

I INTRODUCTION

Hemson Consulting Ltd. has been retained by the City of Vaughan to provide an analysis of housing and employment land needs. The study is being undertaken as input to the City's growth management program, *Vaughan Tomorrow*, the preparation of a new Vaughan official plan and conformity with the 2006 Provincial *Growth Plan for the Greater Golden Horseshoe* (the *Growth Plan*).

The purpose of the report is to provide technical analysis to accompany the City's draft official plan, which contains the primary policies to implement Vaughan's vision for growth. As described in the draft official plan, a major element of the City's vision is to accommodate much of its future residential growth through intensification, particularly in the Vaughan Metropolitan Centre (VMC). The City's approach reflects, in part, new Provincial and Regional policies that seek to achieve a more compact urban form.

An earlier version of this report entitled *Housing Analysis and Employment Land Need* was prepared in September 2009. Much of this report is identical to the September report, with the exception of some updated data and analysis. As well, some of the conclusions of the September report were in the form of broad questions. Since that time, firmer directions have been established. The analysis presented in this report is more conclusive and is consistent with the draft official plan.

It is only necessary to refer to the September 2009 report if readers are interested in details of how the data and analysis were updated. The fundamental conclusions are unchanged. All of the information from the September 2009 report that is pertinent to the draft official plan is now contained in this report.

A. THE PROVINCE HAS TAKEN A MORE DIRECT ROLE IN PLANNING IN ONTARIO

On June 16, 2006, the Province of Ontario adopted the *Growth Plan for the Greater Golden Horseshoe* (*Growth Plan*). The *Growth Plan* sets out a vision for growth in the Greater Golden Horseshoe (GGH) to 2031, including a set of long-range growth forecasts and direction on how that growth should be accommodated.

Both Provincial and Regional policy directions have significant implications for planning in the City of Vaughan, particularly those related to the allocation of population and employment growth to the local municipalities within the Region as well as *Growth-Plan*-related density and intensification targets. The City's approach to preparing a new official plan must reflect and support this new planning policy environment.

1. ***Growth Plan Provides the Forecasts to Be Used for Long-Range Planning***

The *Growth Plan* contains a set of population and employment allocations that municipalities in the GGH must use for long-range planning and managing growth. In total, the *Growth Plan* forecasts approximately 11.5 million people and 5.6 million jobs for the GGH.

Under the *Growth Plan*, future growth is to be concentrated mainly in the Greater Toronto Area and Hamilton (GTAH) where most of the population and employment already exists. Approximately 25% of the total population growth and 20% of the employment growth have been allocated to the Outer Ring¹.

Within the GTAH, the *Growth Plan* has allocated to the Region of York a total population of 1.5 million and 780,000 jobs by 2031. For the current planning period, these are the legislated, in-force growth target forecasts that must be used for growth management. The Province may revise the forecasts in five years. For the current planning period, however, the amount of growth that Vaughan must plan for has been determined by the Province and the Region.

¹ The Outer Ring is defined in the *Growth Plan* as a geographic area containing various single- or upper-tier municipalities in the GGH beyond the GTAH.

2. ***Growth Plan Provides Direction on How Growth Must Be Accommodated***

In addition to setting the overall forecasts and growth allocations to be used for growth management, the *Growth Plan* also provides guidance on how that growth should be accommodated. Three sets of policies are of particular importance to the approach and methods used in this report as they set out specific quantitative measures of how growth is to be accommodated. The policies are:

- a. A minimum proportion of Regional growth to be accommodated through intensification;
- b. A minimum density of development to be planned for on greenfield areas of the Region of York; and
- c. A minimum density for planned development in the designated urban growth centres.

These policies, or rules, provide the “envelopes” in which planning for growth must occur:

- The first rule relates to intensification and states that:

By the year 2015 and for each year thereafter, a minimum of 40% of all residential development occurring annually within [the Region of York] will be within the built-up area (2.2.3.1).

This first rule provides direction on the proportion of development to occur within the built-up area (i.e. intensification) but not its density. Because the rule applies region-wide, the Region of York has applied lower rates of intensification in the northern and more rural municipalities, compensated by rates greater than 40% in the southern urban communities, including Vaughan.

- The second rule states that the Region of York's greenfield areas, collectively, including any new areas designated for urban uses, must be planned to achieve a minimum of 50 persons plus jobs per gross hectare of land.

This includes undeveloped areas at the edges of Vaughan's current urban designated area, plus any additional lands that may be designated through the new official plan or in the future for urban use, for both residential and employment uses; and

- The third policy concerns the density of development in York's three Urban Growth Centres (UGC's) designated in the *Growth Plan*, which must be planned to achieve a minimum of 200 persons plus jobs per hectare. The VMC is identified as a UGC in the *Growth Plan*, and current plans envision a vibrant subway-based downtown area at high densities, consistent with *Growth Plan* policies.

3. New Provincial Policies Seek to Minimize The Conversion of Employment Lands

In addition to the three quantitative targets, the *Growth Plan* also seeks to preserve existing employment areas and reduce pressures for conversion of employment lands to non-employment uses:

- Overall, the *Growth Plan* places a strong emphasis on economic development and sets out strict criteria regarding the conversion of land within employment areas to non-employment uses.¹
- For the purposes of the conversion tests, under the *Growth Plan* major retail uses are not considered employment uses. Although these uses still generate jobs, for the long-range planning purposes of Section 2.2.6.5 of the *Growth Plan*, they are excluded.
- Similar to the *Growth Plan*, the Provincial Policy Statement (PPS) states in Section 1.3.2 that conversions may be permitted through a comprehensive review, only where it has been demonstrated that the land is not required over the long term and there is a need for the conversion. This report constitutes a municipal comprehensive review of employment land for this purpose.

¹ The conversion policies can be found in Section 2.2.6.5, which states generally that conversions of employment land may only be permitted through a municipal comprehensive review and where a series of tests is met.

The *Growth Plan* policies have been further reinforced through recent amendments to the *Planning Act* through “Bill 51” in 2006, which seeks to strengthen the municipality’s ability to refuse applications to convert employment land by removing the private applicant’s ability to appeal such applications to the Ontario Municipal Board.

It is also recognized, however, that some changes may be appropriate, depending on the local circumstances and if a series of tests is met. Nevertheless, the overall intent of the new Provincial policies is to limit the conversion of employment land to other urban uses. All municipalities in the GGH must conform to the *Growth Plan*, including the Region of York and the City of Vaughan.

B. THE REGION OF YORK AND CITY OF VAUGHAN ARE IMPLEMENTING THE PROVINCIAL VISION

The Region of York, in order to update its planning policies and come into conformity with the *Growth Plan*, has prepared a new Regional official plan which was adopted by Regional Council in December of 2009. It must await Provincial approval and the resolution of subsequent appeals before it will come into force in the Region.

The analysis presented in this report assumes that the *Region of York Official Plan* will come into force as approved by Council. The *City of Vaughan Official Plan* must also conform with the *Region of York Official Plan*. For the purposes of the analyses contained in this report the key policies in the December 2009 Council-adopted *Region of York Official Plan* are:

- A population allocation for Vaughan to grow from 248,800 in 2006 to 418,800 by 2031;¹
- An employment allocation for Vaughan to grow from 162,200 in 2006 to 266,100 in 2031;
- A target for 29,300 residential units to be accommodated within the existing built-up area of the City of Vaughan between 2006 and 2031, which translates into a share of approximately 45% of new housing units;
- A direction to focus growth in the VMC (an identified UGC under the *Growth Plan*) and along Highway 7, designated a Regional corridor in the new *York Region Official Plan*; and

¹ Unless otherwise noted, all population figures in this report are total population, including the Census net under-coverage consistent with Provincial and Regional plans. Other municipal work such as development charges background studies may use Census population, excluding Census net under-coverage. Caution needs to be taken in comparing population figures from different sources.

- The identification of the Highway 400 North lands and the area north of the Vaughan Enterprise Zone along Highway 50 as a future strategic Employment Area. The Council-approved *Region of York Official Plan* recognises that some such urban expansions may be required, but the size and location have yet to be determined.

In order to implement new Provincial and Regional policies, the City of Vaughan has undertaken a great deal of background research and analysis. Particularly relevant to the issue of accommodating growth, three reports were prepared in 2008 and 2009 by Hemson Consulting Ltd.:

- *Background Paper on Population and Housing*, April 2008;
- *Background Paper on Employment*, June 2008; and
- Most recently, *Housing Analysis and Employment Land Needs*, September 2009, prepared as input to the *Where & How to Grow* report, which describes the growth outlook for the City of Vaughan and the key growth management policy directions to be considered as part of preparing a new official plan.

As set out in that background work, the City of Vaughan has considerable potential to accommodate residential growth through intensification. With significant intensification, approximately 85% of the City's forecast housing demand to 2031 can be accommodated within the existing urban area. The remaining 15% could be met through:

- additional intensification within the built boundary;
- additional development within the designated greenfield area;
- an urban boundary expansion; or
- a combination of some or all of the above.

Unlike population, however, the City's ability to change the way employment growth is accommodated is more limited. The key choice to be made in this regard is whether additional employment lands (lands that accommodate mainly industrial-type development) will be designated to accommodate economic growth and development.

Ultimately, the City of Vaughan Council will decide which path should be taken. The major growth management challenge will be to balance the need to improve the livability and economy of the community, while still meeting the goals of the *Growth Plan* and Regional plan.

Since September 2009, additional analysis has been undertaken by both the Region and the City and final conclusions have been reached on how and where population growth will be accommodated, including the amount of new lands proposed to be designated through urban expansion for the Region of York to consider as part of its long-range planning.

C. THIS REPORT PROVIDES A FINAL TECHNICAL BASIS FOR THE CITY'S NEW OFFICIAL PLAN

The report addresses the issue of intensification and growth in new urban lands, including both residential and employment growth. These are the two most important quantitative aspects of the urban structure that the City will need to address in the new official plan. The reader is reminded that the quantitative work presented in this report reflects a much different planning environment than has been in place in the past:

- While planning has always been a balance between policy goals and market forces, the *Growth Plan* has taken a much more ambitious approach to further shifting housing and employment land market patterns away from traditional suburban forms. Over time, land markets and consumer demand will need to shift towards greater levels of intensification and more compact urban forms to achieve the Provincial vision.
- The analysis presented in this report provides details on the amount and type of growth for which the City is being directed by the Province and the Region to plan. A position need not be taken on whether or not the desired changes are currently supported by prevailing market patterns, because it is the very intention of the *Growth Plan* to change those patterns.
- An analysis based strictly on historic patterns in housing and business location is of interest to help decision makers understand the scale and nature of the market shifts required to implement the *Growth Plan*.

- The market, however, is less relevant for the purposes of conformity with the *Growth Plan*. The *Growth Plan* will affect land markets across the entire urban region and, indeed, is specifically intended to shift development markets in both residential and employment land.

The purpose of this report is to outline the technical details of this shift. The report is structured into three main sections:

- Following this introduction, the next chapter describes the residential growth outlook, including the growth forecast allocated to the City of Vaughan and the shifts in housing demand required to achieve intensification objectives;
- Following the residential growth outlook is a chapter discussing employment growth, including the outlook for employment lands;
- A chapter is then provided that discusses the issue of employment land conversion; and
- The final chapter provides our overall conclusions, including some of the challenges associated with planning for significantly increased levels of intensification over time.