

3

YORK REGION RESIDENTIAL INTENSIFICATION OPPORTUNITIES

The Planning and Economic Development Committee recommends the following:

- 1. A copy of the Consolidated Recommendations contained in Clause 1, Report No. 4 of the Planning and Economic Development Committee adopted, as amended, by Regional Council on April 21, 2005, be forwarded to the Ministry of Public Infrastructure Renewal and the Ministry of Municipal Affairs and Housing, together with this Clause, to re-iterate Council's position regarding proposed growth in York Region; and**
- 2. The recommendations contained in the following report, November 8, 2005, from the Commissioner of Planning and Development Services be adopted:**

1. RECOMMENDATIONS

It is recommended that:

1. This Report be forwarded to the Ministry of Public Infrastructure Renewal (PIR), the Ministry of Municipal Affairs and Housing (MMAH) and the Area Municipalities.
2. The Province be requested to commit to the necessary investment and financial tools to support the 40% intensification target, including transit funding, 400-series highway infrastructure, housing funding, legislative changes and human services funding.
3. The Region continue to work with the local municipalities in developing an intensification strategy for York Region.

2. PURPOSE

The purpose of this report is to provide an understanding of what the Provincial 40% intensification target means to York Region in terms of absolute numbers and built form and how this target can be achieved. The report introduces some of the issues related to the implementation of Provincial Growth Plan targets. The report also discusses the progress that has been achieved to date on demand forecasts, accommodation potential and area municipal work related to York Region residential intensification opportunities.

3. BACKGROUND

Since the Regional Official Plan's (ROP) adoption in 1994, the Region has promoted compact development and intensification through sound growth management principles.

The ROP identified an urban structure of Centres and Corridors throughout the Region where compact development is encouraged to occur. The Plan also established a target of 20% of the Region's forecasted population to occur in existing built up areas and under-utilized sites.

To date there has been moderate success in building our Centres and Corridors. ROPA 43 – *Regional Centres and Corridors* was subsequently adopted to further strengthen the Centres and Corridors policies. It also increases the Plan's intensification target to 30% to *existing built up areas, towns and villages in keeping with the centres and corridors structure of the Plan.*

Recently, the Province has also explored intensification. The Provincial Policy Statement and *Places to Grow - Draft Growth Plan* set out policy directions that focus on intensification and redevelopment in designated growth areas to accommodate projected needs for the future. It is expected that the revised *Places to Grow* document, anticipated in late 2005, will increase the intensification target to 40% of all residential development to be within a municipality's built area boundary. This Provincial work is also expected to provide guidance on how the built area boundary is to be defined.

The 2004 York Region Intensification Study tracked intensification in the 1990 built area of the Region. The Study found that a significant amount of residential intensification and more compact development had occurred in York Region over the period 1990 – 2003, a rate of 16.7%.

This staff report on residential intensification opportunities takes a closer look at York Region's approach to intensification. The purpose of the report is to illustrate what the Provincial target of 40% intensification means to York Region in terms of absolute numbers and built form, and how this target can be achieved. Additional findings will be reported to Regional Committee/Council next year.

4. ANALYSIS AND OPTIONS

This report begins by reviewing other intensification work that has been undertaken by consultants, area municipalities and others in York Region and the GTA. The components of the intensification work being reviewed include information relating to demand forecasts, accommodation potential and area municipal intensification initiatives.

This section outlines the components of York Region's approach and details the progress, preliminary findings and next steps relating to each component.

4.1 Residential 40% Intensification Demand Forecast

The Province's *Places to Grow - Draft Growth Plan* stipulates in Section 2.3.2. that municipalities within the inner ring (includes York Region) will “*plan for a phased increased in the yearly percentage of intensification so that by the year 2015, a minimum*

*of 40 percent of all residential development occurring annually within each upper- or single-tier municipality will be within built-up areas.” Built-up areas refer to all land inside the built area boundary. It is expected that criteria for defining the built area boundary will be contained in the forthcoming *Places to Grow* document and/or through the Sub Area Growth Plan process.*

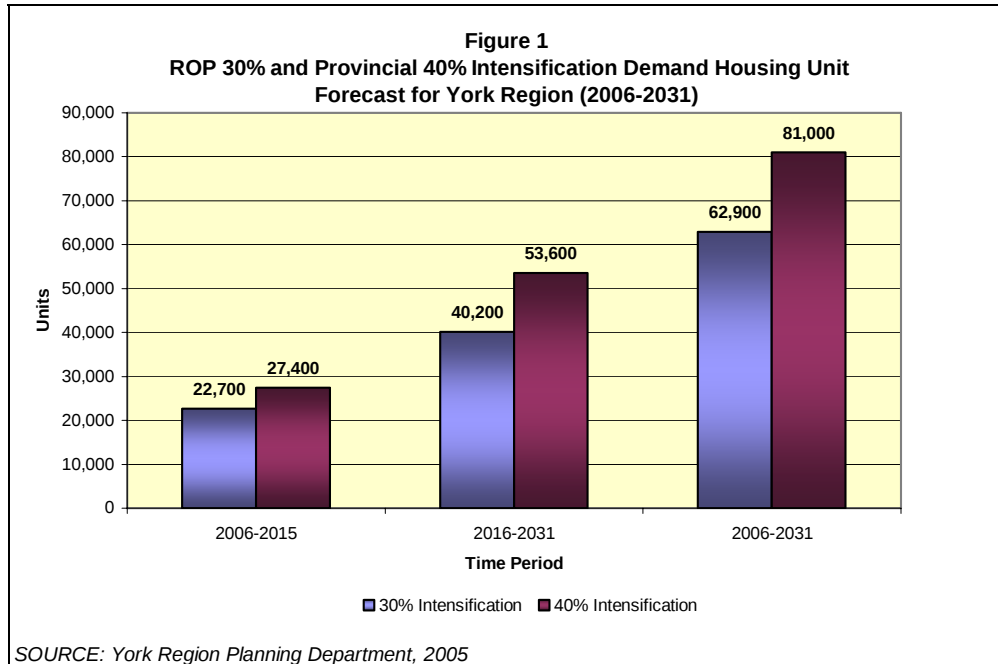
In response to this 40% target, Regional staff have prepared a Residential 40% Intensification Demand Forecast (2006-2031) based on the *Compact Reference Forecast Scenario (2001-2031)* for York Region in Hemson Consulting Ltd’s, *The Growth Outlook for the Greater Golden Horseshoe* (January, 2005). For the purposes of this staff report, the 40% intensification demand forecast is based on a measurement of units not population.

The Hemson forecast anticipates a total of 500,000 household units for York Region by 2031 of which 231,000 units (46%) represent new growth. Regional staff will work with the area municipalities to finalize the distribution of Regional growth at the local level.

The residential intensification demand forecast (*Attachment 1*) is based on two assumptions:

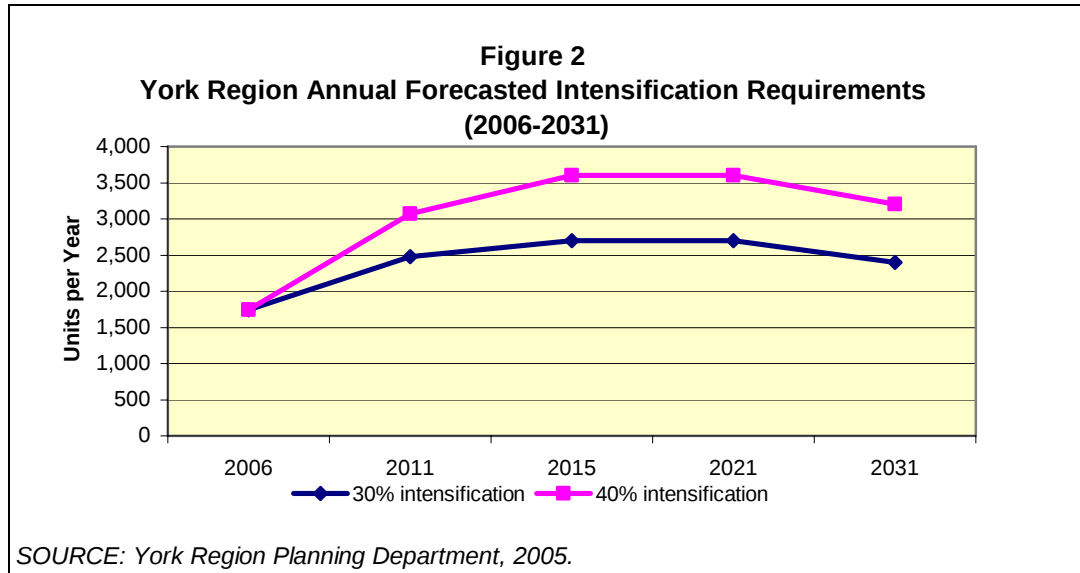
- On an annual basis starting in 2006, the Region will incrementally increase intensification to 40% by 2015 from its historic rate of 16.7% intensification.
- Between 2016 and 2031, 40% of the Region’s new growth each year will be attributed to intensification.

The preliminary estimate of the Region’s residential demand forecast for the Provincial target of 40% intensification is outlined in Figure 1. The ROP 30% intensification target is also outlined for comparison.



Preliminary observations include:

- The Provincial target of 40% intensification requires the Region to accommodate approximately 81,000 units from 2006 to 2031 within the existing built area boundary. This is 18,100 units more than the ROP 30% intensification scenario.
- The remaining 60% of the Region's forecasted growth between 2006 and 2031 (150,000 units) does not fall under the Provincial intensification target and would be accommodated in existing approved greenfield development areas as well as in lands yet to be designated.
- In order to achieve the 40% target by 2015, 27,400 units will have to be accommodated through intensification. This represents approximately 33% of the total intensification target to 2031 and 28% of total Regional growth during the period 2006 to 2015.
- In comparison to the ROP 30% target, the 40% intensification target requires an additional 4,700 units from 2006 to 2015 and an additional 13,400 units for 2016 to 2031 above the ROP 30% scenario.
- Between 2006 and 2015, approximately 2,700 new units will be required annually. From 2016 to 2031, this annual rate increases to an average of 3,300 new units (Figure 2).



York Region staff will further refine the intensification demand forecast based on:

- The completion of the updated Regional and Local municipal forecasts to 2031 which will assist in determining how the 40% intensification target is distributed among area municipalities, and;
- Consultation with area municipalities on their intensification initiatives and other relevant studies.

4.2 Accommodating 40% Intensification

This section includes an estimate of how much of the 40% forecast can be accommodated in identified intensification areas throughout the Region. To date, a high level preliminary analysis has been completed. Further work and consultation with area municipalities is required to complete this analysis.

Table 1 illustrates that an estimated 19,100 units can be accommodated in the three Regional Centres of Markham, Vaughan and Richmond Hill. This figure represents 24% of the total intensification forecast from 2006 to 2031.

Table 1
Estimated New Unit Potential in Regional Centres

	Units
Markham*	15,000
Vaughan	2,500
Richmond Hill	1,600
Total	19,100

SOURCE: York Region Planning Department, 2005

Note: Vaughan and Richmond Hill Centres potential is based on an estimate of new units required to meet Secondary Plan targets.

Note: Markham Centre figures are based on applications submitted. Secondary Plan Target is 10,000 units. An estimated total of 1,136 units are built in Markham Centre.*

Note: Newmarket Centre's potential is not included pending completion of the Town of Newmarket Official Plan Review.

New unit potential figures for the Regional Centres in Vaughan and Richmond Hill are based on Secondary Plan Targets as shown in Table 1. In the long term, it is anticipated that these residential targets will be exceeded. Applications to date in Markham Centre total 15,000 units which exceed the Secondary Plan target of 10,000. Newmarket Regional Centre has not been included in this analysis pending the completion of the Newmarket Official Plan review.

Further work is required to determine where the Region can accommodate the remaining 61,900 forecasted demand intensification units to 2031. ROPA 43 states that the most intensive development will occur in the Regional Centres and locally defined Key Development Areas (KDAs). These KDAs will be prime locations for intensification and will be identified by area municipalities in cooperation with the Region. It is anticipated that KDAs will be located in such areas across the Region as:

- Rapid Transit Corridors (Yonge Street, Highway 7, York University-Downsview Station VIVA Route, and the Unionville Station-Don Mills Station VIVA Route)
- Other Major Corridors (i.e. Steeles Avenue)
- Local Centres and Corridors
- GO Transit Stations

Other potential intensification areas include:

- Other urban areas with infill and/or redevelopment potential
- Secondary suites

4.3 Area Municipal Intensification Work

Area municipalities have a number of intensification initiatives, and other related work underway at the local level. Based on preliminary discussions with area municipal staff, this on-going work is summarized below:

- The City of Vaughan is currently conducting the *Carrville Village District Study* (OPA 651). In a City of Vaughan staff report dated January 13, 2004, the District Centre portion is planned to accommodate a proposed 1,500 to 1,850 residential units.
- The City of Vaughan is completing the “*Highway 7 Land Use Futures Study*” to establish a vision for the Vaughan portion of Highway 7 with respect to land-use planning, transit networks, private-sector development initiatives and high-order transit opportunities along the Regional Corridor, and an implementation strategy.
- The City of Vaughan is finalizing the “*Steeles Avenue Corridor – Jane to Keele Study* (OPA 620)”. The proposed OPA covers 43 hectares and plans to accommodate approximately 5,000 residential units.
- The Town of Markham has begun work to develop a new secondary plan for Cornell Centre including a visualization exercise on what the Centre will look like.
- The Town of Markham’s Leitchcroft is a compact mixed use community comprised of approximately 130 acres that has built out over the past decade attracting high quality office, residential and commercial development. Approximately 40 acres, located in the western portion of the community, remain vacant and are proposed for high density residential development and ground related commercial development.
- Town of Newmarket is undertaking an Official Plan review, a component of which includes exploring the potential development within the Newmarket Regional Centre.
- The Town of Richmond Hill completed a progress report on *Phase II of the Urban Growth Study* where they focused on Housing Intensification Opportunities in the Existing Urban Area (1995). Findings reveal that almost 26,000 new residential units could possibly be supplied over the long term.

Other on-going area municipal work includes, but is not limited to:

- Vaughan Corporate Centre
- There are a number of applications for old Woodbridge that will result in intensification on a site specific basis
- Cornell Secondary Plan, OPA 20
- Thornhill Yonge Street Study (Vaughan and Markham)
- Thornhill Centre Street Study OPA 671 and 672
- Milliken Mills Secondary Plan, OPA 144
- Richmond Hill High Density Study

Municipalities may identify further opportunities for increases of intensification along these and other corridors through subsequent policy review over time.

4.4 Other Intensification Work

In May 2002, GHK Canada Ltd, in partnership with Earth Tech Canada Inc, the University of Toronto and Mary Neumann, published a report entitled, “*Growing*

Together: Prospects for Renewal in the Toronto Region", prepared for the City of Toronto (Gladki report). This report quantified intensification potential in York Region along the major arterial roads of Highway 7, Yonge Street and sections of Davis Drive and Mulock Drive. The intensification unit potential for this area was estimated to be 69,870 units within a 60 metre setback of the specified arterial roads, and 4,867 units outside this setback for a total of 74,737 units.

These findings will be used for the purposes of comparison with the Region's approach to residential intensification opportunities.

4.5 Compact Development Underway

New compact development (condos, townhouses, row houses and apartments) have been tracked throughout the Region (*Attachment 2*). This includes current compact development either under construction or being marketed. The attached map locates ongoing development based on a variety of sources. According to this research there are an estimated 7,038 compact units currently under construction within the York Region Centres. An estimated 3,278 compact units are under construction in the Regional Corridors.

An additional 10,244 units are under construction in other urban areas beyond the Regional Centres and Corridors. Some of these units are outside the built area boundary.

Number of units	Location
7,038	Regional Centres
3,278	Regional Corridors (plus 500 metres)
10,316	Total units in the Centres & Corridors
10,244	Outside Regional Centres & Corridors
20,560	Total

4.6 Regional Intensification Successes

Regional initiatives including Vision 2026, the Transportation Master Plan, the York Region Rapid Transit Plan, the York Region *Centres and Corridors Strategy* and ROPA 43 have reaffirmed the need for and benefits of more compact and concentrated development patterns as a means of supporting infrastructure investment and improving the overall quality of our communities.

Attachment 3 highlights examples of some of the more successful compact development locations that exist near the Regional Centres and Corridors. Design principles and densities vary with each development and site. The sample sites were photographed and mapped and relevant support data including the number of units, height, parking and

floor space index (FSI) have been tracked in order to better understand the merits and comparability of each example.

These examples illustrate that there are a number of attractive, functional compact developments that have been built in York Region.

4.7 Challenges in Developing Centres and Corridors and Achieving 40% Intensification

The Draft Growth Plan released by the Province provides the policy framework for a new Planning environment in the Greater Golden Horseshoe area. The Draft Plan establishes *urban growth centres* and *intensification corridors* as the focus of strategic transit and infrastructure investment. These areas will be the primary locations for achieving the 40% intensification target.

These policy initiatives present a number of implementation challenges for York Region. A new approach is required if the region is to realize its *vision* for centres and corridors and in achieving the provincial 40% intensification target. A concentrated effort by the region, the area municipalities, the province and the Federal government is required to meet these objectives.

In September 2004, Regional Council adopted a number of recommendations to be forwarded to the Province in response to the Places to Grow discussion paper that formed the basis for the development of the Draft Growth Plan. In addition, in April 2005, Regional Council adopted a further set of recommendations that were sent to the Province regarding required provincial funding for key regional infrastructure projects.

A summary of a number of these key recommendations is included below. These recommendations address a number of the key challenges York Region and senior levels of government must address in developing successful centres and corridors.

- The Province, in order to implement the Draft Growth Plan, commit to long term infrastructure plans and funding for Provincial highways, local and rapid transit funding, cross-boundary and boundary road funding, hospital and related human services funding, GO Transit and natural heritage implementation funding.
- The Province and the Federal governments provide stable, long-term and sufficient funding to develop affordable housing in both the private and public sectors.
- The Province adopt an urban-focused policy approach within all ministries and prioritize investments in infrastructure, government institutions, facilities and services in the urban centres
- The Province enact legislation supporting municipalities in:
 - Designating the urban centres within their boundaries.
 - Identifying Key Development Areas as places for intensification.
 - Identifying and protect short, medium and long-term transit corridors.

- Placing infrastructure investment priority in existing urban areas, with emphasis on Centres and Key Development Areas.
- Establishing urban design criteria to achieve an urban landscape that is attractive, creates a sense-of-place, supports transit, and provides safe and pleasant places for pedestrians and cyclists.
- The Province provide municipalities with the necessary financial tools to achieve the Province's Growth Plan, including more detail on timing, deliverables, commitments to funding and financial tools, roles and responsibilities.
- The Province recognize the importance of human services planning in its growth plan and that new models of funding based on population and principles of adequate, equitable, affordable, stable, flexible and accountable funding be introduced to encourage the location of major public services in centres and along corridors.

4.8 The Provincial Sub Area Growth Strategies

The Draft Growth Plan contains a new level of plan termed a *sub-area growth strategy* (SAGS). These strategies are intended to provide more detail with respect to infrastructure planning, urban structure, natural heritage systems and establishment of a foundation for interregional planning. SAGS are to be developed by the Province in consultation with municipalities and stakeholders and are to be approved by the Minister as amendments to the Growth Plan.

SAGS will provide the majority of the detail regarding the implementation of the Growth Plan in the Urban Growth Centres and along intensification corridors.

It is important that SAGS accomplish the following:

- Identify Key Development Areas for intensification potential.
- Articulate the financial arrangements and the tools (i.e. Tax increment financing, development charges) for municipalities to implement the Plan.
- Provide commitment of key infrastructure investment for transit, housing, road, water and sewer requirements.
- Develop a public education, communication and marketing strategy to promote the benefits and development of compact development in centres and corridors.
- Provide clear direction on the timing and start-up point for achieving the 40% intensification target.
- Develop a formal and comprehensive monitoring program that will be synchronized with required levels of investment.

It is important that the public sector takes the lead in promoting and encouraging change by creating and enhancing the reasons for businesses and residents to locate in a centre or corridor. A co-ordinated long-term commitment by the public sector will create a favourable investment climate for the private sector, as intensified development has to have a private market rationale.

York Region's Centres and Corridors Strategy is premised on the four action areas of Policy, Financial Policy and Tools, Infrastructure Investment and Supportive Programs. The potential impact of the action items within these four action areas could enhance demand, reduce private market costs and reduce risk for the private sector.

The Province's commitment for infrastructure investment is critical for developing successful centres and corridors. Achieving the 40% intensification target by 2015 will require increasing levels of provincial investment over the next number of years.

4.9 Next Steps

The next steps for the Region's approach in examining residential intensification opportunities include:

- Refine the intensification demand forecasts to include detail on local municipal distribution.
- Complete the built area boundary definition.
- Complete the analysis of Regional capacity to accommodate the forecasted demand for intensification.
- Continue to review other relevant intensification studies.
- Expand the "Made in York" intensification examples.
- The Provincial Government's *Places to Grow* document will provide guidance for the implementation of the 40% intensification targets. These will take further shape through the identification of sub area growth strategies and other implementation and funding tools.
- Work with Area Municipalities to reassess the capability to accommodate additional intensification in Area Municipalities.
- Formulate a technique for measuring annual intensification.
- Review existing policies at the Regional level to see that they are aligned and support the new Provincial intensification target of 40%.
- Consult with the area municipalities to confirm that their policies also align with the intensification target.
- Assess the capability of transportation, water and sewer systems to support 40% intensification.

Policy, financial, public engagement and other tools are necessary to encourage and achieve 40% intensification by 2015. These tools and recommendations on their implementation need to be identified and discussed.

4.10 Relationship to Vision 2026

Many of the goal areas of Vision 2026 support the need for and benefits of more compact and concentrated development patterns and improving the overall quality of our communities. In particular, enhancing growth in centres and corridors advances "Quality Communities for a Diverse Population," "Managed and Balanced Growth," and "Infrastructure for a Growing Region."

5. FINANCIAL IMPLICATIONS

There are no immediate financial implications associated with the residential intensification work as it is being conducted with the existing Planning and Development Services Department staff complement and within approved budget allocations.

Staff have been investigating the role and impact of fiscal policy and financial tools in influencing the urban structure of York Region. Achieving the centres and corridors' vision will require new and innovative funding tools to be put in place and a significant investment in supporting infrastructure.

York Region has taken the lead in helping to create a climate where the private sector will invest in centres and corridors through the creation of the VIVA Bus Rapid Transit system.

York Region's Transportation Master Plan identified a 30 year capital plan budget of between \$2.4 billion and \$4.1 billion for the Region's Rapid Transit Plan. The initial phase of the Rapid Transit Network is now a reality with the launch of the VIVA Bus Rapid Transit system in September 2005. It is anticipated that the Region's Rapid Transit program will act as a catalyst for the private sector to invest in more compact mixed use development.

Staff, are close to completing a detailed study on assessing potential financing strategies to encourage development in centres and corridors. Hemson consulting was hired to undertake a review of capital and operating costs within centres and corridors relative to greenfield development. Differences in capital costs could potentially justify the use of Development Charges that differentiate between centres and corridors and greenfield locations. This study is anticipated to be complete early in 2006.

Regional staff presented a report to Finance Committee on November 3, 2005 on how Tax Increment Financing (TIF) can be used in the Region to support the centres and corridors' vision. TIF, in combination with other fiscal options, could provide a valuable tool in creating the transit infrastructure and attracting the private sector investment within centres and corridors.

6. LOCAL MUNICIPAL IMPACT

Area municipalities will be consulted in the formulation of an intensification strategy for York Region. Updating the local municipal forecasts will also provide an opportunity for additional local level input.

This municipal consultation is an important component of the residential intensification work, specifically with respect to KDA work. Consultation and co-operation will help to

broaden our understanding of the policy implications and opportunities in the future. As area municipalities are the approval authorities for the urban design component in the development process, their input is critical in addressing the aesthetic, architectural and structural qualities of the built form environment within the Region's intensified areas.

7. CONCLUSION

York Region faces a number of challenges in accommodating the Provincial Policy Intensification target of 40%. According to the preliminary findings of the Region's residential intensification opportunities work, 40% intensification translates into a demand of approximately 81,000 new units to be developed within the existing built-up urban boundary by 2031. The three Regional Centres of Markham, Vaughan and Richmond Hill have the potential to accommodate a minimum of 19,100 units. The remaining 61,900 units could locate along the Region's rapid transit corridors, other major corridors, in Local Centres and Corridors, GO Transit stations, other urban areas with infill and/or redevelopment potential and second suites.

Staff are currently undertaking an analysis of the distribution of this residual amount throughout the Region. Provincial identification of sub area growth strategies and the Municipal Key Development Areas work will help to determine where this residual development could locate. The Region will work closely with Area Municipalities to complete this work.

It should be emphasized that the findings in this report are subject to change pending further analysis. Next steps include completing the intensification demand and accommodation analysis, expanding the photography of "Made in York" intensification examples, the area municipality consultations and reviewing other intensification work.

The realization of the 40% intensification target, however, will require political will for policy implementation and, most importantly, economic and financial resources to support the necessary infrastructure. The limiting factor is not land supply, but rather the availability of infrastructure, the economic support and political will to make intensification happen.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause are attached to this report.)