

COUNCIL REPORT

Meeting date: August 4, 2020
Department: Building, By-law, Planning and Waste Management
Report No.: BBP-2020-65
Submitted by: Jennifer Huff, Manager of Building and Planning
Approved by: Matthew Stephenson, Director of Building, Planning & Waste Services
Fred Tranquilli, Chief Administrative Officer / Clerk
SUBJECT: **Municipality of Strathroy-Caradoc Residential Land Needs Assessment, Report 3 of 3**

RECOMMENDATION:

THAT: Council receive Report BBP-2020-65, including the attached 'Municipality of Strathroy-Caradoc Residential Land Needs Assessment, August 2020' for information, and further;

THAT: Council adopt the findings of the Residential Land Needs Assessment which concludes that there is an approximate 45 ha (111 ac) deficient supply of residentially designated land within the Municipality, and further;

THAT: Council direct staff to draft and release a Request for Proposal (RFP) for a 5-Year Review of the Official Plan, including a Comprehensive Review in support of a future urban boundary expansion, and that the RFP contain multiple phases and will result in a 2-part approach to updating the Official Plan and responds to the critical need for developable land in the short term.

SUMMARY HIGHLIGHTS

- This report summarizes the findings of the Residential Land Needs Assessment (RLNA) Report (attached), the third report in a series that provides the necessary background to determine the scope of work to be completed as part of a 5-Year Official Plan Update.
- The RLNA undertakes a review of all vacant parcels of land currently within the residential designation of the Official Plan (and within the settlement boundary) in Mt. Brydges and Strathroy to determine the amount of net 'developable' land available within a 3, 15 and 25-year timeframe.
- The RLNA concludes with three main findings:

- While there is a theoretical surplus of land within the Municipality of Strathroy-Caradoc that is available for development within a 3-year timeframe (with some shortages in the 'R1' and 'R2' zone categories in Strathroy and in the 'R2' zone category in Mt. Brydges), only about one-third of available lots in Strathroy and two thirds of available lots in Mt. Brydges are viable for development in the short term. This leads to only about 1.9 years of necessary supply to accommodate growth over the next 3-years.
- The Municipality has a surplus of developable land (approximately 15 ha (37 ac)) over the 15-year timeframe.
- Over the 25-year timeframe, the Municipality has a deficit of about 45 ha (111) of developable land.
- In addition, three existing parcels of land have been identified as being currently within the existing Settlement Boundary but not designated in the Official Plan. It is recommended therefore, that the OP review include the consideration of a portion of these lands for residential land uses, and that this could have the effect of potentially reducing the Municipality's land supply deficit to approximately 29.7 ha (73.5 ac).
- The report also recommends that staff prepare and release of a Request for Proposal for the completion of a 5-year Official Plan update and Comprehensive Review for the consideration of an urban boundary expansion.

BACKGROUND

The municipality recently released its first Strategic Plan 2020-2029. The Strategic Plan includes 'Proactive Planning' as one of its core missions, stating that "*The Municipality of Strathroy-Caradoc... has an important role to play in long-term planning for the sustained health of the organization and the community at large.*" Further to this point, the Strategic Plan recognizes "Growth Management" as one of its six key goals: "*Strathroy-Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources*". A new Official Plan was one of the identified key short term strategies to achieve this goal.

In light of the 'Growth Management' goal of the Strategic Plan, the Municipality is embarking on a 5-year update to its Official Plan – the key land use planning document guiding the growth and development of the community over a 25-year planning horizon. In order to determine the scope of this 5-year update, staff have been working to prepare the necessary background documents, including the completion of:

- 2019 Strathroy-Caradoc Population and Housing Projections, Report 1 of 3, August 3, 2019
- Growth Management and Housing Report, Report 2 of 3, January 20, 2020

The final background report in this series is the subject *Residential Land Needs Assessment (RLNA) Report*, which used the Council approved population and housing projections and growth management directives as key assumptions to determine whether there is a sufficient supply of residentially designated lands within the Municipality for the projected 25-year housing demand (the planning

horizon of the Official Plan). The determination of land supply is critical in order to determine whether the scope of the 5-year Official Plan update should include the necessary reports to deal with a potential urban boundary expansion (referred to as a comprehensive review).

While these reports were largely completed prior to the COVID-19 pandemic, the impacts of the pandemic on housing, population and employment trends are not likely to become clear for many years. At this time, the Municipality continues to be benefiting from a continued interest in development locally, including a noticeable increase in construction in the area despite COVID-19. In fact, building permits are up relative to last year at this time, as are planning applications. As such, the underlying assumptions of these reports remain, until such time as statistics and trends demonstrate alternative assumptions are more appropriate. It is acknowledged that the underlying population, housing and growth management assumptions and recommendations are based upon an aggressive position that recent development trends will largely continue and that the Municipality will purposefully support the diversification and densification of local housing stock.

PURPOSE

Attached to the subject report, is a report completed by staff, titled, "Residential Land Needs Assessment, August 2020". The report is intended to provide a high-level analysis of all residentially designated lands in the Municipality relative to short, medium and long term time development horizons (3 years, 15 years and 25 years). It is not intended to be prescriptive about how development is to occur on individual sites.

As noted above, the purpose of the report is to determine whether the Municipality has a **surplus** or **deficit** of lands designated for residential purposes to meet the projected residential needs of the projection population over a 25-year time period.

POLICY CONTEXT

The process guiding the potential expansion of a settlement area boundary is driven by the policies contained in the Provincial Policy Statement (PPS). Section 1.1.3.8 of the PPS outlines the conditions that must be met to expand the existing settlement areas and to identify new settlements:

"A planning authority may identify a settlement area or allow the expansion of a settlement area boundary only at the time of a comprehensive review and only where it has been demonstrated that:

- a) Sufficient opportunities to accommodate growth and to satisfy market demand are not available through intensification, redevelopment and designated growth areas to accommodate the projected needs over the identified planning horizon (25 years);
- b) The infrastructure and public service facilities which are planned or available are suitable for the development over the long term, are financially viable over the life cycle, and protect public health and safety and the natural environment;
- c) In prime agricultural areas;
 1. The lands do not comprise specialty crop areas;
 2. Alternative locations have been evaluated, and
 - i. There are no reasonable alternative which avoid prime agricultural areas; and
 - ii. There are no reasonable alternatives on lower priority agricultural lands in prime agricultural areas;

- d) The new or expanding settlement area is in compliance with the minimum distance separation formulae; and
- e) Impacts from new or expanding settlement areas on agricultural operations which are adjacent or close to the settlement area are mitigated to the extent feasible.

In undertaking a comprehensive review, the level of detail of the assessment should correspond with the complexity and scale of the settlement boundary expansion or development proposal.”

In summary, Section 1.1.3.8 identifies the five conditions that must be met in order for a planning authority to consider a boundary expansion, the first of which must be the demonstration of need and whether there is enough land available through intensification, redevelopment or greenfield development opportunities within the settlement area(s) to accommodate the projected housing need over a 25-year planning horizon. Such a calculation of “need” requires the completion of a “*comprehensive review*”.

The PPS defines the term “*comprehensive review*” as:

- a) An official plan review which is initiated by a planning authority, or an official plan amendment which is initiated or adopted by a planning authority, which:
 - a. Is based on a review of population and employment projections and which reflect projections and allocations by upper-tier municipalities and provincial plans, where applicable; considers alternative directions for growth or development; and determines how best to accommodate the development while protecting provincial interests;
 - b. Utilizes opportunities to accommodate projected growth or development through intensification and redevelopment; and considers physical constraints to accommodating the proposed development within existing settlement area boundaries;
 - c. Is integrated with planning for infrastructure and public service facilities, and considers financial viability over the life cycle of these assets, which may be demonstrated through asset management planning;
 - d. Confirms sufficient water quality, quantity and assimilative capacity of receiving water are available to accommodate the proposed development;
 - e. Confirms that sewage and water services can be provided...; and
 - f. Considers cross-jurisdictional issues.

The underlying basis of a comprehensive review is the evaluation of land supply relative to demand based on growth forecasts. The calculation of land supply also includes an evaluation of constraints, such as physical / environmental / servicing constraints. The residential land needs assessment largely satisfies this ‘NEED’ component of the comprehensive review.

REPORT FINDINGS

The report concludes with three key findings:

- While there is a theoretical surplus of land in the Municipality that is available for development within a 3-year timeframe (with some shortage in the ‘R1’ and ‘R2’ zone categories in Strathroy and ‘R2’ zone category in Mt. Brydges), only about one-third of available lots in Strathroy and two thirds of available lots in Mt. Brydges are viable for development in the short term. This

leads to only about 1.9 years of necessary supply to accommodate growth in the 3-year timeframe.

- The Municipality has a surplus of developable land (approximately 15 ha) over the 15-year timeframe.
- Over the 25-year timeframe, the Municipality has a deficit of about 45 ha of developable land.
- Three existing parcels of land have been identified as being currently within the existing Settlement Boundary but not designated in the Official Plan (see page 12). It is recommended therefore, that the OP review include the consideration of these lands for residential land uses, and that this could have the effect of potential reducing the Municipality's land supply deficit to approximately 29.7 ha (73.5 ac).

RECOMMENDATIONS

Given the findings of the RLNA, it is recommended that staff draft and release a Request for Proposals (RFP) for the completion of the 5-Year Review of the Official Plan, and Comprehensive Review for the purpose of contemplating an urban boundary expansion.

It is recommended the RFP include multiple project phases.

One of the initial components of the project would include a focused review of the three parcels of land that are currently located within the Settlement Boundary but not yet designated. It will be proposed that designation of these lands in the Official Plan will be considered as a separate amendment to the larger overall project.

Another component of the project would include the investigation of a potential urban boundary expansion. The first phase of this project is to include a high-level evaluation of all boundary lands to identify key candidate parcels for further consideration based on the following criteria:

- Proximity to the existing built-up area
- Proximity to, or incorporation of municipal facilities, parks and open spaces
- Land use compatibility
- Ability to accommodate a variety of housing types and densities
- Natural heritage impacts
- Agricultural impacts
- Natural Hazards
- Utility Infrastructure (telecommunication infrastructure)
- Multi-modal Road Connections / Improvements
- Water / Sanitary Connections and Improvements
- Financial Viability

- Marketability of Site for Development
- Inclusion of Complete Community Elements

This initial phase will include an opportunity for landowners to submit a formal expression of interest to have their lands considered as a potential candidate area for an urban boundary expansion.

In order to undertake an evaluation based on the above criteria, a number of key background studies will be required to be completed or updated (i.e. such as servicing and recreation trails and parks master plans) as they will provide the necessary information on which to base land use planning decisions over the long term.

A critical key component to all phases of this project will be public, stakeholder and agency consultation. Staff have an expectation that the successful consulting firm will have significant social media and out-of-the box consultation experience. Due to COVID-19, much of the consultation on this project is anticipated to be virtual. Key project milestones / decisions will be brought forward to Council for review and decisions where appropriate.

CONSULTATION

This report has been peer reviewed by Hemson Consulting relative to its methodology and conclusions. Hemson has indicated no concerns with either.

SUMMARY

The Residential Land Needs Assessment report dated August 2020 is intended to provide a high-level analysis of all residentially designated lands in the Municipality relative to short, medium and long term time development horizons (3 years, 15 years and 25 years). It is not intended to be prescriptive about how development is to occur on individual sites. It concludes that the Municipality has a deficit supply of residential lands over the 25-year planning horizon of the Official Plan and recommends that staff undertake a 5-Year Official Plan update and Comprehensive Review in order to consider a potential boundary expansion.

FINANCIAL IMPLICATIONS

It is intended that the Municipality will receive quotes for the work which will become subject to consideration in advance of the 2021 budget deliberations scheduled to begin in November 2020.

ATTACHMENTS

- Strathroy-Caradoc Residential Land Needs Assessment Report, August 2020