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**Subject:** Municipal Comprehensive Review Update: New Regional Official Plan and Growth Management Program

**Report to:** Planning and Economic Development Committee

**Report date:** Wednesday, May 16, 2018

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## Recommendations

1. That Regional Council **DEEM** the Municipal Comprehensive Review (MCR) pre 2017 Growth Plan complete;
2. That Regional Council **ENDORSE** PDS 21- 2018 as the growth management program (post 2017 Growth Plan) for the Region's new Official Plan; and,
3. That a copy of PDS 21-2018 **BE CIRCULATED** to all Local Municipalities.

## Key Facts

- The purpose of this report is to provide Council with an update on the status of the Municipal Comprehensive Review (MCR) and the requirements to integrate the MCR into the new Regional Official Plan.
- Due to the changes in Provincial planning policy, which has redefined the nature of an MCR, the work that has been done by the Region is divided into two stages – the MCR before the Growth Plan (2017) and the MCR after the Growth Plan (2017).
- Launched in 2015, the MCR consisted of four phases – Background and Technical Analysis, Issues and Opportunities, Growth Options and Preferred Growth Option. Phase 3, Growth Options, was presented to Planning and Development Committee in November 2016 (PDS 37-2016) and deferred by Regional Council until Provincial guidance for calculating the land budget was provided which would enable the preferred growth option to be determined.
- Population forecasts that were established in phase 3 of the MCR were utilized:
  - as inputs into the TMP and MSP (Go, Grow and Flow) to help determine the infrastructure requirements needed to support future growth; and
  - to inform the Region's Development Charges Study.
- With the Approval of the Growth Plan for the Greater Golden Horseshoe (May 2017) which took effect on July 1 2017, an MCR is now required as a series of background reports that inform a new official plan or amendment to an official

plan and that comprehensively applies the policies and schedules of the Growth Plan (2017).

- As a result, from a planning point of view, the MCR initiated in 2014 has served its purpose and is complete.
- The work that has been done to date will now be integrated into the growth management program for the new Regional Official Plan. The growth management program consists of the following components – Regional Land Needs Assessment Urban Structure, Employment Lands Strategy and Housing Strategy. Each component is described in this report in terms of work to be done and next steps.

## Financial Considerations

MCR pre 2017 Growth Plan work has been fully funded and the post 2017 Growth Plan costs will be accommodated within the council approved budget for the Regional Official Plan.

## Analysis

The table below provides a timeline of the key stages of the Regions MCR process and changes to related policy and guidance documents issued by the Province.

Date	Stage	Action/Implication
January 2015	MCR Project Initiation	<ul style="list-style-type: none"> <li>• Council approved, PDS 8-2015</li> </ul>
May 2016	MCR Phase 1 and 2 Complete	<ul style="list-style-type: none"> <li>• Council approved, PDS 15-2016</li> </ul>
November 2016	MCR Phase 3 Growth Options presented to Committee and Council	<ul style="list-style-type: none"> <li>• Preferred growth option is approved for use in TMP and WWW Plan and for Development Charge study, PDS 37-2016</li> <li>• Council deferred the consideration of growth options pending the release of and Regional calculations based on Provincial Guidance on Land Needs Assessment</li> </ul>
July 2017	Growth Plan 2017 comes into effect	<ul style="list-style-type: none"> <li>• MCR process is redefined</li> </ul>
December 2017	Guidance on Land Needs Assessment is released for consultation	<ul style="list-style-type: none"> <li>• Niagara Region provided formal comments to the Ministry of Municipal Affairs in February 2018</li> </ul>
March 2018	Draft Guidance on MCR Process is released for consultation	<ul style="list-style-type: none"> <li>• Initial deadline for comment of May 7 2018 is extended to June 19, 2018</li> </ul>
March 2018	Draft Guidance on Application of Intensification and Density Target guidance released	<ul style="list-style-type: none"> <li>• Initial deadline for comment of May 7 2018 is extended to June 19, 2018</li> </ul>

### Background: Niagara 2041: How We Grow – Pre 2017 Growth Plan Municipal Comprehensive Review

The Niagara 2041 Growth Strategy was composed of the Region's Municipal Comprehensive Review (MCR), the Transportation Master Plan (TMP) and the Water/Wastewater Master Servicing Plan (MSP). These three initiatives work together to ensure that future land use planning and infrastructure decisions are integrated. Niagara Region has been undertaking the MCR work program in order to align with Provincial Growth Plan forecasts by allocating population and employment growth to the year 2041 to areas where growth is and will occur from a market perspective while still complying with Provincial policy. The Municipal Comprehensive Review was originally intended to be completed in four phases:

1. Background and Technical Analysis
2. Issues and Opportunities
3. Growth Options
4. Preferred Growth Option

Phase 1 and 2 are complete and were endorsed by Regional Council in March 2016. Phase 3, Growth Options, was presented to Planning and Development Committee in November 2016 (PDS 37-2016) and was subsequently deferred by Regional Council until the specific land needs associated with the Preferred Growth Option were determined.

Phase 3 forecasts were utilized as inputs into the TMP and MSP to help determine the infrastructure project requirements needed to support future growth. These plans in turn informed the Region's Development Charges Study approved by Regional Council thereby, fulfilling one of Council's Strategic Priorities.

### 2017 Provincial Growth Plan for the Greater Golden Horseshoe

The new Growth Plan was released on May 18, 2017 and took effect on July 1, 2017. Changes to the Growth Plan were the most substantive among the Provincial plans and these changes have the greatest impact on the Region's MCR and growth management program going forward. Post 2017 Growth Plan MCR work including a Preferred Growth Option will now be completed through the growth management program for the new Regional Official Plan. Prior work (Phases 1, 2 and 3) will be incorporated into the growth management program for the new Regional Official Plan.

As outlined in PDS 3-2018 and PDS-C 7-2018, the 2017 Growth Plan now requires a number of functional, interrelated background strategies to be prepared to inform the allocation of population and employment growth of the MCR. These studies are a Regional Lands Needs Assessment informed by:

- Urban Structure
- Employment Lands Strategy
- Housing Strategy

All of these interrelated studies to support the growth management work for Niagara will require consultation and collaboration with the local municipalities. All of these projects are now underway.

### Regional Lands Needs Assessment

Provincial guidance on the Land Needs Assessment Methodology was released in December 2017 and the Region provided comments to the Province in February 2018. The land needs assessment seeks to establish a standard methodology for consistently assessing land use needs to implement the population and employment forecasts associated with Schedule 3 of the Growth Plan.

Impacting the conclusion of the lands needs assessment are two factors. First, the lands needs assessment will need to be informed by the three key studies (Urban Structure, Employment Strategy and Housing Strategy) mentioned above. Each of these background studies is required to be substantially underway prior to the conclusion of the lands needs assessment. While work on each of these strategies has been initiated, the Province has just recently released additional guidance material on the required strategies. Staff are currently reviewing and trying to determine the implications of the additional released guidance material.

The second factor is the new Growth Plan Greenfield density target. The new Growth Plan requires Niagara to increase the Greenfield density target from 50 to 80 residents and jobs per hectare for all designated Greenfield lands. Regional staff are of the opinion that this target is not appropriate for Niagara as the new target, in theory, would require very dense communities to be constructed on the periphery of our urban areas.

In recognition of this concern, the Province has indicated that requests may be considered for alternative density targets for Greenfield areas. To date, the Province has not provided information on the process or timing for the request of an alternative Greenfield target.

### Excess Lands and Urban Area Boundary Expansions

The outcome of the land needs assessment will determine if the Region requires more land or has an excess supply of land in order to achieve a population of 610,000 people and 265,000 jobs by 2041. Even with an alternative Greenfield density target, it is anticipated that the Region, as a whole, will have a surplus 20 year land supply. Per Policy 2.2.1.6 of the 2017 Growth Plan, Niagara Region will be required to identify lands which are Greenfield lands that are in excess of what is needed to accommodate

forecasted growth to 2041. However, the new Regional Official Plan does allow an opportunity to rationalize urban area boundaries and ensure that sufficient lands are in the proper location to accommodate growth. Urban area boundary expansions can take place, even if there are excess lands, provided policies are in place to de-designate or phase excess lands from the overall Regional urban land supply.

As the municipalities of Welland, West Lincoln and Fort Erie are seeking urban expansion requests, then the land needs assessment will need to consider these urban expansion asks in the context of an oversupply of urban designated land. Planning staff are establishing criteria to review private requests and will be reviewing these requests and reporting back to Planning and Economic Development Committee.

### Urban Structure

Under the 2017 Growth Plan, the Region is required to achieve an eventual 60% intensification rate. To assist in achieving the overall 60% intensification rate, the Province has required the Region develop an Urban Structure. An Urban Structure will create a hierarchy of strategic growth areas that implement an urban vision and growth strategy first identified in PDS 34-2015. Accordingly, growth will be directed to areas best served by a combination of transportation/transit, public works and community infrastructure and services allowing for areas of the most intensive and greatest mix of development. The combination of an urban structure and local secondary planning program will ensure intensification occurs strategically while protecting stable established residential neighbourhoods.

After preliminary discussions with local municipal planners, an urban structure that incorporates the elements as shown in and attached as Appendix I will be pursued for further analysis.

Moving forward, Regional staff will continue to work with impacted municipalities on policy development, policy interpretation and implementation efforts associated with the development of a Regional urban structure.

### Regional Employment Strategy

The 2017 Growth Plan has strengthened the protection of employment areas. The Region is now required to prepare an Employment Strategy that identifies and designates employment areas (traditionally industrial designated lands) in the Regional Official Plan for long term protection. Employment areas are clusters of business activity designated in Official Plans. Major retail uses would be prohibited from employment areas. Conversions of employment land to non-employment uses in a designated employment area will only be considered at the time of a Regional MCR which is then approved by the Province through the updated Regional Official Plan.

The Employment Strategy will identify employment areas, establish a minimum density target for employment areas and identify opportunities for intensification. The primary goal of the employment strategy is to ensure that there is a sufficient supply of employment areas that are marketable, serviceable and in appropriate locations to meet forecasted industrial job growth to the year 2041.

The Region is currently working with the local municipalities, specifically area planners at this stage. This project will be informed by the Region's annual Employment Inventory. With the confirmation of employment areas, a market assessment will be undertaken to analyze the viability of the identified employment areas.

### Housing Strategy

The 2017 Growth Plan requires Niagara Region to prepare a Housing Strategy. The Regional Housing Strategy is intended to ensure a proper mix of housing forms over the planning horizon to provide housing choice, aging in place opportunities and affordability. The 2017 Growth Plan now requires that targets for both affordable ownership and rental housing be established. Planning for affordability is to be tied to the needs of future residents. The Housing strategy is to also consider the existing housing stock.

The Housing Strategy will be developed in consultation with the local municipalities, the Province and other stakeholders including Community Services and Niagara Housing. The Region is the process of undertaking a review of the Region's "A Home for All: 10 Year-Housing and Homelessness Action Plan." The results of this work and other future housing work will contribute to the development of the Housing Strategy. Please see Appendix II for an outline of the Housing Strategy work program.

### Consultation & Engagement

The growth management program requires consultation and co-operation among the Region, Province and local municipalities. As outlined in this report, the Region will be collaborating extensively with the local municipalities throughout the development of the functional background strategies. Open houses will be held to show the results of the growth management program as it progresses.

### Next Steps

With Council's endorsement of this report, Regional Staff will continue to work on the growth management program through the balance of 2018 and into 2019. It is anticipated that Regional staff will bring an update to Council on the status of this work upon completion of all background work as well as the consideration of options.

## Alternatives Reviewed

The studies needed to support the growth management section of the Regional Official Plan is required by the 2017 Growth Plan. Ongoing consultation with the local municipalities will continue to ensure local context and alternatives are considered.

## Relationship to Council Strategic Priorities

A new Regional Official Plan will assist in implementing Council's Strategic Priority of Innovation, Investment, and Entrepreneurship. The growth management program will provide a key cornerstone for the new Regional Official Plan.

## Other Pertinent Reports

PDS 34-2015 Niagara 2041: Establishing a Growth Strategy  
PDS 37-2016 Niagara 2041 Growth Strategy Local Municipal Growth Allocations  
PDS 40-2016 Regional Official Plan Update  
PDS 41-2016 Co-ordinated Policy Review Proposed Revisions  
PDS 41-2017 High Level Official Plan Process Framework  
PDS-C 7-2018 Update on the Ministry of Municipal Affairs Proposed Methodology for Land Needs Assessment

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## **Appendix I: Draft Urban Structure Major Components**

### **Downtown St. Catharines Urban Growth Centre (UGC)**

The Downtown St. Catharines Urban Growth Centre is the Region's main mixed use node with the highest densities and broadest range of uses. The Downtown St. Catharines UGC, whose boundaries are defined, has a minimum density target of 150 residents and jobs combined per hectare by 2031 or earlier.

### **Downtown Niagara Falls and Downtown Welland Emerging Urban Centres**

Downtown Niagara Falls (incorporating the Niagara Falls GO Major Transit Station Area) and Downtown Welland Emerging Urban Centres are regional focal points that have potential for accommodating population and employment growth. These two emerging urban centres, in the horizon of the Regional Plan (2041), will grow to become as close as possible to become vibrant and dense, transit supportive urban cores.

### **Major GO Transit Station Areas**

With the pending arrival of GO Rail service, the Region in co-operation with the municipalities of Grimsby, Lincoln, St. Catharines and Niagara Falls through secondary plans, are creating vibrant and dense mixed use nodes around the major transit station areas. The proposed urban structure would recognize this work.

### **Other Regional Growth Areas**

Other Regional Growth Areas span multiple jurisdictions that have the potential to become iconic in nature and have the potential to attract new investment, people, jobs and development. The District Plan process is a key process for identifying these significant Regional areas.

### **Regional Corridors**

Regional corridors are the multi-modal linkages that connect Strategic Growth Areas and urban areas across Niagara. The design of Regional Corridors will complement and benefit the landscape they travel through. It is envisioned that lands along Regional Corridors will be intensified with denser forms of higher residential development. The delineation of Regional corridors is still being discussed with local planners.

### **Local Centres & Local Corridors**

Local centres are strategic centres of growth and investment for the local municipality such as the downtown cores or key mixed use areas. Local corridors are local major roads that facilitate the flow of people and goods and have the potential for intensive and mixed use development supported by public transit.

Both local centres and local corridors will not be reflected in the Regional Official Plan but will be identified in local municipal official plans.