

June 22, 2022

Region of Waterloo
150 Frederick St.
Kitchener, ON N2G 4J3

Attention: William Short, Regional Clerk (via email)

Regarding: Regional Official Plan Review and Draft Regional Land Needs Assessment - Resolution No. 102

Please be advised that the following resolution was passed at the Special Council Meeting of the Township of Wellesley Municipal Council held on June 21, 2022:

“That the Council of the Township of Wellesley submit Report 17/2022 to Regional staff as comments on the draft Regional Land Needs Assessment released by the Region on April 12, 2022; and further

That the Council of the Township of Wellesley advise the Region that Council would support a modified Community Area Option that:

- Provides population growth to the Township between 2,000 – 3,000 people to allow the Township to continue to grow to 2051;
- Provides an intensification rate in the Built-Up Area for the Region as a whole of between 60 – 65%, recognizing that the amount of intensification that the Wellesley Urban Area can contribute may be in the range of 12 – 18%. The intensification rate for Wellesley should be confirmed collaboratively with the Region through the completion of an intensification study.
- Provides for no net loss of land within the Countryside Line and allows for a limited amount of additional Designated Greenfield Area land to be added to the Wellesley Urban Area in the range of 20-25 hectares, subject to a staging plan, at a density of 60 people and jobs per hectare thereby limiting farmland loss, contributing to the Township and Region’s climate change goals and supporting development of complete communities.
- Provides for a broader mix and range of housing that reduces the forecast for low density forms of housing and increases the forecast for other more affordable, higher density housing types including housing for seniors; and further

That the Council of the Township of Wellesley advise the Region that either Employment Area Option can be supported as presented in the draft Regional Land Needs Assessment released by the Region on April 12, 2022 provided that the Township continues to be allocated employment growth of 1,200 jobs or greater to 2051.”

Carried

If you have any questions or concerns, please feel free to contact me at (519) 699-3946 at your earliest convenience.

Yours truly,

A handwritten signature in black ink that reads "G Kosch".

Grace Kosch, Municipal Clerk

Township of Wellesley

P: 519-699-3946 F: 519-699-4540

gkosch@wellesley.ca

cc: Tim Van Hinte, Director of Planning (*via email*)



Planning & Development

File No.: 17/2022

PLANNING & DEVELOPMENT REPORT

To: Council

Meeting Date: June 7, 2022

Prepared by: Tim Van Hinte
Director of Planning

Date Prepared: June 1, 2022

Subject: Regional Official Plan Review and Draft Regional Land Needs Assessment

Recommendation:

That the Council of the Township of Wellesley submit Report 17/2022 to Regional staff as comments on the draft Regional Land Needs Assessment released by the Region on April 12, 2022; and further

That the Council of the Township of Wellesley advise the Region that Council would support a modified Community Area Option that:

- Provides population growth to the Township between 2,000 – 3,000 people to allow the Township to continue to grow to 2051;
- Provides an intensification rate in the Built-Up Area for the Region as a whole of between 60 – 65%, recognizing that the amount of intensification that the Wellesley Urban Area can contribute may be in the range of 12 – 18%. The intensification rate for Wellesley should be confirmed collaboratively with the Region through the completion of an intensification study.
- Provides for no net loss of land within the Countryside Line and allows for a limited amount of additional Designated Greenfield Area land to be added to the Wellesley Urban Area in the range of 20-25 hectares, subject to a staging plan, at a density of 60 people and jobs per hectare thereby limiting farmland loss, contributing to the Township and Region's climate change goals and supporting development of complete communities.
- Provides for a broader mix and range of housing that reduces the forecast for low density forms of housing and increases the forecast for other more affordable, higher density housing types including housing for seniors; and further

That the Council of the Township of Wellesley advise the Region that either Employment Area Option can be supported as presented in the draft Regional Land Needs Assessment

released by the Region on April 12, 2022 provided that the Township continues to be allocated employment growth of 1,200 jobs or greater to 2051.

Summary:

The Region of Waterloo is in the process of updating the Regional Official Plan (ROP). There are a number of components to this review and staff have been participating with the Region in providing input and feedback throughout the process. In May 2021, staff provided an update to Council with respect to the ROP Review process and to potential growth and settlement area changes in the Township.

The purpose of this report is to:

- Provide a further update to Wellesley Council on the ROP Review process;
- Explain the different growth options outlined in the draft Regional Land Needs Assessment (LNA), which was released for public engagement on April 12, 2022; and
- Provide staff comments and revised recommendations based on feedback from Council and the public.

Report:

1. Background

In 2018, the Region initiated a review of the ROP to plan for forecasted growth to 2041. However, in 2020, the Province approved Amendment 1 to the Growth Plan which included changes to the Growth Plan's Schedule 3 population and employment forecasts, and extended the planning horizon to 2051. A Provincial LNA methodology was also established that requires all upper and single-tier municipalities to use in combination with the policies of the Growth Plan to assess the quantity of land required to accommodate forecasted growth to 2051.

2. Draft Regional Land Needs Assessment (LNA)

The LNA is one study that must be completed as part of the ROP Review. The purpose of the LNA is to determine the amount of urban land required to accommodate the Region's forecasted population and employment growth to 2051. As set out by the Province in the Growth Plan, the Region is forecast to grow to 923,000 people and 470,000 jobs by 2051, representing about a 50% increase in population and 60% increase in jobs from 2021.

The LNA and growth options are important considerations for the Township because the results of the assessment will determine how much land will be available for development of community and employment areas to 2051. In addition, the LNA determines how much intensification could be expected within existing urban areas.

The draft LNA was released on April 12, 2022 for a six-week public engagement period and comments are due to the Region by May 27, 2022. However, given the tight timelines for review and comment, Regional staff have agreed to accept comments from Area Municipalities in early June.

The LNA is prepared following a series of steps outlined by the Province related to two types of places:

Community Areas – Where most housing, commercial, retail and institutional growth will be located.

Employment Areas – Where most industrial land, like manufacturing, logistics and warehouses, will be located.

Other key terms and concepts that are used in Provincial policy and the preparation of the LNA include the following:

Built-Up Area (BUA) – Lands within existing developed urban areas. This area was determined by the Province in 2006. The Growth Plan requires that a minimum intensification target of 50% apply within this area, meaning that a minimum of 50 % of all new development annually in the Region be located in this area.

Designated Greenfield Area (DGA) – Lands within urban areas but outside of the Built-Up Area that have been designated in an official plan for development. The Growth Plan requires that a minimum of 50 people and jobs per hectare apply within this area.

3. Community and Employment Area Options

As part of the draft LNA, the Region has provided three Community Area growth options and two Employment Area growth options as follows (this section is an excerpt from Regional staff report PDL-CPL-22-11, attached to this report):

Community Area Option 1 (Provincial Growth Plan minimums of 50% intensification and 50 people and jobs per hectare) – Key Considerations:

- Between 2009 and 2013, the Region achieved a 51% intensification in the Built-Up Area (BUA). The target established under the current ROP, adopted in 2009, is 45%. Between 2014-2019, the Region achieved 57% intensification. Under Option 1; the intensification rate of 50% is lower than recent trends.
- Option 1 would generate the maximum amount of future low-density housing using the minimum targets in the Growth Plan. As a result, Option 1 would yield the largest urban area expansion of the three options, beyond the existing Countryside Line when combined with the Employment Area Options.
- To achieve a density of 50 people and jobs per hectare (pj/ha), the Region would require a density of 49 pj/ha on an incremental basis to 2051, lower than the 54 pj/ha in the DGA being achieved as of 2019.

Community Area Option 2 (60% intensification and 60 pj/ha) – Key Considerations:

- Option 2 would generate a denser housing mix than Option 1 because of the higher intensification target (60%) and the corresponding decrease in the number of low density units in new designated greenfield areas.
- To achieve a density of 60 people and jobs per hectare (pj/ha), the Region would require a density of 63 pj/ha on an incremental basis to 2051. The density in the cities under this option would average 69 pj/ha.
- Option 2 would result in a smaller urban area expansion than Option 1 and can be accommodated within the existing Countryside Line.

Community Area Option 3 (More compact development, no urban expansion of Community Areas) – Key Considerations:

- This Option would generate the most dense housing mix because it has the highest designated greenfield area density target (66 pj/ha). As a result, implementing Option 3 could be accommodated within the existing urban area boundary and does not require an urban area boundary expansion for new community area anywhere in the region.
- The number of people that could be accommodated in new units would decrease with Option 3 as there is a greater proportion of high density units which typically have lower people per units than other building forms. As a consequence, there would be greater pressure on existing neighbourhoods in designated greenfield areas to accommodate more population growth.
- To achieve a density of 66 people and jobs per hectare (pj/ha), the Region would require a density of 73 pj/ha on an incremental basis to 2051. The density in the cities under this option would average about 76 pj/ha.

The resulting lands needs for each municipality under each option is shown in the table below. Overall, Option 1 would result in a significant expansion to the urban area boundaries in the Region (2,208 ha); Option 2 would require a modest expansion (376 ha); and Option 3 would not result in a Community Area expansion. In summary, Option 1 would require the largest expansion to the Wellesley Urban Area (38 ha) while Option 2 would result in a more moderate expansion (25 ha). No expansion to the Wellesley Urban Area would occur under Option 3.

Area Municipality	Option 1	Option 2	Option 3
Cambridge	(1,310)	(146)	0
Kitchener	(192)	0	0
Waterloo	0	0	0
North Dumfries	(55)	(29)	0
Wellesley	(38)	(25)	0
Wilmot	(197)	0	0
Woolwich	(416)	(176)	0
Total	(2,208)	(376)	0

Source: Watson & Associates Economists Ltd.

The draft LNA also considered two growth options for the region's Employment Areas as shown in the following table:

Option	Option 1	Option 2
Intensification Rate in Existing Employment Areas	15%	25%
Density Target (jobs per hectare)	35	35
Total Employment Area Land Need (hectares)	659	456

Employment Area Option 1 (15% Employment Area land intensification) – Key Considerations:

- This option would assume a moderate intensification rate of 15% within existing employment areas, similar to existing trends observed in the region.
- It would also assume a density target of 35 jobs per hectare, allowing for a diverse mix of employment areas which can accommodate a wide range warehousing, office and manufacturing uses.

Employment Area Option 2 (25% Employment Area land intensification) – Key Considerations:

- This option would assume a higher intensification rate of 25% within existing employment areas, requiring a greater proportion of under-utilized land (e.g. large parking lots) to be developed for new or expanded employment uses.

- This option would also assume a density target of 35 jobs per hectare the same as Option 1.

4. Analysis

The release of the draft Regional LNA is a key first step in determining how much land (if any) is required to accommodate the population and employment forecasts set out in the Provincial Growth Plan. For the Township of Wellesley, each of the Community Area options has different considerations and impacts for growth and development to 2051.

Population and Households

In summary, under all growth options, all Area Municipalities will be allocated growth to 2051. The following table shows population forecasts by growth option for each Area Municipality.

Period	Area Municipality							City Total	Township Total	Region of Waterloo
	City of Cambridge	City of Kitchener	City of Waterloo	Township of North Dumfries	Township of Wellesley	Township of Wilmot	Township of Woolwich			
2021	146,000	269,100	127,300	11,300	11,900	22,700	28,700	542,400	74,600	617,000
Option 1, 2051	267,900	368,500	159,200	18,800	14,000	36,400	58,200	795,600	127,400	923,000
Option 2, 2051	219,300	410,700	179,500	19,600	14,000	30,300	49,500	809,500	113,400	923,000
Option 3, 2051	213,400	417,500	182,900	17,200	12,400	28,800	50,800	813,800	109,200	923,000
Total Population Growth Percentage Change from 2021 to 2051 [(2051-2021)/2021]										
Option 1, 2021-2051	83%	37%	25%	66%	18%	60%	103%	47%	71%	50%
Option 2, 2021-2051	50%	53%	41%	73%	18%	33%	72%	49%	52%	50%
Option 3, 2021-2051	46%	55%	44%	52%	4%	27%	77%	50%	46%	50%

The following tables compare each option in terms of population and household growth for Wellesley. In summary, the population of the Township was 11,900 in 2021 and under all options the Township would receive population growth to 2051. Key considerations include:

- Under Options 1 and 2, population would grow to about 14,000 (18% increase) and by about 870-880 households.
- Housing growth would continue to be predominantly in the form of low density housing under all options.
- Option 2 includes the highest forecast for higher density units (80 units).

Community Area Option 1

Year	Population (Including Census Undercount) ¹	Households			
		Low Density ²	Medium Density ³	High Density ⁴	Total
2016	11,700	3,150	70	115	3,335
2021	11,900	3,285	75	120	3,480
2051	14,000	3,940	240	170	4,350
2021-2051	2,100	655	165	50	870

Community Area Option 2

Year	Population (Including Census Undercount) ¹	Households			
		Low Density ²	Medium Density ³	High Density ⁴	Total
2016	11,700	3,150	70	115	3,335
2021	11,900	3,285	75	120	3,480
2051	14,000	3,955	205	200	4,360
2021-2051	2,100	670	130	80	880

Community Area Option 3

Year	Population (Including Census Undercount) ¹	Households			
		Low Density ²	Medium Density ³	High Density ⁴	Total
2016	11,700	3,150	70	115	3,335
2021	11,900	3,285	75	120	3,480
2051	12,400	3,600	120	140	3,860
2021-2051	500	315	45	20	380

Households By Policy Area

Another key consideration when evaluating the different growth options is how much forecasted growth is allocated to the Built-Up Area (BUA) and Designated Greenfield Area (DGA). The following tables compare assumptions for each option in this regard. Key considerations include:

- Between 2016 - 2022, the intensification rate in the BUA for Wellesley was about 6% and would be expected to increase to between 10% (Option 1) and 13% (Option 3).
- The DGA would still be expected to accommodate the majority of the growth allocated to the Township under Option 1 (560 households) and Option 2 (545 households).
- Option 3 significantly reduces the amount of household growth, largely as a result of the growth being allocated to other municipalities in the Region.

Community Area Option 1

Year	Households by Policy Area				% Intensification
	BUA	DGA	Rural	Total	
2016	820	320	2,195	3,335	
2022	830	430	2,250	3,515	
2051	915	990	2,445	4,350	
2016-2022	10	110	55	180	6%
2022-2051	85	560	195	835	10%

Community Area Option 2

Year	Households by Policy Area				% Intensification
	BUA	DGA	Rural	Total	
2016	820	320	2,195	3,335	
2022	830	430	2,250	3,515	
2051	930	975	2,445	4,360	
2016-2022	10	110	55	180	6%
2022-2051	100	545	195	845	12%

Community Area Option 3

Year	Households by Policy Area				% Intensification
	BUA	DGA	Rural	Total	
2016	820	320	2,195	3,335	
2022	830	430	2,250	3,515	
2051	875	535	2,445	3,860	
2016-2022	10	110	55	180	6%
2022-2051	45	105	195	345	13%

Comparison of DGA Densities

As mentioned previously in this report, the Growth Plan requires that a minimum of 50 people and jobs per hectare apply within this area in the Region. According to the Growth Plan, the 50 pj/ha target must be applied to the entire DGA in the Region. The following tables compare the options in terms of total DGA density at the 2051 planning horizon in addition to the incremental densities that would be required to achieve these densities (taking into account DGA lands that have already been developed). Currently, the Township is achieving about 45 pj/ha on existing DGA lands.

Key considerations include:

- Option 1 would require a slight rollback in current DGA densities from the current 45 pj/ha to 43 pj/ha by 2051. Options 2 and 3 include higher overall densities of 52 pj/ha and 50 pj/ha respectively.
- On an incremental basis, DGA densities are much higher once existing developed DGA lands are taken into account. For example, for the Region to achieve a density of 60 people and jobs per hectare (pj/ha), the Region would require a density of 63 pj/ha on an incremental basis to 2051. For Wellesley, under Option 2 the incremental density needed would be 59 pj/ha and under Option 3 this number would increase to 67 pj/ha on vacant DGA lands.

**Comparison of People and Jobs Density, 2051
Total D.G.A. Density, People and Jobs/ha**

Area Municipality	Concept 1	Concept 2	Concept 3
Cambridge	51	64	69
Kitchener	55	66	69
Waterloo	52	62	67
North Dumfries	44	53	50
Wellesley	43	52	50
Wilmot	42	51	46
Woolwich	43	45	65
Total	50	60	66

**Comparison of People and Jobs Density, 2019 to 2051
Incremental D.G.A. Density, People and Jobs/ha**

Area Municipality	Concept 1	Concept 2	Concept 3
Cambridge	51	68	78
Kitchener	53	69	74
Waterloo	53	69	77
North Dumfries	43	54	50
Wellesley	42	59	67
Wilmot	43	67	55
Woolwich	41	43	70
Total	49	63	73

Employment Area Options

Under both Employment Area options, the allocations for the Township of Wellesley remain the same. Both options forecast an increase of approximately 1,200 jobs between 2021 and 2051, with rural-based employment accounting for the majority of job growth.

Rural-based employment would include growth expected as a result of some small expansions to the Township's existing unserved settlement and employment areas (e.g. Linwood, Hawkesville, Wellesley Rural Employment Area and Schneider Rural Employment Area) in addition to job growth in the agricultural sector. These proposed expansions were presented in a staff report to Township Council in May 2021 and Regional and Township staff have met to discuss these requests. Expansions to unserved rural settlement areas are not included in the calculations in the draft Regional LNA as the study is meant to only assess land needs for serviced urban areas.

Township of Wellesley

Year	Major Office Employment	Employment Land Employment	Population-Related Employment	Rural-Based Employment	Total
2011	0	700	300	2,300	3,300
2016	0	1,100	1,000	2,600	4,800
2021	0	1,400	1,200	2,900	5,500
2051	0	2,300	1,400	3,000	6,700

Staff has not recommended any expansions to the Wellesley Urban Area for employment purposes because the forecast job growth is expected to be accommodated within existing, and small expansions to, rural settlement areas. However, the Region has delineated one draft Regional Employment Area at the south end of St. Clements but this area has been developed.

5. Staff Comments and Recommendations

Staff has reviewed the draft Regional LNA and considered the three Community Area and two Employment Area growth options and offer the following comments. In addition, staff has considered input from Council and public delegations from the Township Council meeting held on May 24, 2022 and written submissions in revised comments submitted in this report. A summary of this feedback is provided below.

Council and Public Feedback – May 24, 2022

At the Township Council meeting on May 24, 2022, Council heard from six delegations that provided feedback on the draft Regional LNA and growth options for the Wellesley Urban Area. Staff has summarized feedback from Council and the public into the following key points:

- Population and employment growth is important to the Township to continue to prosper in the future. Some of this growth can be accommodated within the existing Wellesley Urban Area however some minor land expansion may be necessary given that the Township has little available land left in the Designated Greenfield Area. There was some support for minor urban expansions to the north of the existing Strohvest lands and to the east of Greenwood Hill Road.
- It is important to provide a variety of housing and employment opportunities in the Township to help in the building of a complete community in which people can “live where they work” thereby reducing the number of residents commuting to other parts of the Region. This in turn will help contribute to the Region and the Township’s climate change goals.
- The provision of housing for seniors is a significant challenge for the Township as the population ages in Wellesley. More variety of housing opportunities are needed for aging urban residents and retiring farmers who want to continue to live in the community.

- Continued loss of farmland in Ontario and Waterloo Region is affecting the agricultural sector as more land is needed to accommodate population and employment growth. Some delegations supported Option 4 submitted by members of the community as a alternative “no urban boundary expansion” option instead of the Region’s proposed Option 3 in the draft Regional LNA.
- Some Councilors and delegations commented that the Township should recommend a more forward-looking mix and range of housing. This could include decreasing the forecast for low density housing types and increasing the forecast for higher density housing types to address the shortage of seniors’ housing and the “missing middle” housing market.
- Staff should consider a higher intensification target for the Wellesley Urban Area, supported by an intensification / seniors’ housing study, to better understand the capacity in the existing urban area for this type of growth.

In addition, members of the community presented an alternative Community Area option (Option 4) as a variation on the Region’s Community Area Option 3. In summary, Option 4 would includes the following recommended targets for the Region as a whole:

- 65% intensification rate in the existing Built-Up Area; and
- 60 pj/ha density target in the Designated Greenfield Area.

However, while this Option 4 has been presented for the Region as a whole, the delegations that presented this option to Council acknowledged that the Township is in a unique situation in that the Wellesley Urban Area has limited land available for future growth in the DGA and that some future expansion may be warranted.

These presentations and comments have been further considered by staff in revised recommendations as outlined below.

Community Area Options

In summary, staff understand that the three options presented in the draft Regional LNA each have advantages and disadvantages for the Region as a whole and for Wellesley in particular. Staff also acknowledge that additional options have been suggested by the community. At the Region’s public input meeting on May 19th, both the development community and citizen groups suggested additional options, with varying degrees of implications on land needs. In addition, staff acknowledge that a Community Area Option 4 has been proposed as an alternative “no urban expansion” option to the Region’s Community Area Option 3.

Further to Council and public input received at the Township Council meeting on May 24, 2022 and written submissions, staff would support a modified Community Area Option that meets the following criteria.

Provides population growth to the Township between 2,000 – 3,000 people to allow the Township to continue to grow to 2051.

Staff are of the opinion that a population allocation for Wellesley of 2,000 – 3,000 people to 2051 is realistic and allows the Township to continue to grow and remain fiscally responsible. Municipalities rely on growth and development to prosper and such an increase in population over a 30-year period is reasonable and will help sustain necessary infrastructure and services that the community relies on.

Provides an intensification rate in the Built-Up Area for the Region as a whole of between 60 – 65%, recognizing that the amount of intensification that the Wellesley Urban Area can contribute may be in the range of 12 – 18%. The intensification rate for Wellesley should be confirmed collaboratively with the Region through the completion of an intensification study.

All municipalities will be expected to increase intensification in the BUA regardless of the option chosen. Staff supports increasing intensification in the Wellesley Urban Area for a variety of reasons including but not limited to, supporting climate change goals, protecting farmland and achieving more compact communities.

Staff is of the opinion that an intensification rate between 60 – 65% for the Region as a whole is realistic from a market perspective because it best aligns with future housing supply and the anticipated demand for different housing types. It is clear that both the provision of seniors' housing and housing affordability have emerged as significant issues in the Township (and the Region) over the past few years. Therefore, providing for a more balanced mix of housing supply options, including high density housing types, is critical.

However, it should be recognized that each Area Municipality has different capacities for intensification. For example, while Kitchener and Waterloo are likely to exceed a 60-65% intensification target, the Townships will require a lower target based on the nature of growth development in these communities.

Staff are of the opinion that achieving higher intensification rates in Wellesley will be challenging but is achievable. Doubling or tripling the current rate of 6% to 12 – 18% means that some larger properties in the Wellesley Urban Area would need to intensify and this is dependent on an owner's desire to do so. Under any option, intensification in Wellesley will need to increase to 2051 in order to achieve the proposed targets. In addition, staff recommend that the Region and the Township collaborate on an intensification study to confirm the capacity for Wellesley to achieve these targets and to evaluate options for providing age-appropriate housing (e.g. seniors / supportive housing) in the BUA.

Provides for no net loss of land within the Countryside Line and allows for a limited amount of additional Designated Greenfield Area land to be added to the Wellesley Urban Area in the range of 20-25 hectares, subject to a staging plan, at a density of 60 people and jobs per hectare thereby limiting farmland loss, contributing to the Township and Region's climate change goals and supporting development of complete communities.

Protecting the Township's agricultural base, Greenlands Network and the Regional Recharge Area are of critical importance and are foundational elements of both the Regional and Township Official Plans. At the same time, some limited DGA land is needed to support the development of the Wellesley Urban Area as a complete community. In addition, the Township has the lowest amount of vacant DGA land available of all the Area Municipalities in the Region.

While Option 2 presented in the draft Regional LNA includes a Community Area expansion of 25 hectares for the Wellesley Urban Area, after considering Council and public input, staff could support a reduced expansion of DGA land of between 20 – 25 hectares, subject to a staging plan. This would further reduce farmland loss and potential expansions could occur while avoiding the Greenlands Network and the Protected Countryside.

However, staff note that the Wellesley Urban Area is surrounded by the Prime Agricultural Area and any future expansion would result in removing some farmland from production. Staff are of the opinion that farmland loss should be minimized but in certain circumstances may not be avoidable. Staff is also of the opinion that such a potential expansion could be offset by adjustments to the Countryside Line such that a no net loss of land beyond the Countryside Line could be achieved under a modified Community Area Option (see attached map titled Draft Township of Wellesley Priority Expansions).

Potential Expansion Lands	Maximum Net Area (Ha)
Strohvest Lands	6.3
East Parcels	19.4
Total	25.7

Countryside Lands	Net Area (Ha)
Area to be inside CSL (for urban area development)	12.4
Area to be outside CSL (not for urban area development)	12.4
Net Gain / Loss of CSL Lands	0

The limited amount of new DGA land that would be potentially added to the Wellesley Urban Area could provide opportunities to develop more compact neighbourhoods and achieve complete communities. While “complete communities” are defined in the Growth Plan, staff is of the opinion that the concept of “completing existing communities” also warrants consideration.

While a moderate DGA expansion to Wellesley would include more land available for residential development, it should also include more compact, higher density, mixed-use development (e.g. seniors' apartments, grocery and other commercial uses). This could lead to a broader mix and range of housing choices that is better suited to changing demographics (e.g. aging population) and what is known as the “missing middle” of the housing market. In addition, achieving higher densities in the DGA could lead to a more transit-supportive community thereby better creating a case for some form of transit service in the future.

In any case, higher densities in the DGA will be necessary as the Region and the Township plan to 2051. The current DGA density in the Wellesley Urban Area is approximately 45 pj/ha. Staff are of the opinion that a proposed density target of 60 pj/ha is ambitious but achievable. This would require more medium and higher density units on new DGA lands and would require a significant shift in how development has occurred in the Wellesley Urban Area.

Provides for a broader mix and range of housing that reduces the forecast for low density forms of housing and increases the forecast for other more affordable, higher density housing types including housing for seniors.

The three Community Area Options presented by the Region in the draft LNA all estimate household growth to be predominantly in the form of low density housing to 2051. While this trend is expected to continue in the near future, the long term trend is that, as the population ages, older adults may choose to downsize and live in smaller units. Providing a housing mix forecast that is forward-looking would put the Township in a better position to absorb these future trends. For example, under Community Area Option 2, total household growth to 2051 is estimated at 880 (670 low density, 130 medium density and 80 high density). Shifting this target to include fewer low density units and more medium and higher density units could lead to a more appropriate mix and range housing to support future demographic trends.

Employment Area Options

Staff is of the opinion that either Employment Area Option 1 or 2 could be supported provided that the Township continues to be allocated employment growth of 1,200 jobs or greater to 2051. Neither option significantly affects the Township as most of the proposed Regional Employment Areas are located in other municipalities in the Region. As mentioned previously in this report, Township staff is not recommending any Employment Area expansions to the Wellesley Urban Area but rather prefer smaller expansions to rural settlement areas. The one proposed Regional Employment Area at the south end of the St. Clements should be supported but has recently been developed.

6. Next Steps

The Region has been engaging with Area Municipalities, stakeholders and the public since the release of the draft LNA on April 12, 2022 including a special all Council meeting, virtual interactive sessions and public meetings. The Region has set a deadline of May 27, 2022 for public feedback on the draft LNA but will accept feedback from Area Municipalities in early June based on Council meeting schedules.

Following the draft LNA public engagement process, the growth options will be evaluated against a series of criteria (Appendix B in the attached Regional staff report). The evaluation criteria also incorporate a “climate change lens” to identify growth options that help reduce greenhouse gas emissions, and support stronger and more resilient communities.

Mid June 2022 – Recommendation report on preferred growth option and release of draft Regional Official Plan Amendment (Growth Components) with accompanying information report

July 2022 - ROP amendment open house

Late July 2022 - ROP amendment Statutory Public Meeting

August 2022 - Recommendation report to Council on adoption of ROP amendment.

Non-growth related components for the second ROP amendment will be developed in Fall 2022 and Winter 2023 and include: natural heritage system mapping and policies; water resources system mapping and policies; a review of the ROP's mineral aggregate policies; updated source water protection mapping and policies; a review of the ROP's agricultural policies and a review of the ROP's infrastructure policies and needs including the transportation system, water and wastewater systems, waste management and the provision of utility services.

Township staff has also confirmed with Regional staff that delineation of, and any proposed minor expansions to, rural settlement areas and rural employment areas would be part of the second ROP amendment.

Township Strategic Plan:

This report aligns with the initiative of Growth Management/Sustainable Growth with the strategic goal to ensure the Township of Wellesley is carefully planned and that Township policies provide for well-managed, balanced, sustainable growth and directly relates to the strategic objective of developing strong, appropriate, local land use policies and guiding principles in the context of an Official Plan that concurs with Provincial and Regional policy.

Financial Implications:

There are no direct financial implications of this report however the ultimate growth option selected by the Region will have implications for the Township depending on population and employment allocations and provision of infrastructure to service growth.

Other Department / Agency Comments:

None

Legal Considerations:

None

Attachment(s):

Regional Staff Report PDL-CPL-22-11 – Draft Regional Land Needs Assessment
Draft Wellesley Priority Expansions

Department Head: _____

Treasurer: _____

Corporate Management Team (date): June 1, 2022 _____

Approved by:

Chief Administrative Officer:  _____

Region of Waterloo**Planning, Development and Legislative Services****Community Planning**

To: Chair Tom Galloway and Members of the Planning and Works Committee

Meeting Date: April 12, 2022

Report Title: Regional Official Plan Review Draft Regional Land Needs Assessment

1. Recommendation:

For information

2. Regional Official Plan Background

The Regional Official Plan (ROP) is a powerful planning tool that shapes and defines our community for future generations. It has guided decision making for profound transformation of this region including the addition of the ION light rail, protection of agricultural lands and the natural environment, and a high quality of life for residents.

This community is set to grow to 923,000 people and 470,000 jobs by 2051, representing about a 50% increase in population and 60% increase in jobs from 2021. As a result, we are working to update the plan to accommodate this projected growth.

3. Purpose / Issue:

This report presents the preliminary results of the draft Regional Land Needs Assessment (LNA), which determines the amount of urban land the Region requires to accommodate the Region's forecasted population and employment growth to 2051. This report also identifies the public and stakeholder engagement that will occur on the draft LNA.

Strategic Plan:

This report relates to several strategic focus areas, including: Thriving Economy; Sustainable Transportation; Environment and Climate Action; and Health, Safe and Inclusive Communities. It also relates to Objective 4.2, "Make affordable housing more available to individuals and families" and Action 3.5.1, "Promote efficient urban land use

through greenfield and intensification policies while conserving natural heritage and agricultural areas.”

4. Key Considerations:

a) The ROP establishes a vision for how we live, work and play and helps us prepare for future challenges and opportunities.

The ROP’s vision is:

“Waterloo Region will be an inclusive, thriving, and sustainable region of connected urban and rural communities with global reach, fostering opportunities for current and future generations.”

The current ROP Review focusses on providing a thoughtful and realistic approach to land use planning and growth management to ensure that Waterloo Region continues to be a world-class community.

b) The Region has completed a draft land needs assessment in accordance with the Provincial Land Needs Assessment methodology to ensure it has enough land to accommodate its forecasted growth to 2051, including the need for any urban boundary expansions.

In the fall of 2021, Regional Council provided a motion to staff with respect to the LNA as follows:

- That staff ensure the Land Needs Assessment be completed in accordance with provincial requirements providing different growth options for consideration.
- That thorough engagement take place between regional staff, community stakeholders, and area municipalities after the LNA is complete and made available to the public for consultation, prior to a staff recommendation of a Preferred Growth Option.

Staff have been in regular contact with Provincial staff throughout the ROP Review process. Provincial staff have raised no concerns and are supportive of the Region’s approach to the LNA.

d) The LNA includes land use options with varying levels of intensification and designated greenfield area density targets.

The Provincial LNA methodology provides municipalities the flexibility to assess different assumptions within the LNA. The Region’s draft LNA includes three Community Area growth options and two Employment Area growth options, which is similar to the approach followed by the City of Hamilton, Halton Region, City of Guelph, Peel Region and Durham Region.

The Provincial LNA methodology also provides flexibility to change the order of the steps as long as all the required steps are completed. In addition, the Provincial LNA methodology provides for the consideration of higher intensification and designated greenfield density targets and reiterates that decision-makers should consider an intensification first approach when assessing future land needs. Such an approach to city building optimizes the existing urban land supply and makes better use of existing infrastructure and public service facilities.

e) Under all Options, all Area Municipalities would be allocated population growth to 2051.

The LNA is prepared following a series of steps outlined by the Province related to two types of places:

Community Areas – Where most housing, commercial, retail and institutional growth will be located.

Employment Areas – Where most industrial land, like manufacturing, logistics and warehouses, will be located.

The applicable minimum Provincial intensification target for the Region of Waterloo is 50% of all residential development occurring annually will be within the Built Up Area (BUA).

The minimum Provincial density target applicable to the Designated Greenfield Area (DGA) for the Region of Waterloo is to achieve, by 2051, 50 people and jobs per hectare (pj/ha).

The housing mix forecasts used in the draft LNA are forward-looking and based on anticipated future conditions and shifting demographics. All Options provide a greater mix of medium and high-density housing options relative to the current trends, however, Options 2 and 3 provide a greater shift of housing from low-density housing to medium and high-density housing forms.

Some area municipalities would not be allocated any new community area over and above what exists as designated greenfield area, although all municipalities would see population growth to 2051.

Three Community Area growth options and two Employment Area options are provided in the draft LNA. Additional information on the Area Municipal allocation for each growth option are included in Appendix A.

Community Area Land Needs

Community Area Option 1 (Provincial Growth Plan minimums of 50% intensification and 50 people and jobs per hectare) – Key Considerations

- Between 2009 and 2013, the Region achieved a 51% intensification in the Built-Up Area (BUA). The target established under the current ROP, adopted in 2009, is 45%. Between 2014-2019, the Region achieved 57% intensification. Under Option 1; the intensification rate of 50% is lower than recent trends.
- Option 1 would generate the maximum amount of future low-density housing using the minimum targets in the Growth Plan. As a result, Option 1 would yield the largest urban area expansion of the three options, beyond the existing Countryside Line when combined with the Employment Area Options.
- To achieve a density of 50 people and jobs per hectare (pj/ha), the Region would require a density of 49 pj/ha on an incremental basis to 2051, lower than the 54 pj/ha in the DGA being achieved as of 2019.

Community Area Option 2 (60% intensification and 60 pj/ha) – Key Considerations

- Option 2 would generate a denser housing mix than Option 1 because of the higher intensification target (60%) and the corresponding decrease in the number of low-density units in new designated greenfield areas.
- To achieve a density of 60 people and jobs per hectare (pj/ha), the Region would require a density of 63 pj/ha on an incremental basis to 2051. The density in the cities under this option would average 69 pj/ha.
- Option 2 would result in a smaller urban area expansion than Option 1 and can be accommodated within the existing Countryside Line.

Community Area Option 3 (More compact development, no urban expansion of Community Areas) – Key Considerations

- This Option would generate the most dense housing mix because it has the highest designated greenfield area density target (66 pj/ha). As a result, implementing Option 3 could be accommodated within the existing urban area boundary and does not require an urban area boundary expansion for new community area anywhere in the region.
- The number of people that could be accommodated in new units would decrease with Option 3 as there is a greater proportion of high density units which typically have lower people per units than other building forms. As a consequence, there would be greater pressure on existing neighbourhoods in designated greenfield

areas to accommodate more population growth.

- To achieve a density of 66 people and jobs per hectare (pj/ha), the Region would require a density of 73 pj/ha on an incremental basis to 2051. The density in the cities under this option would average about 76 pj/ha.

Staff have also considered two additional growth options that assumed even higher intensification rates and DGA density targets (i.e., 65% and 70% intensification rates, and 65pj/ha and 70pj/ha DGA density targets). Those options would generate an excess amount of DGA lands currently designated in the region of 610ha and 1,044ha respectively. Applying those targets would require the Region to prohibit development on either 610ha or 1044ha of lands already committed for development, until the year 2051. As a result, staff provided an update to Regional Council in December 2021 on the implications of excess lands and did not pursue a full assessment of these options.

Employment Area Land Needs

Several macro-economic trends are influencing average density levels on employment lands. In general, average density levels on employment lands are declining in the manufacturing sector, as domestic manufacturers focus efforts on increased efficiency and competitiveness through automation. This trend is coupled with increasing demand for large, land-extensive warehousing and logistics facilities to support distribution and transportation of goods throughout the expanding urban population base.

The draft LNA considered the following two growth options for the region's Employment Areas:

Option	Option 1	Option 2
Intensification Rate in Existing Employment Areas	15%	25%
Density Target (jobs per hectare)	35	35
Total Employment Area Land Need (hectares)	659	456

Employment Area Option 1 (15% Employment Area land intensification) – Key Considerations

- This option would assume a moderate intensification rate of 15% within existing employment areas, similar to existing trends observed in the region.
- It would also assume a density target of 35 jobs per hectare, allowing for diverse

mix of employment areas which can accommodate a wide range warehousing, office and manufacturing uses.

Employment Area Option 2 (25% Employment Area land intensification) – Key Considerations

- This option would assume a higher intensification rate of 25% within existing employment areas, requiring a greater proportion of under-utilized land (e.g. large parking lots) to be developed for new or expanded employment uses.
- This option would also assume a density target of 35 jobs per hectare the same as Option 1.

f) Release of the draft LNA marks the beginning of a public engagement period between April 12, 2022 and May 27, 2022.

The results of the LNA engagement process will be summarized in a response report that will accompany the June recommendation report on the preferred growth option. Following the draft LNA engagement process, staff will evaluate each of the growth options based on the feedback received from the community, stakeholders and area municipalities and against a series of detailed evaluated criteria covering six broad themes viewed through a climate change lens (see Appendix B).

A recommendation report on the preferred growth option is anticipated in June 2022 along with the release of a draft Regional Official Plan Amendment with accompanying information report.

5. Background:

In 2018, the Region initiated a review of the ROP to plan for forecasted growth to 2041. On August 28, 2020, the Province approved Amendment 1 to the Growth Plan which included changes to the Growth Plan's Schedule 3 population and employment forecasts, and extended the planning horizon to 2051. A Provincial LNA methodology was also established that all Upper and single-tier municipalities are required to use in combination with the policies of the Growth Plan to assess the quantity of land required to accommodate forecasted growth. The LNA is one study that must be completed as part of the ROP Review.

This update to the ROP is important because it helps guide decisions about regional services, including transportation and public transit, water supply and wastewater treatment systems; public health; economic development; affordable housing, and many others.

The foundational themes and priorities include:

- Building equitable, thriving, transit-supportive complete communities;

- Continuing with an intensification-first approach to growth management;
- Realizing transformational climate action;
- Advancing Indigenous relationships and reconciliation; and
- Continuing to protect water, agricultural, and natural systems.

A significant amount of work has been completed on the Region's population, housing and employment trends to support the draft LNA. Technical briefs prepared by the consultant team supporting the draft LNA include:

- Region-Wide Long-Term Population and Housing Growth Analysis Technical Brief (December 2020);
- Employment Strategy Technical Brief (August 2021);
- Intensification Strategy Technical Brief (August 2021).

6. Area Municipality Communication:

Consultation and engagement with the various Project Committees, including the Steering Committee, Stakeholder Committee, Technical Team and Area Municipal Working Group, as well as Indigenous engagement and public consultation is continuous throughout the ROP Review project. Collaboration and discussion is iterative and ongoing on a regular basis.

7. Financial Implications:

The Region's approved 2022 - 2031 Community Planning Capital Program includes a budget of \$756,000 in 2022 and \$3,250,000 in 2023-2031 for the Regional Official Plan Review (project 22007). The costs are to be funded from Development Charges (90%, \$3,605,000) and the Community Planning Capital Reserve (10%, \$401,000).

8. Conclusion / Next Steps:

April 12- May 27, 2022: Public engagement on the draft LNA

April 22, 2022 and April 25, 2022: Virtual and interactive public engagement sessions

Mid-May 2022 – Special Regional Planning and Works public input meeting

May 27 – Deadline for public feedback on the draft LNA

Following the draft LNA public engagement process, the growth options will be evaluated against a series of criteria (Appendix B). The evaluation criteria also incorporate a "climate change lens" to identify growth options that help reduce

greenhouse gas emissions, and support stronger and more resilient communities.

Mid June 2022 – Recommendation report on preferred growth option and release of draft Regional Official Plan Amendment (Growth Components) with accompanying information report

July 2022 - ROP amendment open house

Late July 2022 - ROP amendment Statutory Public Meeting

August 2022 - Recommendation report to Council on adoption of ROP amendment.

Non-growth related components for the second ROPA will be developed in Fall 2022 and Winter 2023 and include: natural heritage system mapping and policies; water resources system mapping and policies; a review of the ROP's mineral aggregate policies; updated source water protection mapping and policies; a review of the ROP's agricultural policies and a review of the ROP's infrastructure policies and needs including the transportation system, water and wastewater systems, waste management and the provision of utility services.

9. Attachments / Links:

Attachment A: [Draft Land Needs Assessment \(DOCS 3999710\)](#)

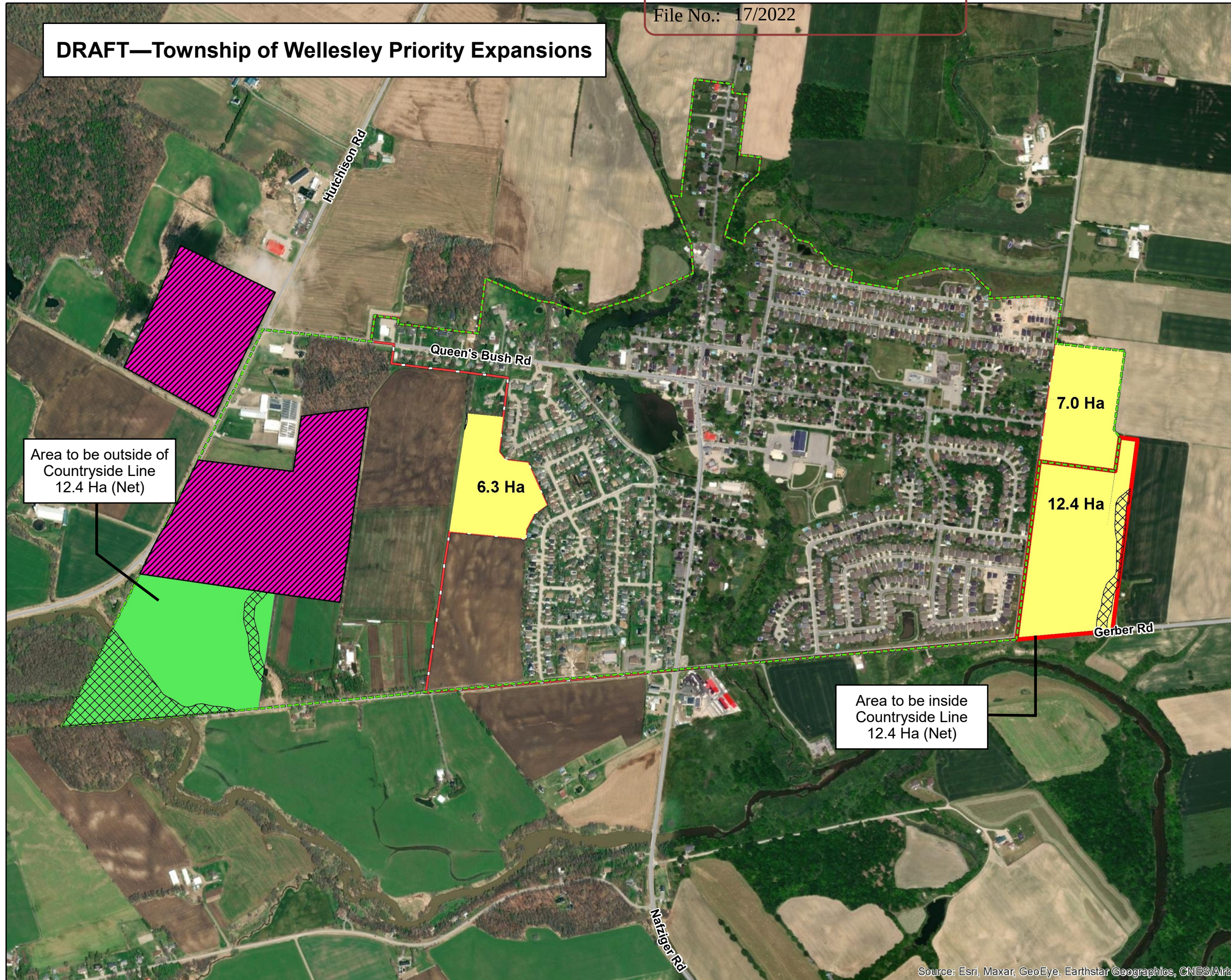
Attachment B: [Evaluation Criteria for Growth Options \(DOCS 3999789\)](#)

Prepared By: **Ryan Pogrzeba**, Planning Information Specialist
Brenna MacKinnon, Manager, Development Planning

Reviewed By: **Danielle De Fields**, Director, Community Planning

Approved By: **Rod Regier**, Commissioner, Planning, Development and Legislative Services

DRAFT—Township of Wellesley Priority Expansions



Legend

- Employment Area
- Take Outs
- Countryside Line
- Area to be Inside CSL
- Area to be Outside of CSL
- Community Area Priority
- Urban Area

Community Area Expansions

Parcel	Net Area (ha)
Strovest	6.3
East Parcels	19.4
Total	25.7

Countryside Line Rationalization

Parcel	Net Area (ha)
Area to be inside CSL	12.4
Area to be outside CSL	12.4

