportation and Water and Wastewater Master Plans will be presented in first quarter, 2009.

3. The Regional Intensification Strategy provides a framework of how the Region will meet the intensification targets found in the *Growth Plan*. The land budget analysis includes revised targets for each local municipality. Preliminary targets were reported on in November 2005 and October 2006. Reports in April 2007 and April 2008 provided details on a Guide to Developing Local Municipal Intensification Strategies and in June 2008 a report 'Visualizing the Look of Intensification in York Region' was presented. Local municipal staff are in the process of developing local intensification strategies. These strategies will form the basis of the Regional Intensification Strategy, which will be reported on in February 2009. The updated Regional Official Plan will include the:
 - Enhancement of policies for the development of the Region's system of centers and corridors within the urban envelope that provide a focus for intensification opportunities, mixed-used development and live/work opportunities.
 - Planning for a minimum region-wide intensification level of 40% from 2015 and each year thereafter of the Region's forecast household growth to occur within the existing Built-up Areas.
 - Planning for attaining a target of 200 people and jobs per hectare in the Region's four urban growth centres.
4. Detailed criteria for the building of a new generation of complete, sustainable and more compact communities in the Region will continue to be developed. In November 2007 the Best Practices for New Communities Discussion Paper was presented to Council. A workshop held on December 5, 2008 began the process of identifying specific criteria for new communities.
5. Urban Boundary Expansions required to accommodate the growth will be identified and carefully phased. Figure 2 outlines the approximate amount of developable land required to accommodate the forecasted population and employment growth to 2031 based on the 40% intensification target. Employment lands required beyond 2031 will be identified and protected.

Figure 2: 2031 Total Whitebelt Requirements
by Local Municipality

	Community Lands (ha)	Employment Lands (ha)	Total (ha)
East Gwillimbury	427	87	515
Markham	727	437	1,165
Vaughan	617	541	1,157
Total	1,771	1,066	2,837

Source: York Region Planning and Development Services Department, 2008

These five key components to the Regional Official Plan update will be developed within the context of the guiding principles found in the York Region Sustainability Strategy. The Sustainability Strategy advocates the triple bottom line approach to sustainability, integrating the environment, economy and community, as well as, emphasizing engagement, monitoring and continuous improvement.

Risk Management

There is a level of uncertainty attached to any forecast and land budget exercise. The accuracy of forecasts declines as the time horizon increases. Careful monitoring and management of risks will be a key component of the Region's growth management strategy. This forecast and land budget exercise involves a considerable number of assumptions including a shift to intensification units, a declining average persons per unit, a decreasing demand for ground related units, a continued demand for employment land based on the Region's existing economic structure and a host of other factors.

Key risks identified include:

- There is a possibility that the pace of growth could spike higher than the forecast, especially for ground related housing units. An increased demand in the market place for ground related units will have implications for the land budget.
- Similarly, there may be a shift to more land extensive warehousing and distribution type employment uses that would impact the amount of employment land required.
- Matching job creation to population growth is critical and will require long term identification and protection of employment lands.
- Stronger policies to control the pace, phasing and sequencing of growth will be required.
- It will be a challenge to construct infrastructure to match the pace of growth, especially transportation, water, wastewater and human services.

- The magnitude and timing of infrastructure investment will require significant provincial/federal investment and a new municipal fiscal model.

Therefore, there is a need to carefully monitor the forecasts and land budget. These risks could have significant implications for land supply shortages, a loss of strategic lands for employment uses, and fiscal impacts.

Relationship to Vision 2026

The decisions made around the forecast and land budget will impact every goal area in Vision 2026:

- Quality Communities for a Diverse Population
- Enhanced Environment, Heritage and Culture
- A Vibrant Economy
- Responding to the Needs of Our Residents
- Housing Choices for Our Residents
- Managed and Balanced Growth
- Infrastructure for a Growing Region
- Engaged Communities and a Responsive Region.

Planning new communities in the Whitebelt Areas and development will provide the opportunity to implement each of the goal areas and to achieve our Vision.

5. FINANCIAL IMPLICATIONS

Financial forecasts for the Region are based on the population and employment forecasts summarized in this report. The forecasted growth for the Region will require investment in transportation, water and waste water infrastructure and human services. The Region is currently undertaking a detailed fiscal impact assessment and economic implications analysis for the forecast/land budget.

There is a level of risk based on the forecast and land budget assumptions, related to development charges revenue stream. A lower than anticipated growth rate will result in a shortfall of projected development charges revenue. This will cause delays in capital cost recovery, impact costs for debt repayment and result in a potential deferral of elements in the capital program. There may also be a requirement to fund regional capital programs through water/wastewater rates or property taxes. Careful ongoing monitoring of financial implications is necessary.

6. LOCAL MUNICIPAL IMPACT

The forecasts and land budget exercise were prepared in consultation with local municipalities and agencies. Over the past two years, a series of technical meetings with local municipal staff were held to refine the forecasts and land budget. A background series of growth management reports that presented the preliminary forecast and land budget information were presented to the Planning and Economic Development Committee in April 2007 and September 2008. Consultation with local municipal staff resulted in modifications to the forecasts and land budget based on their feedback.

The Region appreciates the considerable amount of time and effort that local municipal staff have provided to complete the forecast and land budget exercise.

A number of local municipalities are undertaking their own growth management exercises in conjunction with the Region's work. Urban expansions will be required in the municipalities of East Gwillimbury, Markham and Vaughan in order to accommodate the forecasted growth. The local municipalities will use the forecasts, intensification targets and land budget to guide their long term planning initiatives, including growth management studies, capital infrastructure projects and social and health service programs.

7. CONCLUSION

York Region's land budget was prepared in the context of key policies in the *Growth Plan* regarding the protection of the natural environment, the development of more compact transit supportive communities, intensification targets and density targets in urban growth centres and Designated Greenfield Areas. Municipalities are required to conform to the *Growth Plan* by June 2009.

This report details York Region's residential and employment land requirements to 2031 and provides an analysis of the Region's ability to achieve the *Growth Plan*'s Designated Greenfield density target of 50 people and jobs per hectare. An urban boundary expansion is required to accommodate the forecasted growth in York Region.

A total of 2,837 developable hectares (ha) of land in the Whitebelt are required for residential and employment uses in order to achieve the 2031 forecast. This includes 1,771 ha for community land development (including 296 ha for major retail uses) and 1,066 ha for employment land development. Boundary expansions will occur on Whitebelt lands in the three municipalities of East Gwillimbury, Markham and Vaughan based on local municipal forecasts.

York Region's forecasting and land budget work is an important component of the Region's municipal comprehensive review being undertaken to conform to the Provincial *Growth Plan*. In addition to forecast and land budget work, the Region's 'Planning for

Tomorrow' exercise includes a Regional Intensification Strategy, a comprehensive public consultation exercise, infrastructure master plan updates for transportation, sewer and water, an updated Natural Heritage Strategy and a 25 year fiscal impact analysis.

The results of the Region's municipal comprehensive review will be implemented through the Regional Official Plan process.

For more information on this report, please contact Paul Bottomley, Manager of Growth Management, Economy & Information Research at 905-830-4444, Ext. 1530 or John Waller, Director of Long Range and Strategic Planning at Ext. 1525.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)