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File: O-7938
 Planner: M. Johnson

TO:	CHAIR AND MEMBERS PLANNING & ENVIRONMENT COMMITTEE
FROM:	JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER
SUBJECT:	LAND NEEDS BACKGROUND STUDY FOR THE 2011 OFFICIAL PLAN REVIEW – REQUESTS FOR INCLUSION MEETING ON JULY 23, 2013

RECOMMENDATION

That, on the recommendation of the Managing Director, Planning and City Planner, the following actions **BE TAKEN** with respect to the Land Needs Background Study for the 2011 Official Plan Review:

- (a) that the attached Planning staff report **BE RECEIVED** for information; and
- (b) a Public Participation Meeting of the Planning and Environment Committee to adopt the Land Needs Background Study as a Background Document for the Rethink London Official Plan Review process **BE SCHEDULED** for August 20, 2013.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- June 18, 2013 Planning and Environment Committee, “Land Needs Background Study For The 2011 Official Plan Review.”
- October 15, 2012 Planning and Environment Committee, “City of London Growth Projections: 2011-2041.”
- June 18, 2012 Planning and Environment Committee, “City of London Growth Projections: 2011-2041.”
- January 30, 2012 Strategic Priorities and Policy Committee, “Terms of Reference – Five Year Official Plan Review.”

PURPOSE

This report is intended as a follow up to the Land Needs Background Study for the 2011 Official Plan Review presented to the Planning and Environment Committee on June 18, 2013. The previous report, Land Needs Background Study for the 2011 Official Plan Review, has been attached as Appendix “A” for reference. Requests have been received to make adjustments to the Urban Growth Boundary, and this meeting has been scheduled so that landowners and/or their agents can make submissions to the Planning and Environment Committee prior to any decisions being made with respect to the Urban Growth Boundary. This report itemizes these requests, noting that an expansion of the Urban Growth Boundary is not required at this time. It should also be noted that the need for additional lands for industrial uses is being undertaken through a separate process. Council has already directed that up to 500 hectares of industrial land be considered, based upon a Land Needs Study and Justification Report that has been previously accepted by Council. This report addresses non-industrial lands.

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BACKGROUND

The purpose of the Land Needs Background Study is to determine whether a justification exists under the provisions of the Provincial Policy Statement (PPS) and the City’s Official Plan to add additional land into the designated urban growth area to accommodate anticipated growth in population, housing and employment for the City of London for the 20 year planning period. The following section summarizes the applicable policies of the Provincial Policy Statement (PPS) and London Official Plan that provide the policy framework to guide the comprehensive review of the City’s land need analysis.

The Settlement Areas policies contained in Section 1.1.3 of the PPS, provide clear objectives and criteria to ensure that expansions to municipal growth boundaries will only be considered where it has been demonstrated that sufficient opportunities for growth are not available through intensification, redevelopment and/or new development within designated growth areas (i.e., within the Urban Growth Boundary). The consideration of expansions to growth area boundaries must also consider the availability of infrastructure and public service facilities that are available or planned for the area; the consideration of alternative options to avoid development in prime agricultural areas; and, the mitigation of impacts from expanding the growth area boundary on adjacent agricultural operations.

The policies of local planning jurisdictions must be “consistent with” Provincial policy and the PPS provides criteria that must be addressed before considering expansions to the Urban Growth Boundary. There is a clear onus on municipalities to demonstrate that expansions are required to the Urban Growth Boundary in order to meet the forecast demand for additional land requirements during the planning period.

It is intended that this analysis will meet the requirements set out in the PPS (1.1.2) which states that:

“Sufficient land shall be made available through intensification and redevelopment and, if necessary, designated growth areas, to accommodate an appropriate range and mix of employment opportunities, housing and other land use to meet projected needs for a time horizon of up to 20 years.”

The PPS also makes reference for municipalities to maintain a minimum supply of land adequate to allow for 10 years of growth. Section 1.4.1 states that “...planning authorities shall:

- a) maintain at all times the ability to accommodate residential growth for a minimum of 10 years though residential intensification and redevelopment and, if necessary, lands which are designated and available for residential development; and
- b) maintain at all times where new development is to occur, land with servicing capacity sufficient to provide at least a 3 year supply of residential units available through lands suitably zoned to facilitate residential intensification and redevelopment, and land in draft approved and registered plans.”

In addition to the policy framework set out in the PPS, modifications to the City’s Urban Growth Boundary (UGB) must be consistent with the Official Plan. Policy 2.5.5 of the Official Plan provides a framework for the evaluation of land requirements to accommodate forecasted growth in population, housing and employment. Section 2.6 of the Plan provides a policy framework for growth management in the City of London, including specific policies that are identified under Growth Forecasting and Monitoring (2.6.5); Land Requirements Forecasting (2.6.6) and Identification of Growth Areas (2.6.7). Policy 2.6.6 establishes a target range of a fifteen to 20 year supply of vacant land designated for urban growth.

It is important to note that land needs analysis may be conducted at least every five years (in accordance with the provisions of the Planning Act) as part of the municipal comprehensive review process of the Official Plan. During the municipal comprehensive review, City staff will revisit population, housing and employment forecasts and determine if adjustments are required to address changes to growth patterns, market conditions and the broader legislative context.

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Should these updated forecasts demonstrate the need to include revisions to the urban growth boundary, Council will be afforded the opportunity to reconsider them at that time. Opportunities also exist for Council to initiate a comprehensive review of the land supply prior to such reviews, if it has been determined that there is a need to review expansions to the urban growth boundary.

FINDINGS OF LAND NEEDS BACKGROUND STUDY

The Land Needs Background Study demonstrated that there is sufficient land supply over the 20 year planning period to accommodate the projected residential demand. To provide further detail with regard to the findings of the Land Needs Background Study, the following sections outline the demand and supply for residential lands, and the residential land needs analysis. The non-residential land needs analysis is also summarized.

Residential Demand

Based on new housing unit demand determined by Altus Group Economic Consulting, it was projected that 42,380 new residential units would be required to be constructed within the planning period of 2011 to 2031, an average of 2,119 units per year through the 20 year planning period. Anticipated housing demand was disaggregated by structure type into three categories: (1) single and semi-detached dwellings (low density), (2) row housing (medium density), and, (3) apartment units (high density).

Table 1: Annualized Housing Completions, Actual and Forecast, 2006-2031

Census Periods	Singles & Semis	Row Housing	Apartments	All Unit Types	
				Occupied Dwelling Units	
2006-2011 ^(a)	1,103	238	793	2,134	
2011-2016 ^(f)	1,043	332	679	2,055	
2016-2021 ^(f)	1,170	379	705	2,254	
2021-2026 ^(f)	1,151	354	644	2,149	
2026-2031 ^(f)	1,096	318	604	2,018	
2011-2031					
Forecast Avg.	1,115	346	658	2,119	
Forecast Total	22,300	6,915	13,160	42,380	

Source:

(a) CMHC Completion Data

(f) Forecast outlook provided by Altus Group Economic Consulting (2011 update)

Note: Some totals may not add-up due to the cumulative impact of rounding.

In order for the City to achieve its 40% intensification target, as identified in the 2011 Official Review and 2030 Transportation Master Plan, it was assumed that not all of the projected new housing unit demand will be met through development of lands within the Greenfield Area. The Study assumed 40% of the total housing demand would be accommodated through intensification. As a result, the intensification assumptions put forward for the Study were that 7% of low density, 52% of medium and 88% of high density dwelling unit construction would occur as intensification (i.e., within the Built Area) in order to achieve the 40% intensification target over the 20 year planning period. Conversely, 93% of low density demand, 48% of medium density demand and 12 % of high density demand will be accommodated in Greenfield Areas outside the Built Area Boundary.

Taking into account the intensification assumptions, the total future residential Greenfield unit demand was determined after subtracting the number of units that will be constructed within the Built Area. The following table shows the total future residential Greenfield demand, broken down by low density, medium density and high density units.

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Table 2: Calculation of Residential Greenfield Unit Demand, 2011-2031

	Total City-wide Unit Demand 2011-2031 ⁽¹⁾	Intensification Factor	Subtract Built Area Units ⁽²⁾	Greenfield Unit Demand 2011-2031
LDR	22,300	7%	1,561	20,739
MDR	6,915	52%	3,596	3,319
HDR	13,160	88%	11,581	1,579
Total	42,380	40%	16,738	25,642

Source:

(1) Altus Group Economic Consulting (2011 update)

(2) City of London, Building Division. Tabulation compiled by Planning Division

Note: Some totals may not add-up due to the cumulative impact of rounding.

Residential Supply

The supply of residential Greenfield lands was obtained through the use of the residential Vacant Lands Inventory (VLI). The residential Vacant Land Inventory (VLI) is based on relevant building permit information, subdivision files (including those that have been registered, draft approved or under review), community/area plans, other associated planning data and is checked against 2011 aerial photography. Based on the status of the land (Registered plan, Draft approved plan, designated residential, urban reserve community growth), the potential for residential development was inventoried as follows:

Table 3: Residential Vacant Land Inventory – Units Available on December 31, 2011

Status/Category	Land Area (ha)	Low Density Units	Medium Density Units	High Density Units	Total Units
Registered Subdivision Plans	1,209	1,457	2,004	807	4,268
Draft approved subdivision plans	541	4,132	2,877	1,731	8,740
Draft subdivision plans - under review	322	2,668	2,314	2,911	7,893
Designated residential lands	985	13,772	11,681	8,474	33,927
Urban Reserve Community Growth	666	2,545	1,036	622	4,203
Total	3,723	24,574	19,912	14,545	59,031

Source:

Vacant and Underutilized Residential Land Summary, 2011 Year-end Compilation. Prepared by Development Approvals Business Unit (DABU)

Note: VLI does not take into account additional supply within the built boundary made available via intensification efforts or urban redevelopment initiatives.

Five adjustments were made to the supply of residential Greenfield lands.

1. A sizable amount of industrial lands was subject to redesignation for non-industrial uses through the Southwest Area Plan (SWAP). Where applicable, these lands were removed from the industrial VLI and a portion was transferred to the residential VLI.

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2. An examination of building permits issued between 2006 and 2011 that indicated approximately 55% of the units built on medium density designated lands were actually low density type structures (single and semi-detached dwellings). Conversely, nearly 10% of units built on low density designated land were of a medium density type (row townhouses or cluster housing). To account for this, a conservative approach was chosen, whereby 25% of medium density residential lands would be allocated to low density residential lands.
3. Provides for the application of revised densities based on the review of designated lands.
4. The designated and urban reserve lands located within the Byron Pits area have been included in the final supply, as it is now likely there will be an opportunity for redevelopment to residential uses within the 20 year planning period. The development potential is based on personal communication with the pit operator as of January 2013.
5. The construction of the Southside Sewage Treatment Plant was previously identified as having major implications for the future development of land in the Southwest area of the City (land generally south of Southdale Road and west of Wharnclyffe Road). However, since capacity efficiencies have been realized at the Greenway Sewage Treatment Plant, the construction of the Southside Sewage Treatment Plant by 2016 is no longer a barrier to development in the Southwest. Therefore, it is assumed that higher levels of development in the Southwest can occur prior to the previously established timeline of 2016.

Residential Land Needs Analysis

A total supply of 33,394 Greenfield units will be remaining at the end of the 20 year planning period (2031). As provided in Table 4, there will be 3,835 low density units, 16,593 medium density units and 12,966 high density units remaining at the end of the 20 years.

Table 4: Residential Greenfield Land Needs Calculation (Supply minus Demand)

	Low	Medium	High
20 year Greenfield Supply	24,574	19,912	14,545
20 year Greenfield Demand *	20,739	3,319	1,579
Greenfield Supply at 2031	3,835	16,593	12,966

* Reflects number of units that have been removed and allocated for in the Built Area.

There will be a 3 year supply of low density residential lands, a 48 year supply of medium density residential lands, and a 20 year supply of high density residential lands at the end of the 20 year planning period.

Table 5: Estimated Years of Supply Available

	Low	Medium	High
Estimated Total Years of Greenfield Supply beyond 2011	22	58	22
Estimated Total Years of Greenfield Supply beyond 2031	3	48	20

Calculation of years of supply based on projected annual household completions for the

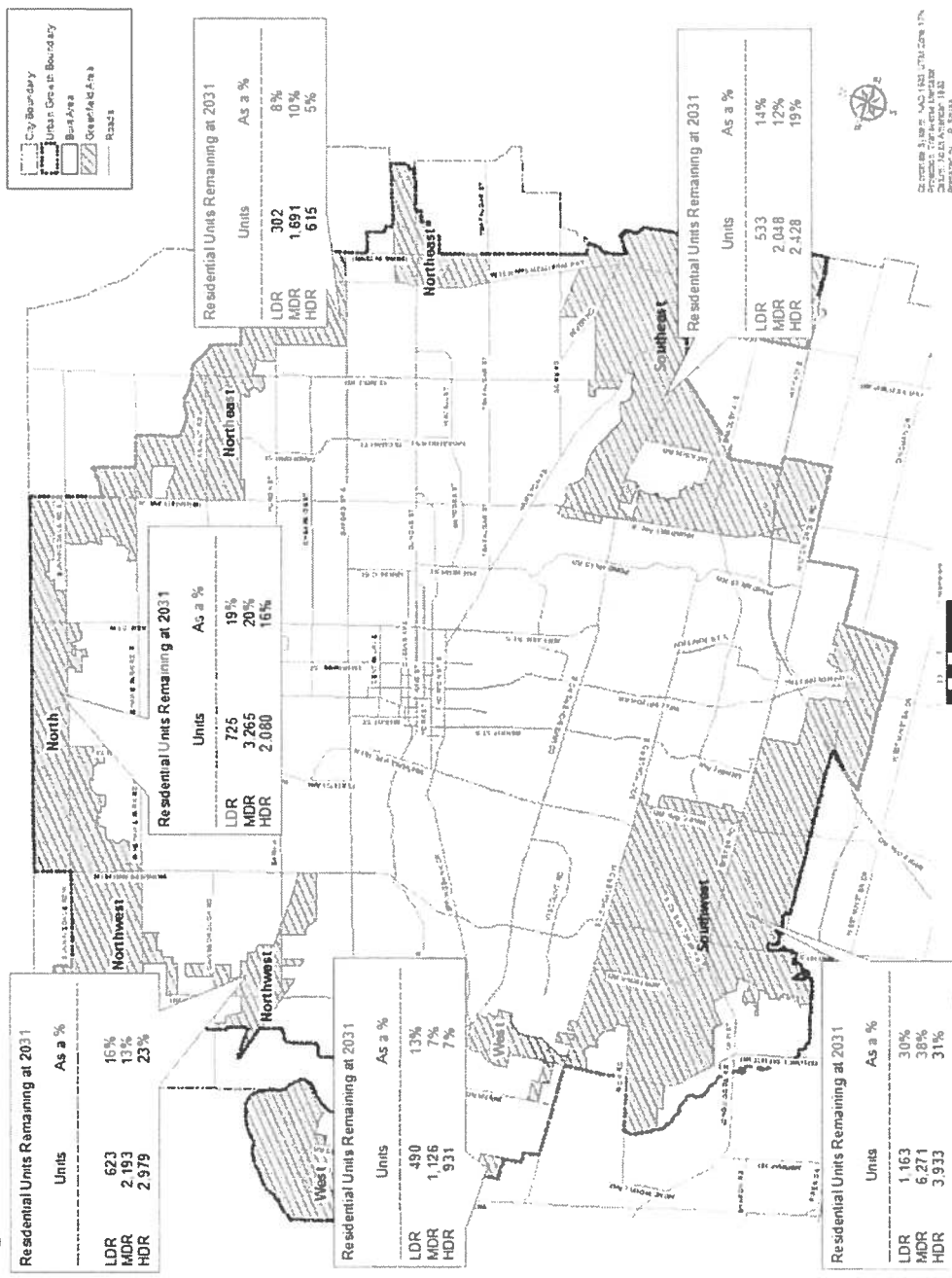
period 2011-2031 (1,115 low units, 346 medium units, 658 high units)

Source: Figures provided by Altus Group Economic Consulting (2011 update)

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As summarized in Figure 1, there is an adequate supply of land is available in all Districts of the City, allowing for the provision of housing choice city-wide beyond the 20 year period examined here.

Figure 1: Residential Units Remaining at 2031 by District



Non-Residential Land Needs Analysis

The non-residential land needs analysis, as summarized in Table 6, also indicated that there is no need to expand the Urban Growth Boundary to accommodate growth on commercial or institutional land for the 20 year planning period.

Table 6: Commercial and Institutional Land Needs Calculation

	Supply (ha)	Intensification		No Intensification Assumption	
		Demand (ha)	Supply minus Demand (ha)	Demand (ha)	Supply minus Demand (ha)
Commercial	295	65	230	108	187
Institutional	102	25	77	141	(39)

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GROWTH PATTERN OPTIONS

As part of the Rethink London process, a series of discussion papers were prepared. In the Building a Mixed-Use, Compact City paper, attached as Appendix B, three possible growth scenarios were developed to illustrate the costs associated with different forms of growth. The context of the growth options is that the City of London is expected to add almost 200,000 residents to its population over the next 50 years. The following summarizes the three growth options.

Assumptions

Population – 192,000
 Residential unit demand – 102,000

Spread Scenario

- Requires 9 % of future development to occur within the Built Area Boundary.
- 70% single detached houses.
- 15% townhouse and mid-rise.
- 15% high-rise.
- Broad majority of growth in Greenfield Areas; infill development is limited.
- Residential densities are very low.
- Require more than 6,400 hectares of land outside of current Urban Growth Boundary to accommodate the 192,000 residents that are expected in the next 50 years.

Hybrid Scenario

- Requires 40 % of future development to occur within the Built Area Boundary.
- 50% single detached houses.
- 23% townhouse and mid-rise.
- 27% high-rise.
- Broad majority of single detached homes in Greenfield Areas, but half of townhouses, mid-rise and 90% of high-rise are within the Built Area Boundary.
- Residential densities are slightly higher than recent history.
- Would develop beyond our current Urban Growth Boundary over the next 50 years, but requires only 17% of the additional land area required (1098 hectares) under the Spread scenario.

Compact Scenario

- Requires 66 % of future development to occur within the Built Area Boundary.
- 30% single detached houses.
- 35% townhouse and mid-rise.
- 35% high-rise.
- Broad majority of single detached home in Greenfield Areas, but majority of townhouses, mid-rise and high-rise are within the Built Area Boundary.
- Residential densities are very high.
- Would allow the City to accommodate all of the 192,000 new residents within the current Urban Growth Boundary.

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Table 7: Residential Growth Pattern Scenarios, City of London (50 years)

Unit Type	"Spread"			"Hybrid"			"Compact"		
	Built Area (units)	Greenfield Area (units)	Total (units)	Built Area (units)	Greenfield Area (units)	Total (units)	Built Area (units)	Greenfield Area (units)	Total (units)
LDR	1,782	69,506	71,288	3,819	47,102	50,921	3,055	27,498	30,553
MDR	1,528	13,749	15,277	11,457	11,457	22,914	30,298	5,347	35,645
HDR	6,111	9,166	15,277	25,206	2,801	28,007	33,862	1,782	35,644
Total	9,421	92,421	101,842	40,482	61,360	101,842	67,215	34,627	101,842

Table 8: Non-Residential Growth Pattern Scenarios, City of London (50 years)

	"Spread"			"Hybrid"			"Compact"		
	Built Area (ha)	Greenfield Area (ha)	Total (ha)	Built Area (ha)	Greenfield Area (ha)	Total (ha)	Built Area (ha)	Greenfield Area (ha)	Total (ha)
Commercial	33	301	334	217	117	334	251	84	334
Institutional	42	377	419	272	147	419	314	105	419
Total	75	678	753	489	264	753	565	188	753

Comparison of Infrastructure Costs

Spread Scenario

- Capital costs would be \$4.2 billion over 50 years.
- Capital costs would be \$2.7 billion or 180% more than the Compact scenario over 50 years.
- Operating costs would be about \$2.17 billion – about 4 times the cost of servicing the Compact scenario.
- In the 50th year, it is estimated that the operating costs of servicing the 50 years of new growth in the Spread scenario would be about \$88.5 million per year. About 2.5 times or \$52 million more than the annual servicing costs of the Hybrid scenario. An additional \$52 million to service this new growth would be required compared to the Hybrid scenario, \$70 million more than the Compact scenario.

Hybrid Scenario

- Capital costs would be \$2.2 billion over 50 years.
- Capital costs would be \$680 million or 45% more than the Compact scenario over 50 years.
- Operating costs would be \$886 million – almost double the operating costs of servicing the Compact scenario.

Compact Scenario

- Capital costs would be \$1.5 billion over 50 years.
- Operating costs would be \$452 million over 50 years.

Table 9: Capital Costs over 50 years of Growth (\$2013)

Scenario	Total 50 year Development Cost (\$2013) ⁽¹⁾	Difference (versus Compact)
Scenario 1: "Spread"	\$ 4,183,000,000	\$ 2,692,000,000
Scenario 2: "Hybrid"	\$ 2,171,000,000	\$ 680,000,000
Scenario 3: "Compact"	\$ 1,491,000,000	-

Notes:

(1) Costs include: major servicing costs, local servicing costs for residential lands, cost of greenfield road widenings in excess, of the "compact" scenario, required interchanges, and a premium for the first phase of Southside Pollution Control Plant.

Table 10: Operating Costs over 50 years of Growth (\$2013)

Scenario	Total 50 year Development Cost (\$2013) ⁽¹⁾	Difference (versus Compact)
Scenario 1: "Spread"	2,170,000,000	\$ 1,718,000,000
Scenario 2: "Hybrid"	886,000,000	\$ 434,000,000
Scenario 3: "Compact"	452,000,000	-

Notes:

(1) Costs include: 50 years of spatially dependent operating costs for the entire 50 year period.

REQUESTS FOR EXPANSION OF THE URBAN GROWTH BOUNDARY

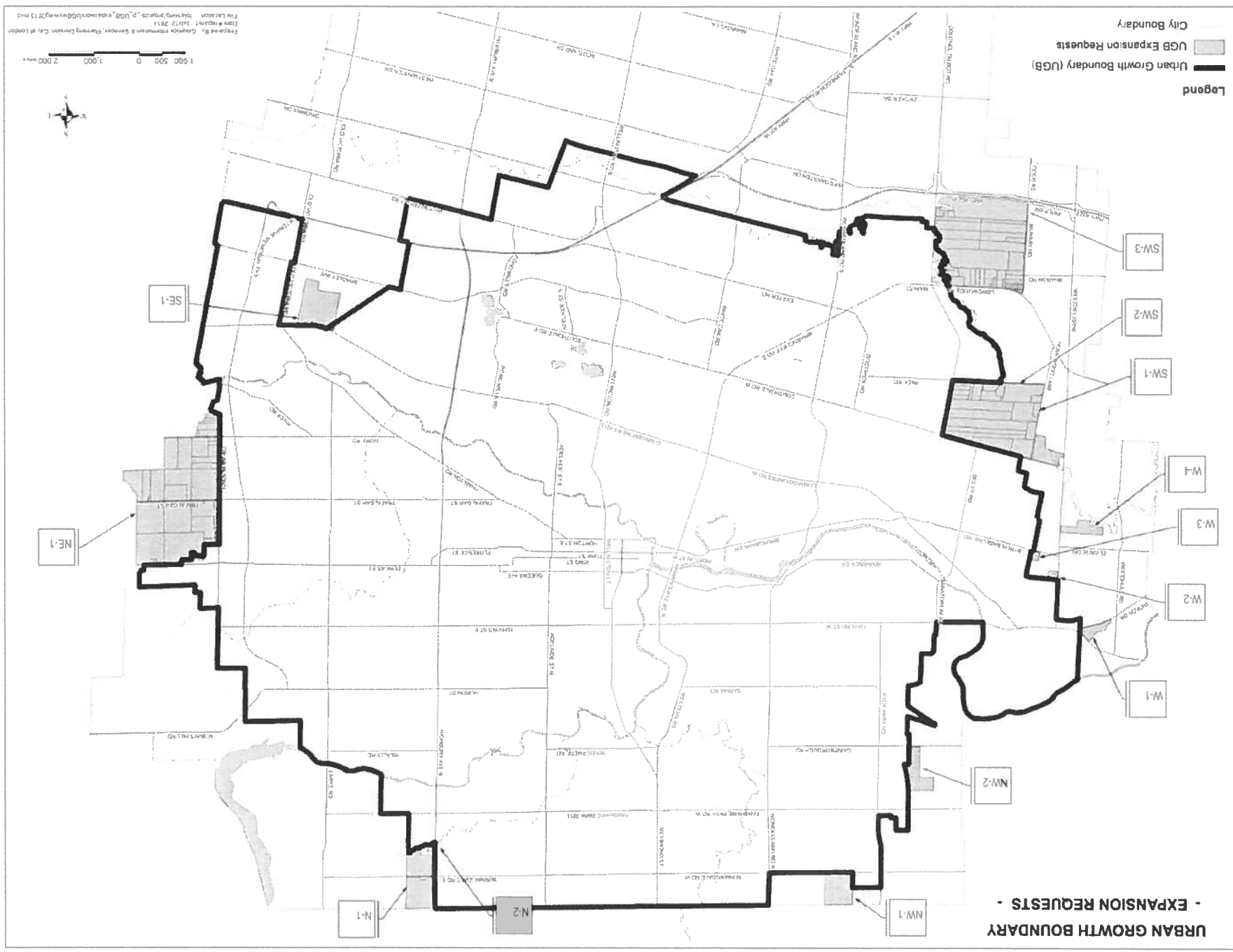
Overview

Since the start of the 2011 Official Plan Review process, and up to July 10, 2013, 13 requests, representing approximately 134 properties were made by landowners, or their agents, for lands to be included in the Urban Growth Boundary. These 13 requests represent approximately 1,439.2 ha (3,556.3 ac) of land, an area approximately 50% of the land area in the Southwest Area Plan. The accompanying map shows each of the requests for inclusion and their proximity to the Urban Growth Boundary. A full list of requests by District is found later in the report.

A review of the requests for inclusion within the Urban Growth Boundary has been undertaken by Planning Services and it has been determined that none of the areas outside of the current Urban Growth Boundary represent emergent opportunities for growth that cannot be accommodated elsewhere within the Urban Growth Boundary. As indicated previously there is sufficient land to accommodate the growth projected to occur over the 20 year planning period.

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Table 11: Summary of Requests for Expansion

ID	Name of Owner/Agent/Group	Description of Land	Number of Requested Properties	Total Area (ha)
N-1	Sifton Properties Ltd.	2380 Highbury Avenue & 2270 Highbury Avenue	2	78.6
N-2	Mauro Castrilli	2156 Highbury Avenue North	1	1.9
NE-1	East London	Dundas Street, City Boundary, CP Rail, Crumlin Road	58	474.9
SE-1	Jack Van Nes/Teresa Van Nes	2031 Comissioners Road East	1	70.1
SW-1	Mike White	3378 Homewood Lane	1	4.3
SW-2	West Talbot Landowners Association	Southdale Road, Colonel Talbot Road, Pack Road, Homewood Lane	23	308.6
SW-3	Shmuel Farhi	Longwoods Road, Colonel Talbot Road, Hwy 402, Murray Road	42	382.7
W-1	Phyllis Matthews	2166 Oxford Street West	1	12.6
W-2	Fred Desando	1530 Westdel Bourne	1	4.0
W-3	Barbara Langtvet	1641 Byron Baseline Road	1	4.0
W-4	Shaun Stevens	2197 Westdel Bourne	1	19.6
NW-1	Ali Jomaa	1431 Sunningdale Road West	1	43.6
NW-2	Adam Kempinski/Janis Kempinski	1217 Gainsborough Road	1	34.3

Total Land Area

1,439.2 ha

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PROPOSED PROCESS / NEXT STEPS

Staff is recommending the following next step related to the Land needs background study:

- August 20, 2013 – Public Participation Meeting before Planning and Environment Committee to consider the Final Land Needs Background Study and recommendation regarding an expansion of the Urban Growth Boundary.

CONCLUSION

The land needs analysis contained within the Land Needs Background Study, consistent with the Provincial Policy Statement and the policies of the City's Official Plan, has demonstrated that there is no need to consider the addition of new lands into the City's Urban Growth Boundary through the 2011 Official Plan Review process. There is a sufficient supply of both residential and non-residential land within the municipality to meet development needs in the 15 to 20 year time horizon set out in the 2005 Provincial Policy Statement and the Official Plan. An adequate supply of land is available in all Districts of the City, allowing for the provision of housing choice in market location. The City has enough residential land, based upon current trends and assumptions, to accommodate its projected growth over the next 20 years. It is estimated that there will be a 3 year supply of low density residential lands, a 48 year supply of medium density residential lands, and a 20 year supply of high density residential lands at the end of the 20 year planning period.

A review of the requests for inclusion within the Urban Growth Boundary has been undertaken and it has been determined that none of the areas outside of the current Urban Growth Boundary represent emergent opportunities for growth that cannot be accommodated elsewhere within the Urban Growth Boundary.

As illustrated by the growth pattern options presented earlier in the report there are significant cost differences between the three development patterns. Each type of growth pattern will have different requirements for infrastructure investments to facilitate urban development within the City of London.

There will be additional opportunities to review land requirements to accommodate development on an ongoing basis. In accordance with the provisions of the Planning Act, Council may determine the need to review the Official Plan every five years. During the municipal comprehensive review process, city staff will revisit population, housing and employment forecasts and determine if adjustments are required to address changes to growth patterns, market conditions and the broader legislative context. Should these updated forecasts demonstrate the need to include revisions to the urban growth boundary, Council will be afforded the opportunity to reconsider them at that time. Opportunities also exist for Council to initiate a comprehensive review of the land supply at any time, if it has been determined that there is a need to review expansions to the Urban Growth Boundary.

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PREPARED BY:	SUBMITTED BY:
MARK JOHNSON PLANNER II POLICY PLANNING AND PROGRAMS	GREGG BARRETT, ACIP MANAGER, POLICY PLANNING AND PROGRAMS
RECOMMENDED BY:	
JOHN M. FLEMING, MCIP, RPP MANAGING DIRECTOR, PLANNING AND CITY PLANNER	

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Appendix A

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Appendix B