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July 19, 2013

Planning and Environment Committee
City of London
300 Dufferin Avenue
P.O. Box 5035
London, ON N6A 4L9

Attention: Chair B. Polhill and Committee Members

RE: Land Needs Background Study: 2011 Official Plan Review (ReThink London)
File No. O-7983

We are writing on behalf of the London Development Institute (LDI) who has retained MHBC to review the ReThink London 'Land Needs Background Study', the June 18th planning staff report and related background data. MHBC has considerable experience in the preparation of growth management plans, including land needs studies, for municipalities throughout Ontario as well as providing advice to many private landowners in the review of same.

This matter is of great interest to landowners, developers, builders, business owners and the general public as it will guide land use planning decisions over the next 20 year horizon (2011-2031). The fundamental issue being considered is whether there are sufficient lands within the current Urban Growth Boundary (UGB) to accommodate future growth projections (residential and non-residential) within this time frame.

This material was presented to the Planning and Environment Committee on June 18th with a recommendation that the Land Needs Background Study and the associated Planning staff report be circulated to the public and agency consultation and that a Public Meeting be scheduled for July 23, 2013 to receive input.

Based upon the nature of our concerns summarized in the following discussion, we request that the Committee defer its decision on the Background Study in order to provide staff the opportunity to fully address our noted concerns and any other issues raised by interested parties.

SUMMARY OF KEY CONCERNS:

1.0 Public Consultation

Our first concern pertains to both the length of time being made available for interested parties to review the material, as well as the timing of the public meeting.

This is a very complex matter with a considerable amount of detailed data requiring comprehensive review. In addition to the Land Needs Background Study prepared by staff, it was also necessary to examine other related reports such as the City of London Growth Forecasts 2011- 2041 (October 15, 2012), the Altus report on Employment, Population, Housing and Non-Residential Construction Projections (September 2012) and background reports related to the Development Charges Review. It being further noted that 'Appendix B – Residential Vacant Land Inventory' to the Land Needs Background Study was not available for review with the June 18th staff report nor was it available on the City's website. Following our inquiries with City staff, hard copies of the 2011 and 2012 Residential Vacant Land Inventories were made available to us on July 4th, 2013. In future, all referenced material should be made available on the City's website at the same time as the staff reports.

It is our respectful submission that insufficient time has been afforded to interested parties to review this material and to determine what information gaps exist or additional clarification is necessary.

This leads to our other related concern that the Public Meeting on this matter is scheduled for July 23rd which is in the middle of summer holiday time when many people are away. This makes it difficult to obtain information and/or clarification on matters and to meet with interested parties. Not only are members of the public away but staff that were involved in the review and evaluation of the land needs study are often not available to respond to inquiries.

As such, we believe it is in the public interest to defer this matter so that the necessary follow up can occur and clarification can be sought on the material being presented.

2.0 Land Needs Analysis

Based upon our review of the material, we have identified several concerns with elements of the Land Needs analysis. These following sets out our principal concerns in this respect:

a) Vacant Land Inventory/ Planning Horizon

The residential land supply analysis should be predicated on the 2012 Vacant Land Inventory rather than the 2011 version, as the newer inventory represents the most current data for developing land needs projections. Additionally, it would seem prudent to advance the planning horizon (2011-2031) defined for this assessment to forecast a 20-year planning period from the approximate date of study completion.

b) Intensification Targets

Table 2.3 of the Background Study provides an overview of building permits issued for low, medium and high density residential development within the 'Built Area' during the period 2001-2011. The findings of this review formed the basis for intensification targets for each housing type. Table 2.4 of the Background Study (Table 3 - staff report) illustrates that 40% of all future residential development is assumed to occur within the Built Area. Of this, approximately 7% of future development is assumed to be absorbed by low density housing units (equating to 1,561 units).

It is important to recognize that absorption patterns over the last 10 years within the built area are reflective of a larger supply of vacant lands than will occur over the next 10 – 20 years. The supply of undeveloped plans of subdivision within the built area will not remain consistent with previous levels

thereby making it more difficult to meet the 5 % absorption for low density housing, let alone the projection of 7% as set out in the Land Needs Study.

The majority of low density residential units within the Built Area will most likely occur within approved plans of subdivision, with a smaller proportion of units being created through infilling and other intensification opportunities. However, the City's Vacant Land Inventory (2012) indicates that a significant amount of land available for low density residential falls outside the built area limits and therefore it is questionable whether there are sufficient lands to accommodate the 1,561 units projected. Moreover, the realities of land prices and development costs related to intensification sites will mean that few low density units will be constructed via intensification. Given these considerations, **we would suggest that the target of 7% intensification for low density residential within the built area is overly optimistic.**

It is also apparent from this table that the Greenfield Area will be comprised predominately of low-density residential forms, as 52% of medium density residential development and 88% of high density residential development will be absorbed into the Built Area. As noted on Table 2.4, it is anticipated that the housing composition of the Greenfield Area would be: 80.9% low density; 12.9% medium density and 6.2% high density. Over the defined 20-year planning period, the resulting urban structure in these areas would not appear to support a key ReThink objective: to provide 'complete' neighbourhoods which integrate a broad mix of housing choice for residents.

More broadly, **we are concerned that as the supply of vacant lands declines in the Built Area through uptake, a 40% intensification target may not be achievable** given existing development patterns and market demand; resulting in an undersupply of housing stock in the Greenfield Area. To address this concern, staff should confirm (1) the proportion of recent development in the Built Area occurring on vacant parcels and (2) provide further commentary to substantiate how 16,738 additional units will be accommodated within the Built Area over the 20-year planning period.

c) Vacant Land Inventory

Table 2.5 of the Background Study (Table 4 - staff report), provides an estimate of the residential units available within the UGB. The table incorporates five separate residential components and establishes unit forecasts for each. We have several comments pertaining to the information presented in this table and the assumptions employed to project future residential demand:

i. As illustrated in the table below, based upon this information provided in Table 2.5 the residential densities vary considerably between these categories. Most notably, the density forecasted for 'Designated Residential Lands' (34.5 units/ha) represents a significant increase over 'committed' Greenfield lands (i.e., registered and draft approved plans of subdivision). The anticipated density of Designated Residential Lands is also considerably higher than draft approved subdivisions currently under review (24.5 units/ha). It is unclear why future densities in the Designated Residential lands would be substantially different from other Greenfield areas and current development trends.

Greenfield Areas - Residential Inventory and Densities

Status/Category	Land Area (ha)	Total Units	*Density (Units/ha)*
Registered Subdivision	1,209	4,268	***3.5***
Draft Approved Subdivision	541	8,740	***16.1***
Draft Approved Subdivision – Under Review	322	7,893	***24.5***
Designated Residential Lands	985	33,927	***34.5***
Urban Reserve Community Growth	666	4,203	***6.3***
Total	3,723	59,031	*15.9*

ii. The 33,927 units forecasted for Designated Residential Lands represents approximately 57% of the City's future housing demand. Applying the average density approved for committed lands to this same land base would result in an estimated capacity of 7,289 units (equating to only 22.5% of future demand). In this scenario, additional lands would need to be brought into the UGB to accommodate future growth needs for the 20-year horizon. This finding underscores the significance of developing residential density assumptions that are reasonable, and in keeping with current development standards and market demand.

iii. Item 2 on Page 23 of the Background Study states that a significant proportion of medium density residential land is ultimately developed for low density purposes (55%), while a relatively small percentage of low density land is developed for medium density purposes (10%). Further explanation is needed to understand why a 25% medium to low density conversion allowance was chosen for the projection. Conversion rates for high density residential lands should also be presented.

iv. Item 3 on Page 23 of the Background Study presents the density assumptions utilized for the purposes of converting residential lands to housing unit requirements. Staff should provide the average densities for low, medium and high density units identified for the first three residential categories noted in the table above. This will permit a more complete analysis of the City's intensification targets.

iv. The density estimate for 'Urban Reserve Community Growth' lands is substantially lower than the assumed densities discussed above. Staff should confirm the basis for the Urban Reserve density calculation.

v. There is insufficient information to determine how the inventory of residential land was calculated for the Greenfield Area. If gross lands were included, this would inflate the amount of land available for future development. Staff should confirm that features such as natural heritage features, flood plain and hazard lands, roads and hydro corridors have been excluded from the inventory. It would appear that major natural heritage features have been excluded however a more detailed inventory should be made available.

vi. A comparison of the 2011 and 2012 Vacant Land Inventories suggests that the supply of medium density and high density residential units declined by 12.0% and 8.3%, respectively, over this one-year period. This rate of uptake appears to be significant and should be contemplated in staff's analysis.

vii. As illustrated on Table 4.1.2 of the Background Study (Table 8 – staff report), the projected housing demands result in a three-year Greenfield supply of low-density residential lands after the 20-year planning period. Staff has therefore recommended that there is no need to add land into the UGB. **It is apparent that the methodology and assumptions used to develop the land needs forecast requires further scrutiny before any determination is made regarding UGB expansion.**

In summary, we are concerned that the residential demand analysis developed for this study may substantially underestimate the City's land need requirements over the planning period, particularly in relation to the supply of low-density residential lands. We therefore request that staff conduct a further review of the study methodology and provide interested parties with a summary of this investigation. This information should greatly assist future discussions on the technical elements of the land needs study.

d) UGB Evaluation Criteria

At the conclusion of the Background Study and staff report, a series of possible criteria are introduced to assist the City with the review of lands being considered for inclusion in the UGB. It is also noted in the staff report that a weighting system could be introduced to evaluate the noted economic/technical, social and environmental criteria, based upon relative importance.

Before a weighted criteria structure is established to assess the relative merits of properties being evaluated for UGB inclusion, further discussions should be convened with all stakeholders. This assessment framework may also contemplate the possible removal of lands within the UGB in order to facilitate the inclusion of external properties that may be more appropriate for development purposes. Moreover, the UGB assessment framework should be designed with full consideration for the policies and planning direction set out in the Provincial Policy Statement and the Official Plan.

In conclusion, as noted, we request that the Committee defer its decision on this proposal and that Staff be requested to provide additional information to address the above-noted matters. We also request notification on any decision with respect to this study.

Respectfully submitted,

MHBC

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Partner

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