

For Information

REPORT TITLE: Peel 2051 Land Needs Assessment Report

FROM: Kealy Dedman, Commissioner of Public Works

OBJECTIVE

To provide an overview of the findings from the Peel 2051 Land Needs Assessment Report.

REPORT HIGHLIGHTS

- The Region of Peel is forecasted to accommodate an additional 700,000 people and 335,000 jobs over the next 30 years.
 - A balanced approach is recommended to accommodate housing needs that considers market demand, needs of Peel households, and policy objectives such as responding to climate change, efficient use of infrastructure, supporting complete communities, healthy development, affordable housing, age friendly planning, sustainable transportation, and fiscal sustainability.
 - The balanced approach also reflects existing and emerging comprehensive planning and community visioning work completed or underway in the local municipality's official plans and planning work for Major Transit Station Areas and other strategic growth areas.
 - A minimum intensification rate of 55 per cent is recommended.
 - A minimum designated greenfield area density target of 65 people and jobs per hectare in newly designated greenfield areas is recommended.
 - The Land Needs Assessment results in a need for approximately 3,000 net hectares of community area land and 1,400 net hectares of employment area land through Settlement Area Boundary Expansion.
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DISCUSSION

1. Background

The Peel 2051 Regional Official Plan Review (Peel 2051) is a Municipal Comprehensive Review (MCR) that will amend the official plan to manage growth and implement provincial policy directions. As part of Peel 2051, the Regional Growth Management Strategy integrates and coordinates land use planning, infrastructure planning and infrastructure financing and investment.

To support this integrated approach to planning, the Region of Peel has completed a Land Needs Assessment report to determine the amount of land required to accommodate future population and employment growth to the year 2051. The work has been undertaken to address the requirements of the Growth Plan for the Greater Golden Horseshoe, 2019 and the Land Needs Assessment Methodology, 2020.

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The Land Needs Assessment informs elements of the Peel 2051 MCR including:

- The amount of population and employment growth allocated to the local municipalities;
- The planned mix of housing units and employment types;
- Minimum rates of intensification;
- Minimum densities in designated greenfield areas and Strategic Growth Areas; and
- The need for settlement area boundary expansion.

On June 17, 2021 staff presented an update on the Land Needs Assessment Report to the Planning and Growth Management Committee. The report advised that staff would be consulting on the technical studies over the summer and would prepare a full Land Needs Assessment report for consideration by the Planning and Growth Management Committee in the Fall of 2021.

This report provides an overview of Peel's 2051 Land Needs Assessment. Appendix I – Peel 2051 Land Needs Assessment Report is available from the Office of the Regional Clerk or the Region of Peel website.

2. Land Needs Assessment

A Land Needs Assessment (LNA) is a process to determine the amount of land required to accommodate future growth. This process is also commonly referred to as a 'land budget'. In August 2020, the Province released a standard methodology to be used by upper- and single-tier municipalities undertaking a LNA through their Municipal Comprehensive Review. One of the objectives of the standard methodology was to ensure that all municipalities are utilizing a consistent approach to address land needs across the Greater Golden Horseshoe.

Provincially Mandated Methodology

The LNA methodology mandated by the Province guides municipalities through a process to determine the amount of land required to accommodate forecasted growth to the 2051 planning horizon.

Municipalities are required to examine the demand for housing and employment that typically occurs within their boundaries against the existing supply of land within existing settlement areas, while addressing the policy objectives of the Growth Plan and local market conditions. This includes a consideration for compact built forms, intensification/density targets, providing a mix and range of housing options, addressing market demand, and supporting economic development and competitiveness.

The analysis of supply and demand focuses on two policy areas, 'Community Areas' which include lands for residential, retail/commercial, and major office uses. The other policy area is 'Employment Areas' which are lands that primarily accommodate manufacturing, warehousing, and logistic uses. Appendix II – Land Needs Assessment Policy Area Mapping is available from the Office of the Regional Clerk or the Region of Peel website.

The outcome of the LNA is to ensure that sufficient land is available within municipalities to accommodate all market segments to the horizon of the plan, while avoiding shortages that would increase the costs of housing and employment. If it is determined that additional lands are required, the location of the expansion lands is determined through a settlement area boundary expansion study.

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Peel Growth Management Program and Other Inputs

In Peel's case, the Provincially mandated methodology has been supplemented by the extensive work undertaken through the Growth Management Program to evaluate and validate options for accommodating growth in existing urban areas and through boundary expansion.

The Region, working collaboratively with the local municipalities, internal and external stakeholders, and the development industry has explored options for accommodating forecasted population and employment growth. These options considered factors including infrastructure and servicing, transportation planning, development financing, preservation of agricultural lands, employment planning, and a range of density and intensification rates. This work has positioned the Region to respond to shifting provincial planning frameworks and new planning assumption and development trends.

Fiscal Impact Assessment

Staff have assessed the fiscal impacts of accommodating new growth to 2051. Several scenarios were evaluated to determine the high-level cost associated with accommodating Settlement Area Boundary Expansion under a range of density and intensification assumptions.

Scenario	Minimum Intensification Rate	DGA Density (residents and jobs per ha)	Community Area Need	Employment Area Need
0 – Base Scenario (LNA)	55%	65	3,000	1,200
1 – New Base Scenario (LNA)	55%	65	3,000	1,400
2 – Higher DGA Density	55%	75	2,500	1,400
3 – Lower DGA Density	55%	55	3,200	1,400
4 – Minimum Intensification	50%	65	4,200	1,600
5 – No GTA West	55%	65	3,000	1,400

The detailed findings from the Fiscal Impact Assessment are captured in the accompanying report titled "Peel 2051 Draft Settlement Area Boundary Expansion Update and Revised Mapping" on the October 7, 2021 Planning and Growth Management Committee meeting agenda.

GTA West Corridor

The GTA West corridor has been considered through work undertaken for the Settlement Area Boundary Expansion Focus Area to assess how Council's position on the corridor may impact the location of new population and employment growth. For the purpose of the LNA, this position does not impact the land requirements or municipal allocation of population and employment growth.

Climate Change

The Growth Management work supports the achievement of key climate change outcomes for mitigation and adaptation through the development of complete, compact communities by aligning with climate change outcomes and policy requirements in the Provincial Policy Statement (2020) and Growth Plan (2019). The allocation of population and employment

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growth, setting minimum density and intensification targets above Provincial minimums, and directing growth to strategic growth areas served by transit support the efficient use of land and reducing greenhouse gas emissions.

a) Community Area

The Region is required to plan to accommodate 700,000 additional people and 335,000 jobs by 2051. It is anticipated that approximately 270,000 new residential units are required across the Region to accommodate the forecasted population growth. Staff have evaluated several approaches to accommodating this forecasted growth.

Housing Market Based Approach

The LNA methodology prescribed by the Province requires the evaluation of a market-based approach to accommodating the forecasted housing need. The market-based approach is primarily determined by considering historic trends in housing mix and demographics.

Analysis of market demand indicates a historic preference in Peel for single- and semi-detached units over apartment units. Historic patterns of development in Peel resulted in a high proportion of low-density housing units being accommodated in new greenfield communities. During the 1990's and 2000's, Mississauga and Brampton accommodated many new families in Peel, in auto-oriented development forms.

The application of the market-based approach to the current housing needs to 2051 in Peel would result in a significant proportion of new residential growth occurring in single- and semi-detached units in newly designated greenfield areas. The Town of Caledon is the only local municipality with land available to expand settlement area boundaries and accommodate new designated greenfield areas.

It is estimated that approximately 5,900 net hectares of community area land would be required through settlement area boundary expansion to accommodate the market-based approach. The amount of land required may exceed the developable land area remaining in Peel's white belt (lands outside of the Greenbelt and existing settlement areas).

Further, the market-based approach would not achieve the minimum 50 per cent intensification rate policy of the Growth Plan, 2019. An intensification rate of 40 per cent would be achieved using the market-based approach. This approach would not be responsive to a variety of policy objectives including responding to climate change, and managing growth in a manner that is walkable, transit oriented, fiscally responsible, and healthy.

No Settlement Area Boundary Expansion

For comparison purposes and in response to public input, staff evaluated how the forecasted housing need could be accommodated if no settlement area boundary expansion was proposed.

Under this approach, a high proportion of high-density units would be required to provide the total units needed to support the forecasted population growth to 2051. In addition, Brampton and Mississauga would need to accommodate the majority of the forecasted

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high-density units as they are better positioned to accommodate this form of development with existing transit services, planned higher order transit, and community infrastructure in place to support higher density development.

The intensification rate under this approach would be nearly 75 per cent which is well above the provincial minimum of 50 per cent and well above the historic (2006-2020) intensification rate in the Region of 46 per cent. In addition, the proportion of ground-oriented units to be accommodated in this scenario would not be sufficient to respond to the market demand for ground-oriented units or provide sufficient housing choice as required by provincial planning policies.

The substantial mismatch between household needs and planned housing supply would cause increased housing affordability challenges and could result in “leapfrogging” as households seek to meet their housing needs in more distant communities. This approach could also lead to stranded infrastructure deficits if the infrastructure investments are made, and the development does not occur to fund it because of the market mismatch.

Under the No Settlement Area Boundary Expansion approach, staff estimate that the population allocation and distribution of units would be as follows:

Summary of No Settlement Boundary Expansion Approach				
	Brampton	Caledon	Mississauga	Total
2051 Population	1,069,000	127,000	1,084,000	2,280,000
2021-2051 Population Growth	366,000	47,000	289,000	700,000
2021-2051 New Units	126,000	18,000	127,000	271,000

Balanced Approach

As a result of the limitations of the market-based approach and the no boundary settlement boundary expansion approach, staff prepared a balanced approach that adjusts the market-based housing need to better accommodate future growth in the Region. The balanced approach responds to the policy objectives of the Growth Plan, existing and planned transit investment, local official plan policies, Regional objectives that support climate change, and market demand.

The balanced approach sets an aspirational minimum intensification target of 55 per cent and aims to accommodate approximately 50 per cent of all new units in apartments across the Region through transit-oriented forms on development. Ground-oriented units such as single- and semi- detached units and Row-house would account for the other 50 per cent of new units.

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2021-2051 Housing Need Assessment Summary								
	Single/Semi	Row	Apartment	Total Units	Units in Built Boundary	Units in DGA	Intensification Rate	Community Area Land Need (ha)
Market Based Approach	130,400 (48%)	56,900 (21%)	84,200 (31%)	271,600	104,400	164,900	39%	5,900
Balanced Approach	77,700 (29%)	63,600 (23%)	130,200 (48%)	271,600	145,700	123,500	55%	3,000
No Boundary Expansion	46,700 (17%)	45,100 (17%)	179,400 (66%)	271,100	203,325	67,775	75%	0

The balanced approach reflects the urban structure of the Region and sets targets above provincial minimums to address a number of regional and provincial policy initiatives such as responding to climate change, efficient use of infrastructure, supporting complete communities, healthy development, affordable housing, age friendly planning, sustainable transportation and fiscal sustainability.

The balanced approach also reflects existing and emerging comprehensive planning and community visioning work completed or underway in the local municipality's official plans and planning work for Major Transit Station Areas and other strategic growth areas.

Accessory Units

Accessory units have been identified as an area of interest in our planning work. These units are commonly accommodated through second units in basement apartments, but can take the form of granny suites, laneway housing, and garden suites. Within the LNA and growth forecast work, data derived from Statistics Canada is used to determine the proportion of single detached units that contain second units.

Changes to the *Planning Act* in *Bill 108 – More Homes, More Choice Act 2019* requires municipalities to permit, an additional residential unit (ARU) or third unit in official plan and zoning by-law policies. Brampton and Mississauga will be examining the implementation of these policies in their respective official plan reviews.

Staff have reviewed how accessory units are accommodated in the existing forecast and how future local policy adjustments may impact our forecast work and overall land need. These forms of housing provide an opportunity for the affordable rental markets and a significant potential for additional residential units. For comparison, staff reviewed statistics for the City of Vancouver which indicated that over a 10-year period approximately 2,200 additional laneway units were added with approximately 3 per cent of all single detached units having a suite.

Within the Peel context, staff estimate 13,000 secondary units will be added by 2051, which is primarily driven by development activity in Brampton, where building permits have been issued for 5,000 second units, with an estimated 1,800 in new dwellings.

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Historic and Forecasted Distribution of dwelling units by type (%) 2001-2051					
	Single/Semi	Row	Apartment	Accessory Units	Total
2001-2011	45.6%	14.2%	34.8%	5.3%	100%
2011-2021	43.9%	19.3%	27.7%	9.0%	100%
2021-2031	35.4%	23.6%	36.4%	4.6%	100%
2031-2041	26.7%	22.8%	46.2%	4.3%	100%
2041-2051	22.6%	23.7%	48.5%	5.3%	100%
2021-2051	28.7%	23.3%	43.3%	4.7%	100%

Source: Hemson Consulting, 2021, prepared for the Region of Peel

Based on this data, staff anticipate that in the near-term additional residential units will not have a significant impact on the LNA. However, continued monitoring of these trends through the growth management program is required.

Intensification Rate

The Region has a tradition of establishing intensification rates that are above the Provincial minimums. The 2006 Growth Plan has a minimum intensification rate of 40 per cent and the Region in its current Official Plan sets a target of 40 per cent to 2025 and 50 per cent by 2026 and each year after.

The Region is currently achieving its minimum intensification target with a cumulative intensification rate of 46 per cent between 2006 and 2020.

Cumulative Intensification Rate by Municipality 2006-2020			
Brampton	Caledon	Mississauga	Peel
25%	13%	89%	46%

Source: Peel Data Centre, Municipal Building permit data (2006-2020)

Staff are recommending that an intensification rate above the provincial minimum of 50 per cent be established for the 2021-2051 planning horizon. The rate represents an increase above the current rates being achieved in the Region to reflect future transit infrastructure investment and transit-oriented development.

The Intensification Assessment work undertaken by Perkins and Will for the Region indicates sufficient opportunities are available to accommodate growth in higher density-built forms beyond the planning horizon. Specifically, opportunities in Strategic Growth Areas such as Major Transit Station Areas presents opportunity to leverage future transit investments to accommodate transit-oriented development and support mobility in Peel's municipalities.

In addition, substantial planning work has been undertaken or will be undertaken in key growth areas such as downtown Brampton and Mississauga, and emerging corridors and nodes such as Lakeview, Dundas Street, and Queen Street to accommodate higher density and transit supportive built forms through intensification.

The success of intensification within the Region will be dependent on investments in key transit projects to deliver the necessary infrastructure to support transit-oriented development and the creation of complete urban communities.

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Designated Greenfield Area Density

Municipalities are required to establish minimum densities within designated greenfield areas to support more compact and urban built forms and reduce urban sprawl. The current minimum density for designated greenfield areas in the Region's Official Plan is 50 people and jobs per hectare, which included employment areas, based on the calculation in the Growth Plan, 2006. The inclusion of employment areas in the minimum density calculation resulted in residential areas above 50 people and jobs per hectare to off-set lower employment densities.

The current Growth Plan, 2019 establishes a minimum density target of 50 people and jobs per hectare. However, this density calculation now excludes employment areas, which traditionally have a lower density.

Planning applications and secondary plans in designated greenfield areas such as Mayfield West Phase 2 Stage 2, Ninth Line, and Heritage Heights are proposing densities above the provincial minimum. The current density on built lands in designated greenfield areas in Peel is estimated at approximately 60 people and jobs per hectare. Setting a minimum designated greenfield area target above the provincial minimum would be appropriate for Peel.

Staff recommend a minimum overall density of 70 people and jobs per hectare on designated greenfield area land in Peel by 2051. This figure is driven by the potential for increased densities in greenfield communities such as Heritage Heights in Brampton and Ninth Line in Mississauga, both of which are communities planned around higher order transit stations.

The staff recommendation regarding intensification and density targets is also informed by infrastructure and financial analysis undertaken as part of the Settlement Area Boundary Expansion (SABE) analysis. Information regarding the results of that analysis is provided in the staff report titled "Peel 2051 Draft Settlement Area Boundary Expansion Update and Revised Mapping" on the October 7, 2021 Planning and Growth Management Committee meeting agenda.

Estimated Density of Developed Designated Greenfield Areas 2021 and 2051				
	Brampton	Caledon	Mississauga	Peel
Community Area Density in residents + jobs per ha, 2021*	58	42	87	60
Community Area Density in residents + jobs per ha, 2051	70	60	87	70

*Estimated density based on developed lands within the designated greenfield area, approximately 60% of land in the DGA is undeveloped or in the planning stages

To support the Region in achieving the minimum designated greenfield area density, the proposed density for each municipality reflects the current urban fabric and future development potential, including the availability of transit infrastructure and amenities to support higher densities.

For greenfield areas that will be accommodated through settlement area boundary expansion, a minimum density of 65 people and jobs per hectare is being recommended. As boundary expansion can only be accommodated in the Town of

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Caledon, the minimum density recommended reflects the characteristic of the area which includes a less robust transit service, fewer transit stations/infrastructure, the need for community centres and facilities to support growth, and large regional infrastructure (i.e. stormwater ponds) that will be required to accommodate new growth.

b) Employment Area

The Region is forecasted to accommodate 1,070,000 jobs by 2051. To achieve this growth an additional 335,000 jobs are required between 2021 and 2051. For the purposes of the LNA, jobs are categorized as follows:

- 'population related employment' supports the service needs of residents.
- 'major office employment' found in office parks and strategic growth areas supported by transit and urban amenities.
- 'employment land employment' - warehousing/manufacturing jobs supported by goods movement corridors, and freight and airport infrastructure; and
- 'Rural Employment' jobs in rural areas outside of settlement areas and are primarily related to natural resources, agriculture, tourism, and recreation.

Employment growth is expected to be evenly distributed across the three primary categories, with an increase in the proportion of Major Office and Population Related Employment compared to the last 20 years to account for the changing nature of employment and more urban forms of employment occurring in mixed use buildings that are supported by urban amenities.

Employment Forecast by Employment Category 2021-2051						
	Major Office	Population Related	Employment Land	Home Based	Rural Employment	Total
2021	137,200	184,560	366,570	41,420	5,460	735,600
2031	169,430	227,300	412,510	47,970	5,720	862,840
2041	202,670	263,930	432,310	54,440	5,720	959,100
2051	247,220	297,250	458,940	61,420	5,660	1,070,000
Share of Growth by Category						
2021-2051	33%	34%	28%	6%	0%	100%
Employment Growth by Category						
2021-2051	110,010	112,690	92,370	20,000	200	334,400

Note: Home based employment are jobs located in the same building as the primary residence

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As Peel plans for new employment growth and the changing nature of employment, staff see a shift in how people work and where jobs are located. This includes home-based employment and no fixed place of employment. The continued advancement of automation and efficiency in industrial facilities may impact planning assumptions about the number of jobs that will be accommodated in Employment Areas.

Employment growth in the transportation, logistics, and warehousing sectors further exacerbated the trend, as these facilities are typically land extensive and require locations in new Employment Areas. Strategically, the intensification of existing Employment Areas with employment uses will be important to maximize existing lands that have strategic locations supported by key transportation and goods movement corridors.

To accommodate future growth in Peel, a greater proportion of jobs will be captured in the service-knowledge based sectors and the demand for industrial space to accommodate warehousing will continue. However, office-based uses are now seeking urban environments that provide access to a knowledge-based labour force, transit, urban lifestyles and amenities. While these uses typically provide more jobs and increased densities, they can have the negative impact of creating land use compatibility issues that impact the ability of existing or potential new industries to operate. The Employment Strategy Discussion Paper undertaken by Cushman and Wakefield for the Region provides strategies and direction to assist the Region in accommodating future employment growth.

Employment Conversions

The Growth Plan 2019 permits upper-tier municipalities to consider the conversion of lands for employment uses to non-employment land uses such as retail, commercial or residential through a municipal comprehensive review. As a part of the LNA, the amount of land being considered for employment conversion must be accounted for in the methodology and the determination of additional employment land needs. In accordance with Provincial and Regional policies, municipalities are to prohibit or limit sensitive uses within employment areas in order to maintain land use compatibility.

Staff reported at the June 17, 2021 Planning and Growth Management Committee meeting that 41 employment conversion requests had been submitted. A preliminary analysis of those conversion requests indicated that approximately 270 hectares could be supported by the Region. Over the summer, staff have received three additional employment conversion requests which are under review:

- B30 - 8383 Mississauga Road, Brampton
- B31 - 8200 Dixie Road, Mississauga
- B32 - Steeles/Mississauga Road, Brampton

Staff are also reviewing additional planning justification and analysis from stakeholders who previously submitted conversion requests noted below.

- B24 - North Side of Countryside Drive, West of Coleraine
- C3 – 159 & 131 Industrial Road and 12380 Albion - Vaughan Townline

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Based on staff's preliminary review, 270 hectares of land are being recommended for conversion, to date. Most of the requests are supported by planning work undertaken by the local municipalities to support the implementation of strategic visions such as Dundas Connects in Mississauga. A handful of requests are also being considered through the development of flexible policy to allow land use compatibility matters to be addressed prior to the introduction of non-employment uses. Appendix III – Draft Employment Conversion Analysis Status Update is available from the Office of the Regional Clerk or the Region of Peel website.

It is anticipated that the supported conversions will have minimal impact on the LNA, as the majority of lands under consideration are currently in a retail/commercial use and do not contribute to accommodating future employment land uses such as manufacturing, logistics, and warehousing.

Staff will continue to evaluate employment conversion requests received and refine these results based on on-going stakeholder consultation, including the review of new employment conversion requests and supplementary information. The employment area land need will be confirmed once all conversion requests are received and evaluated.

c) Land Needs Summary

To accommodate a sufficient supply of land to accommodate forecasted growth while recognizing the policy objectives and aspirations of the Province, Region, and the local municipalities, settlement area boundary expansion is required. Staff recommend that an additional 4,400 hectares are required to accommodate forecasted growth to 2051 based on a minimum new DGA density of 65 people and jobs per hectare.

Land Needs Summary			
	55 People and Jobs Per Hectare	65 People and Jobs per Hectare	75 People and Jobs per Hectare
Community Area Land Need	3,200	3,000	2,500
Employment Area Land Need	1,400	1,400	1,400

The Settlement Area Boundary Expansion study will identify the appropriate location of population and employment growth for boundary expansion to support the creation of new and complete communities.

d) Municipal Growth Allocation

The allocation of population and employment to the local municipalities is undertaken based on the outcome of the LNA. Staff in collaboration with the local municipalities undertake detailed assessments of how forecasted growth will be accommodated within local geographies. Appendix IV – 2051 Scenario Community Planning Tables and Map is available from the Office of the Regional Clerk or the Region of Peel website.

2051 Municipal Growth Allocation of Population and Employment Forecast		
Municipality	Population	Employment
Caledon	300,000	125,000
Brampton	985,000	355,000
Mississauga	995,000	590,000
Peel	2,280,000	1,070,000

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The municipal growth forecast is consistent with the schedule 3 forecasts in the official plan. The allocation of growth to the local municipalities is based on the results of the LNA which would require an additional 3,000 hectares for community areas and 1,400 hectares for employment areas to meet the provincial forecasts to 2051.

CONCLUSION

The LNA analysis undertaken by staff and the supporting technical studies continue to support the need for additional land in Peel to ensure a range and mix of housing choice and employment types are available to support growth in Peel.

Staff intend to proceed with statutory consultation on the LNA and the larger Peel 2051 Official Plan Review in the Fall. Results of the LNA may be adjusted based on further public and stakeholder input.

The LNA analysis results are a primary input to the SABE analysis and recommendations. The final recommended area for settlement expansion may be adjusted in minor ways to establish logical settlement area boundaries and avoid partial neighbourhoods or irregular servicing boundaries. Such adjustments would require slight adjustments to the forecast assumed in implementing this assessment.

APPENDICES

Copies of Appendices I-IV inclusive are available from the Office of the Regional Clerk or the Region of Peel website: peelregion.ca/officialplan/review/reading-room/#rc2021/

Appendix I – Peel 2051 Land Needs Assessment Report
Appendix II – Land Needs Assessment Policy Area Mapping
Appendix III – Draft Employment Conversion Analysis Status Update
Appendix IV – 2051 Scenario Community Planning Tables and Map

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