



City of Guelph

Report:

COMMUNITY DESIGN AND DEVELOPMENT SERVICES (Report 07-21)

TO: Community Development & Environmental Services Committee

DATE: 2007/03/09

SUBJECT: **DEVELOPMENT PRIORITIES PLAN 2007: Follow Up Report**

RECOMMENDATION:

“That Guelph City Council approve the seventh annual Development Priorities Plan 2007 attached to Community Design and Development Services Report 07-06 dated February 9, 2007;

That Staff be directed to use the Development Priorities Plan to manage the timing of development within the City for the year 2007;

That Staff be directed to use the standard for the DPP flexibility clause described in Community Design and Development Services Report 07-21;

That amendments to the timing of development, as outlined by Schedules 2, 3 and 4 of the Plan, be permitted only by Council approval, unless it can be shown that there is no impact on the capital budget and the dwelling unit targets for 2007 are not exceeded; and

That staff be directed to include the recommended changes to the 2008 Development Priorities Plan, as identified in Community Design and Development Services Report 07-06, to respond to the Provincial Growth Plan for the Greater Golden Horseshoe.”

BACKGROUND:

The 2007 DPP was presented to the Community Development and Environmental Services Committee on February 9, 2007. The Committee passed the following resolution:

THAT staff report back within the context of the local growth management strategy and the Development Priorities Plan, on the implications of

reducing registration activity in the peripheral areas of the City and encouraging infill and brownfield development.

THAT staff report back on the implications of reducing the inventory of units in future years from 7 years to 5 years by the next meeting of the Community Development and Environmental Services Committee.

THAT staff report back on an objective standard to guide the implementation of the Development Priority Plan's flexibility clause in 2007.

THAT staff report back with a revised set of objectives for the 2008 Development Priorities Plan by the end of the second quarter of 2007 and the status of our progress in achieving these objectives.

THAT the 2007 Development Priorities Plan report be deferred to the March 9, 2007 Community Development and Environmental Services Committee meeting.

REPORT:

This report is directed at responding to the first 3 clauses of the Community Development and Environmental Services Committee resolution dated February 9, 2007. The resolution sought further information concerning the implications of the reduction of registration activity and the encouragement of infill development; the implications of reducing the inventory of potential units from a seven year supply to a five year supply; and the development of an objective standard for the flexibility clause of the DPP.

1. Reduction of Registration Activity in the peripheral areas of the City and encouragement of infill development

At this point it is extremely difficult to speculate on the implications of reducing registration activity in the peripheral areas of the City and encouraging infill and brownfield development as requested by the Committee. Reducing registration activity will limit the supply of potential units available for a building permit and may stimulate the uptake of units within the Built-up area of the City. However, much of that activity would be dependent upon market demand.

Each municipality within the Places to Grow area is studying methods by which this can be accomplished without adverse effects on the affordability of housing for all of its citizens. Criteria would have to be developed for the number and form of units that should be constructed and, therefore, encouraged by implementation tools such as the DPP. Much of this activity will depend on market forces. At this point, it is difficult to say whether significantly reducing the availability of low

density housing will automatically increase the desirability of building higher density infill units. Clearly, the City inventory already has a significant number of higher density units that are available to be built. Severely limiting the creation of new potential units would not only affect affordability and the overall housing market but would also affect the overall construction industry. If there is no availability, there is no construction activity. As well, encouraging a different form of development can only be achieved by devising criteria for prioritizing the type of development that will be permitted. It is recognized in Places to Grow that there is no short term fix to immediately address this question.

City staff are committed to determining how to promote development within the Built-up Area of the City. This question and the consideration of where and how the City should grow is the focus of the Growth Management Strategy (GMS). Many of the questions that members of Community Development and Environmental Services Committee are seeking answers for will be addressed through the GMS. The second key consideration in determining how to encourage infill development is the establishment of the built boundary as per Places to Grow. The built boundary will define the area of the City that should be focused on to meet the Places to Grow intensification target.

Growth Management Strategy: The City of Guelph's Growth Management Strategy (GMS) is the study that will set policy direction for future growth in the City. The GMS study is currently underway and it involves significant public consultation throughout the phases of its work plan. The GMS is currently in Phase 2 of the workplan and is expected to be completed in 2008. The work plan for the GMS is attached as **Schedule 1**. The community consultation component of the GMS is important to establishing how to encourage infill development.

The outcome of the growth management strategy for the City of Guelph will be a long term plan to manage growth expected to take place within the City. The Strategy will set out how large the City should be, how fast it should grow and what form that growth should take while examining the implications (environmental, financial and social) of the preferred growth scenario and setting out the tools necessary to manage and influence its implementation.

The purpose of the GMS is to:

- describe the current context for planning Guelph's future;
- identify and analyze the factors that will shape Guelph's future growth;
- detail possible scenarios for growth; and,
- recommend appropriate municipal initiatives to achieve the desired future.

The GMS includes an Intensification Study to identify the full spectrum of intensification options for the Built-up area of the City. The Intensification Study

will also consider a range of options/tools for implementing the range of intensification options.

The Development Priorities Plan is one component of the overall growth management objectives for the City. The 2007 DPP is focused on implementing the existing Official Plan policies, Council policy direction and Strategic Plan objectives. The focus of the DPP will require significant changes in the future to address the GMS recommendations upon completion of the GMS.

Places to Grow and Future Role of the DPP: The DPP was initiated in 2001 as a tool to manage the rate and timing of development from new plans of subdivision regardless of where they were located in the City. However, plans of subdivision generally occur on the outer edge of the built-up area of the City (i.e., Greenfield development).

In 2006, the Province introduced Places to Grow legislation which brought about new criteria for measuring growth and density, new language for the definition of areas within the City and is seeking ways to encourage intensification in all affected municipalities. Places to Grow divides the City into three main areas: Urban Growth Centre (what we commonly refer to as the CBD/downtown), the Built Up Area and Greenfield Area. As per direction from Places to Grow, the delineation of each of these areas is underway in close consultation with staff from the Ministry of Public Infrastructure Renewal.

The DPP, based on its current objectives, is a tool for the management of growth from plans of subdivision generally within the area that would be considered Greenfield. In order to implement Places to Grow, it is recognized that the DPP will need to evolve. In the 2007 DPP report, Staff recommended a number of changes to the DPP to reformat it as a document that measures the rate and timing of growth as per Places to Grow. The 2008 DPP will include the following (summarized from the 2007 DPP report, Section 8):

- Delineation of Built Boundary (shown on all mapping in the DPP);
- Building Permit statistics for Built Up Area and Greenfield Area (measure of where we are in terms of meeting the 40% target for new residential units within Built Boundary by 2015);
- Identification and mapping of all potential residential sites in the City (inventory of zoned and draft approved units);
- Density estimates for the Urban Growth Centre and the Greenfield area; and
- Density estimate for all new draft plans for subdivision.

Schedule 2 displays the zoned and draft approved apartment and townhouse sites that have not been developed. This mapping is the starting point for

improving our current inventory of townhouse and apartment sites to include all potential residential intensification sites in the City. This inventory will be used to direct developers to sites that are available.

Recommendations for registration of draft plan approved subdivisions will have to be consistent with Places to Grow. Staff anticipate that the number of units recommended for registration in the Greenfield area will be reduced in future DPP's to respond to the Places to Grow intensification target. Staff propose the 2008 DPP as the starting point for revisions to the DPP to incorporate Places to Grow because the work is dependent on the delineation of the Built Boundary and Urban Growth Centre boundary. Development activity statistics for 2007 will provide the base for determining what the City's intensification ratio is and for developing an approach to achieving the target set out by Places to Grow.

Current City Incentives: At present, the City offers the following incentives for development in the Built-up area:

1. Development Charge reductions for Older Built Up area and Downtown Area
2. Federal-Provincial Affordable Housing Program
3. Brownfield Redevelopment Incentives
4. Official Plan Policies that support and encourage infill and intensification.

2. Reduction of inventory to 5 year supply

The Provincial Policy Statement requires municipalities to have a minimum 3 year supply of units in draft approved and registered plans of subdivision. Currently, the overall inventory of units in draft approved and registered plans provides a 7 year supply. When broken down by type of dwelling, the inventory consists of a 5.2 year supply of detached, semi-detached and townhouse units and a 14 year supply of apartment units. The calculation of the number of years of supply is based on the Population Projections Study assumption that 495 detached and semi-detached units, 225 townhouses and 180 apartment units per year would be needed.

To get to an overall supply of 5 years, the inventory would need to be reduced by 1800 units. This is the equivalent of 2 years of inventory. New units are added to the supply through draft plan approvals and removed from the supply when a building permit is issued. Restricting registrations will not reduce the supply of potential units. Rather, focusing on the number of potential units created by draft plan approvals will have an impact on supply.

Given that the current inventory of detached, semi-detached and townhouse units is already at a 5 year supply and that over the past 6 years an average of

108 apartment units per year were created; it is evident that to achieve a reduction to an overall 5 year supply the inventory of detached, semi-detached and townhouse units would need to be significantly reduced. Reducing the overall inventory to a 5 year supply would have a profound impact on lower density forms of housing resulting in limited choice for new detached and semi-detached dwellings that would likely result in increased housing prices. This would impact the affordability of our community as lower income residents would have limited options for home ownership. It would also reduce the supply of lower density forms of housing to less than a 3 year supply which is not consistent with the Provincial Policy Statement directives that the City provide for an appropriate range of housing types and densities.

The City has a policy direction from the Municipal Housing Statement that plans of subdivision are to provide a mix of housing units with the goal that 40% of the units will be multiple residential forms (i.e., townhouses and apartments). However, the market does not respond as quickly to the development of apartment sites as it does to detached, semi-detached and townhouse forms. In fact, the Population Projections Study assumes that the market will evolve by 2021 to include an increased demand for higher density housing resulting from an increase in the population aged 55 and older. The Guelph market has only sustained the construction of 648 apartment units over the period 2001 to 2006 (108 units per year). The supply of apartment units is calculated based on 180 units being constructed per year (based on population projections); thus the 14 year supply.

One example of an incentive to the creation of apartment units is the Federal-Provincial Affordable Housing Program. 84 apartment units were constructed since 2004 using funding from the Affordable Housing Program. There is clearly a need for the City to continue its participation in this program.

The overall inventory is inflated due to the inventory of apartment sites and the manner in which the potential unit counts are calculated. Maximum densities, based on zoning, are used to determine potential unit counts for apartment sites (generally 100 units per hectare). These apartment sites are important to include in new plans of subdivision as they need to be reserved for future development to ensure that neighbourhoods offer a full range of housing choice and affordability.

The following scenario seeks to reduce the overall inventory of units to a 5 year supply based on a demand of 900 units per year by year end 2011. This scenario assumes that 874 units will be removed from this inventory each year through building permits (based on 20 year average building permits) and does not reflect future considerations of how the Places to Grow intensification target will be met. To obtain a 5 year supply, the potential number of draft approved units would have to be significantly reduced.

Year	Inventory	Units added through Draft Plan Approval	Units removed by Building Permit	# years Supply
2007	6286	878	874	7
2008	6290	600	874	6.9
2009	6016	400	874	6.7
2010	5542	400	874	6.2
2011	5064	300	874	5.6
2012	4494*			5

*year end 2011, base inventory for 2012

It is clear that one of the main objectives of Places to Grow is to obtain compact and sustainable development. The implementation of this policy has been left to each municipality to encourage intensification. As such, an implementation strategy must be developed for encouraging the construction of apartment sites as part of the intensification study component of the GMS.

3. Objective standard for flexibility clause

Staff have considered the request for an objective standard to be applied to the flexibility clause for registrations and agree that it would be a welcome improvement. Staff recommend the following process:

1. Evaluate the registration status of plans of subdivision that are included on Schedule 4 for registration in the current DPP by the City Engineer and the Manager of Development and Park Planning on or before June 30.
2. Re-allocate unit counts from developments that have not signed a subdivision agreement by July 31.
3. Contact developers who have submitted Engineering drawings for review and are prepared to sign a subdivision agreement but not included in Schedule 4 of the DPP for the current year to ascertain their ability to move forward on or before July 31.

The following chart displays the status of subdivisions proposed to be registered in the 2007 DPP. The chart clearly shows that the plans that are included in the 2007 DPP registration targets for 2007 are on track to achieving registration in 2007.

Projected Housing Yields to be Generated by Registrations in 2007								
	Potential Dwelling Units				Engineering Review Status			
	Detached	Semi detached	Townhouse	Total	Drawings Review	MOE Approval	Subdivision Agreement	Tendering
Northwest								
23T-88009 Mitchell Phase 2*	98	32	32	162	Completed	Issued	Finalized	Ready for Tender
Total	98	32	32	162				
Northeast								
ZC0602 Watson School site	35			35	1st submission review in progress			
23T-01501 Ingram	43			43	1st submission expected to be received by Feb 15. Pumping Station design completed	Application for Pumping Station submitted		Pumping Station ready for tender
23T-01502 Northview	54		45	99	No drawings received yet. Pumping Station design completed and ready to go to tender pending DPP approval	Application for Pumping Station submitted		Pumping Station ready for tender
23T-04501 340 Eastview Rd	93	32	36	161	1st submission review completed			
Total	225	32	81	338				
South								
23T-01507 Arkell Springs Ph 2	50		72	122	Completed	Issued	In progress	
23T-01508 Kortright East Ph 2	101		160	261	Review of 2nd submission to be started by Feb 20. Design for Pumping Station underway.			
23T-02502 Westminster East	179		16	195	Review of 2nd submission in progress	Application submitted		
23T-06502 974 Edinburgh Rd S	9			9	No drawings received yet			
Total	339	0	248	587				
Total Units	662	64	361	1087				

*carry over from 2006 DPP

4. Other information as requested by the Community Development and Environmental Services Committee

Building Permits and infill ratio: The Growth Plan for the Greater Golden Horseshoe specifies a general intensification target whereby a minimum of 40 per cent of all residential development occurring annually within the City of Guelph will be within the built-up area by the year 2015 (Section 2.2.3, Clause 1 of the Growth Plan):

By the year 2015 and for each year thereafter, a minimum of 40 per cent of all residential development occurring annually within each upper- and single-tier municipality will be within the built-up area.

The Places to Grow Growth Plan does not identify infill development as a specific term rather the intensification target deals with lands within the built boundary. Thus, some developments that are new plans of subdivision may be within the built boundary and therefore be included in the intensification target. For example, the Conservation Estates subdivision (yielding approximately 108 units) would likely be considered as within the Built Boundary and count towards the intensification target.

The Places to Grow Growth Plan sets out a phased approach for increasing intensification. The plan recognizes that municipalities need to develop their own policies and phasing strategies to achieve the intensification target by 2015 in a manner that will respect and complement each municipality's character. The timeframe of 2015 was provided as the start date for achieving this target to provide municipalities with an adequate transition period to implement Places to Grow. The implementation of the intensification target requires each municipality to draft qualifying policy to determine whether the 40% target is appropriate given the size, location and capacity of the built-up area. Each municipality in the outer-ring (this includes Guelph) will be reviewed and an appropriate intensification target will be set as per Section 2.2.3, Clause 4 of the Growth Plan:

The Minister of Public Infrastructure Renewal may review and permit an alternative minimum intensification target for an upper – or – single – tier municipality located within the outer ring to ensure the intensification target is appropriate given the size, location and capacity of built-up areas.

The City of Guelph is on the way to developing a strategy for intensification through the GMS and the update to the Official Plan.

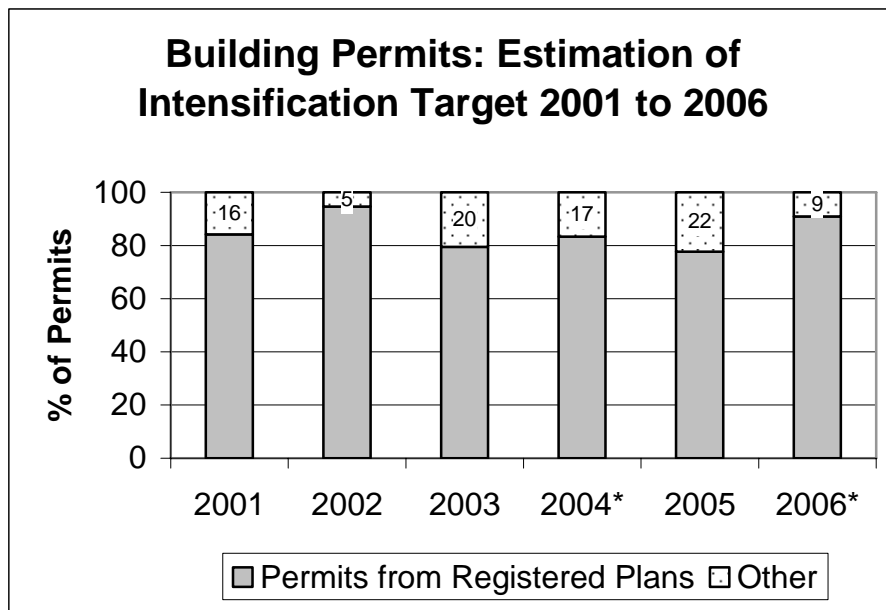
It is important to note that the intensification target requires the establishment of the boundary of the built-up area in order to begin to monitor achievements in terms of this policy. It is difficult, at this time, to provide an estimation of the number of units that would be considered as Greenfield or within the built boundary until the boundary is established. 2007 will be the first year that staff can accurately report statistics for the "General Intensification" target of Places to Grow.

It is expected that the built boundary will be established by the Ministry of Public Infrastructure Renewal within the next couple of months. Staff will report to Council when the boundary is established. Further, providing an estimate of how much development occurred within the built boundary for the years 1996 to 2006 is problematic because the Built Boundary will be defined based on existing development as of June 16, 2006. Any estimation would be skewed towards the built up area as a result of how the built boundary will be defined (i.e., areas developed as of June 16, 2006). Monitoring of this future target is meant to begin at the time the boundary is defined in order to provide an accurate measure of

where we are year over year so that we can work towards meeting the intensification target by 2015.

In an attempt to understand how many units may have been considered as part of the built-up area, staff have reviewed building permit data for the years 2001 to 2006 using Schedule 7 Table 2 of the DPP (Permits Issued to Date and Remaining Vacant Lots in Registered Plan of Subdivision) to get an idea of the percentage of development from new plans of subdivision.

The following chart displays the percentage of building permits that were issued for registered plans of subdivision for the years 2001 to 2006. The “other” permits include units created by severances or site plan applications; these permits would likely be considered as within the Built Boundary. Using the average for the six year period, 85% of permits could be considered ‘greenfield’ and 15% of permits could be considered within the built boundary. Note: some of the registered plans of subdivision would likely fall within the built boundary so the percentage in the built boundary could be slightly higher.



*data to year end, all other years reported to October 31.

Growth Rate – The Official Plan Policy and the Outcome: There has been discussion recently that the City of Guelph is currently growing at a rate that is higher than the population growth objective of the Official Plan (Section 3.2).

3.2 *Community Form Statement*
General Development Objectives

- b) *To work towards achieving a moderate rate of population growth, which will represent an annual average population increase of 1.5 per cent of the total City population.*

Recent development activity confirms that the current growth rate meets the target set by the Official Plan and the approved Population Projections. The tables below provide the anticipated growth set out by the Population Projection Study along with the actual growth rate as determined by recent development activity.

The Official Plan set the growth rate at an annual average of 1.5% for the period 1996 to 2021. The approved population projections study provided direction as to how the average annual growth rate would occur for the period 2001 to 2027 within the 1.5% objective. It was not intended to be static at 1.5% growth year over year. Rather, it is a cumulative growth rate, where an annual population growth rate of 2.2% is expected over the years 2001 to 2006 and 1.7% annually for the period 2006 to 2011. After 2011, the growth rate is expected to decline again as a result of an anticipated reduction in economic growth for the GTA and the overall aging of the population in the period post 2011. When considering the entire twenty-six year time period, the average annual growth rate would meet the 1.5% set out in the Official Plan.

To date, the City has achieved the direction set out by the approved Population Projections in meeting the 1.5% growth rate objective. Staff continue to use these targets in the preparation of the annual Development Priorities Plan and the recommendations in the 2007 DPP fall within the guideline of 900 units per year for the years 2006 to 2011 as outlined in the Population Projections report.

POPULATION GROWTH SCENARIOS, 2001-2027	
2001	109,450
2006	123,160
2011	135,770
2016	142,730
2021	150,040
2027	157,200
Cumulative Growth Rate 2001-2006	2.2%
Cumulative Growth Rate 2006-2011	1.7%
Cumulative Growth Rate 2001-2027	1.5%

Recent Development Activity and Growth Rate		
Year	Total Building Permits (not including acc.apts)	Registration Activity
2001	1067	1494
2002	1057	1013
2003	934	960
2004	1392	692
2005	786	1218
2006	768	648
Development Activity Expected by Population Projections (average 2001-2006)	1000 units per year	1000 units per year
Actual Development Activity (average 2001-2006)	1001 units per year	1004 units per year

Staff continue to recommend the approval of the 2007 DPP in the form presented to Community Development and Environmental Services Committee on February 9, 2007. The recommendations and targets outlined in the 2007 DPP meets the current Official Plan policies and approved Council policy direction and implements the current Strategic Plan. Staff acknowledge that the future role of the DPP will likely be changed in response to the ongoing Growth Management Strategy.

CORPORATE STRATEGIC PLAN:

Supports Strategic Direction #1: The management of growth in a balanced and sustainable manner.

ATTACHMENTS:

Schedule 1 – Growth Management Strategy Work Plan

Schedule 2 – Zoned and Draft Approved Apartment and Townhouse Sites

Prepared By:
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Recommended By:
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Manager of Development Planning

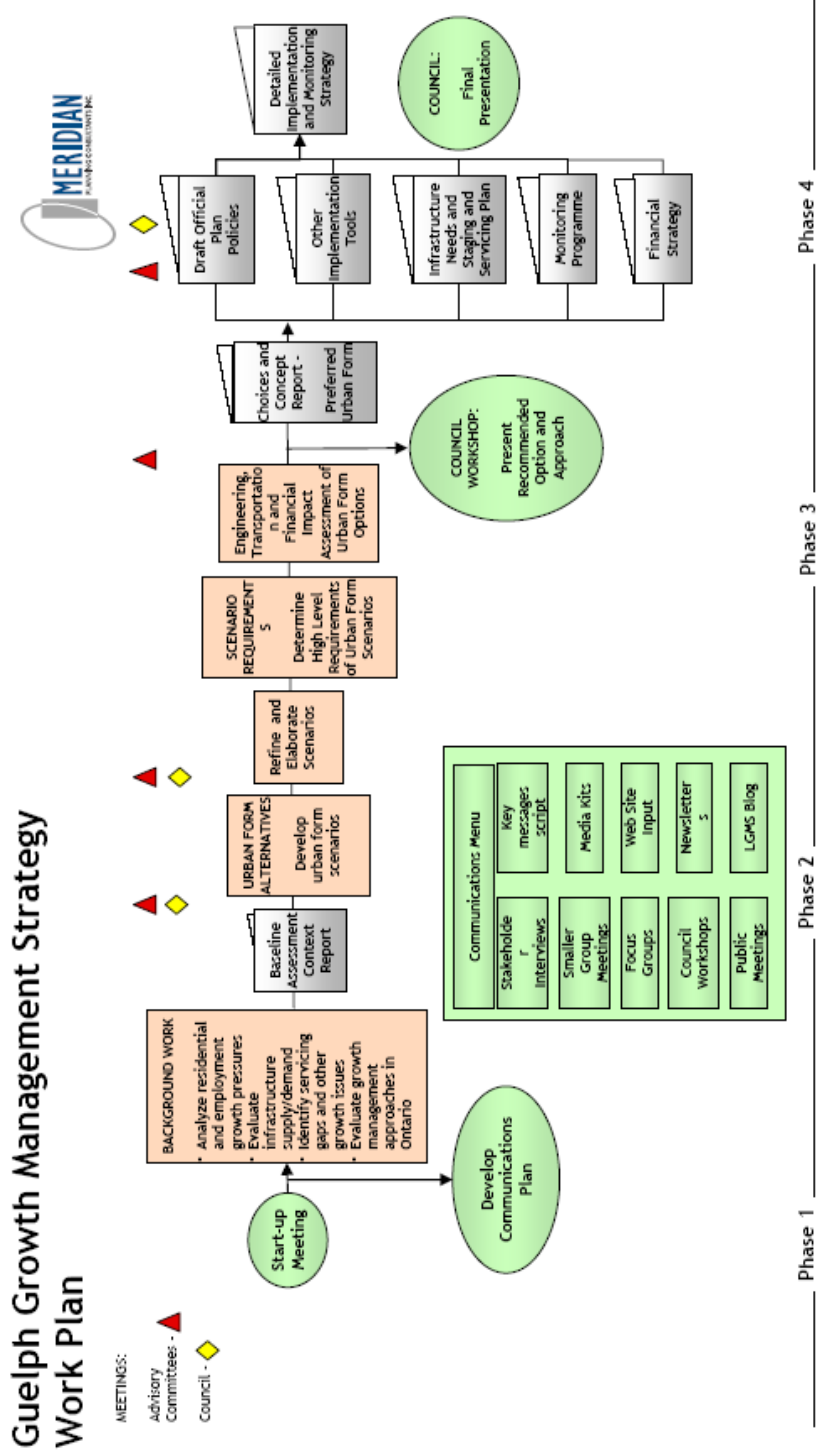
Recommended By:
James N. Riddell
Director of Community Design and
Development Services

Approved for Presentation:
Larry Kotseff
Chief Administrative Officer

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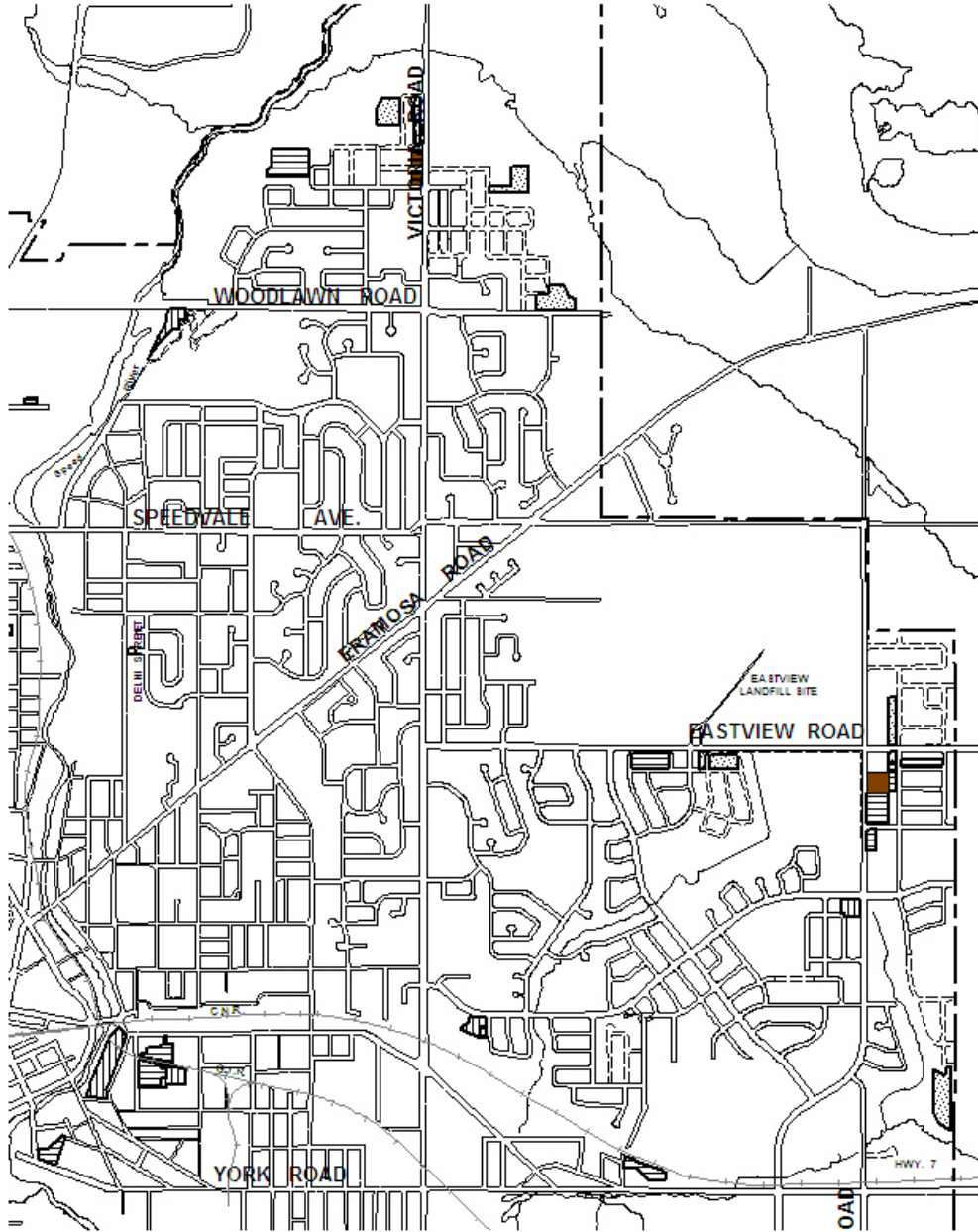
SCHEDULE 1

Growth Management Strategy Work Plan







SCHEDULE 2

POTENTIAL APARTMENT and TOWNHOUSE DEVELOPMENTS NORTHEAST SECTOR (as of December 2006)



LEGEND:

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|-------------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------|
|  | APARTMENT BLOCK IN A DRAFT APPROVED PLAN OF SUBDIVISION |  | ZONED APARTMENT BLOCK |
|  | TOWNHOUSE BLOCK IN A DRAFT APPROVED PLAN OF SUBD. |  | ZONED TOWNHOUSE BLOCK |



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POTENTIAL APARTMENT and TOWNHOUSE DEVELOPMENTS NORTHWEST SECTOR (as of December 2006)



LEGEND:

- APARTMENT BLOCK IN A DRAFT APPROVED PLAN OF SUBDIVISION
- ZONED APARTMENT BLOCK
- ZONED TOWNHOUSE BLOCK
- TOWNHOUSE BLOCK IN A DRAFT APPROVED PLAN OF SUBD.

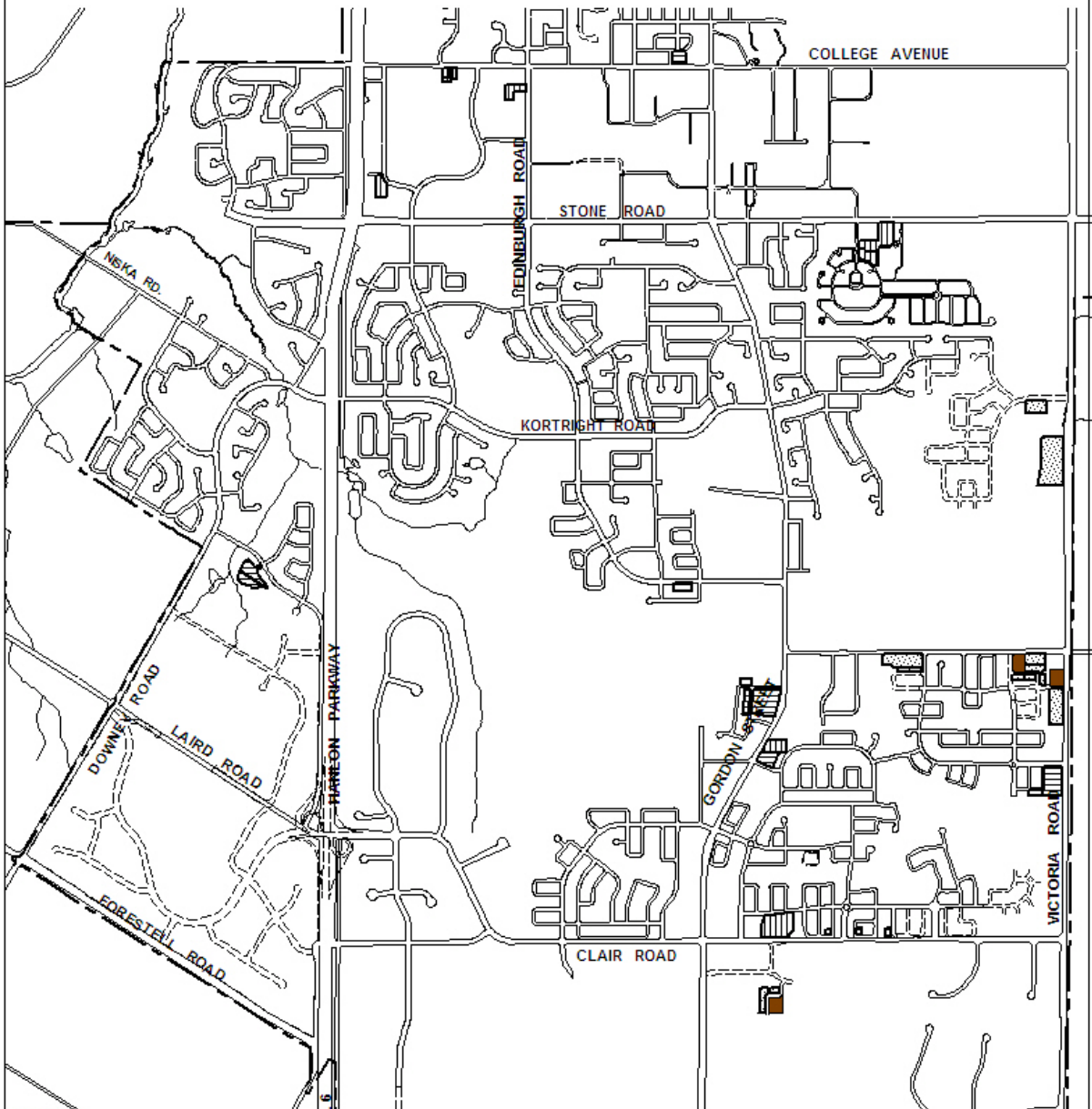


COMMUNITY DESIGN and DEVELOPMENT SERVICES







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**POTENTIAL APARTMENT and TOWNHOUSE DEVELOPMENTS
SOUTH SECTOR (as of December 2006)**



LEGEND:

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|-------------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------|
|  | APARTMENT BLOCK IN A DRAFT APPROVED PLAN OF SUBDIVISION |  | ZONED APARTMENT BLOCK |
|  | TOWNHOUSE BLOCK IN A DRAFT APPROVED PLAN OF SUBD. |  | ZONED TOWNHOUSE BLOCK |

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