

December 27, 2022

MGP File: 22-3203

The Honourable Minister Steve Clark  
Ministry of Municipal Affairs and Housing  
777 Bay Street, 17th Floor  
Toronto, Ontario M5G 2E5

**Attention: Mr. Tyler Shantz**  
via email: [tyler.shantz@ontario.ca](mailto:tyler.shantz@ontario.ca)

**RE: Armel Corporation  
Guelph Official Plan Amendment 80  
ERO No. 019-5981: Comments on Guelph Official Plan Amendment 80**

Malone Given Parsons Ltd. (“MGP”) and Altus Group are the planning and land economic consultants for Armel Corporation (“Armel”).

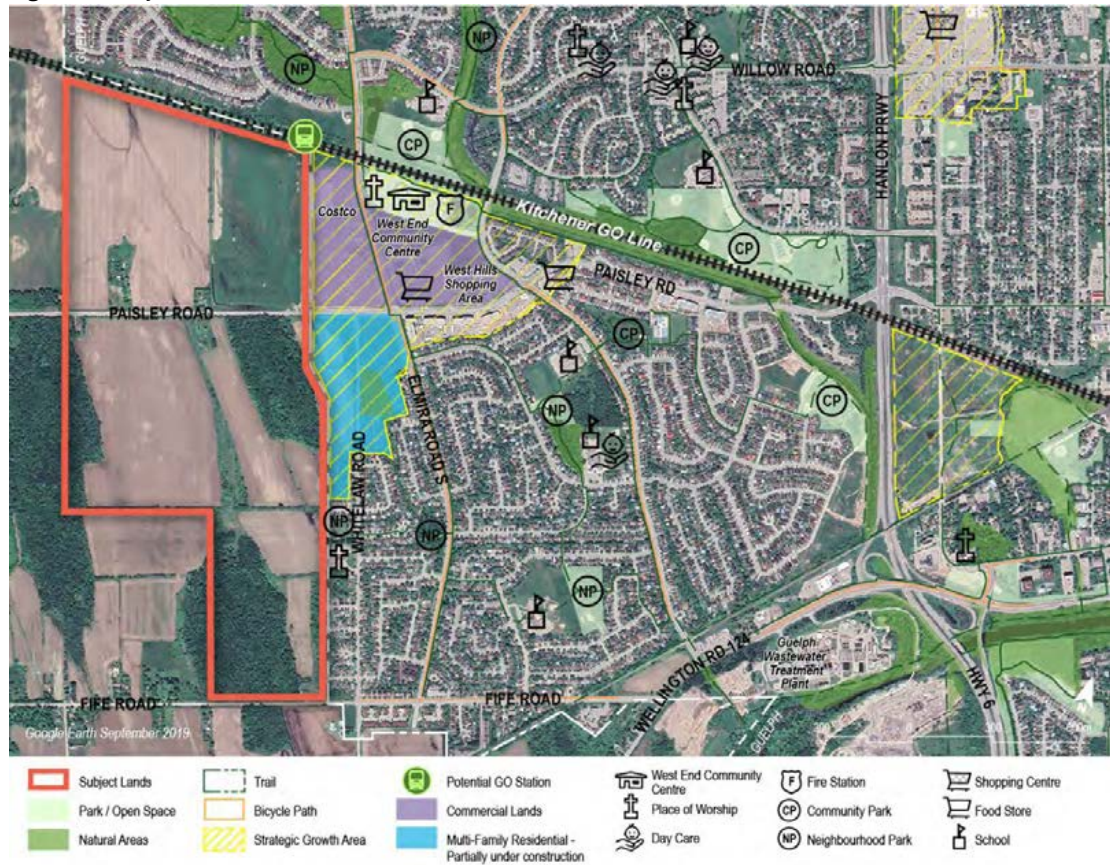
Armel, in partnership with Mattamy Homes is requesting the Ministry consider an expansion to Guelph’s urban boundary to include the lands described below.

Armel has been in the development business for more than 65 years in the Guelph area and has developed thousands of homesites and multiple commercial properties.

Mattamy Homes Canada has a long and proud history in the home building sector. Mattamy is the country’s largest residential real estate developer, building homes of every type, including single detached, townhomes, mid-rise and high-rise units. Appendix 1 includes a letter from Mattamy Homes Canada in support of this proposal.

This partnership between Mattamy Homes Canada and Armel Corporation will contribute in a meaningful and expedient way to the Province’s goal of building 1.5 million homes over the next ten years. Armel currently has significant lands holdings in west Guelph. The lands subject to this ERO request are generally located west of Whitelaw Road between the railway (north) and Fife Road (south) (“Subject Lands”), as shown in Figure 1.

Figure 1: Subject Lands Context



## Purpose

This submission builds upon our prior submissions to the City which included a letter from Altus dated June 2, 2021 and a letter from MHBC dated January 14, 2022. These submissions provided comments on the City's Land Needs Assessment ("LNA") Report, as contained in the document *Growth Scenario Planning Shaping Guelph: Growth Management Strategy* dated March 2021. A full package of previous correspondence has been provided in Appendix 2.

This letter provides additional comments regarding the City's draft Official Plan Amendment 80 (dated July 2022) and provides a detailed response to the Settlement Expansion Area Evaluation Criteria, which comprehensively reviews the Armel Lands against the Province's criteria for settlement area boundary expansions (see Appendix 3). As anticipated in our prior submissions, based on our assessment there is a requirement for new Community Area land to accommodate growth forecasted in the City to 2051.

## Executive Summary

We have determined that at the Growth Plan minimum target of 50% intensification, the City would require at least another 189 hectares of Community Area land to meet the growth forecast to 2051. With the expedited construction target of 18,000 units by 2031 and the proposed population assignment to the City of Guelph of 208,000 people, a significant proportion of these needs can be accommodated in west Guelph (approximately 156 ha with 110 ha being gross developable area) through the inclusion of the Subject Lands within the

settlement boundary. Given the nature of the type of homes that would be planned on the Subject Lands, and the streamlined construction timelines for ground-oriented housing, the delivery of housing on these lands can help achieve those Provincial targets. For reference, gross developable area maps of the Subject Lands are provided in Appendix 4.

Our review, together with Altus' review (detailed herein) shows that there are significant errors which must be corrected in the City Land Needs Assessment prior to final approval by the Minister of Municipal Affairs and Housing.

It is our opinion that the Subject Lands area is an appropriate location for a settlement expansion as it can achieve the Province's criteria for settlement area boundary expansion and is consistent with the *Provincial Policy Statement, 2020* ("PPS") and conform to *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* (the "Growth Plan").

The Armel Lands in west Guelph represent an excellent opportunity in the City to accommodate growth adjacent to an established Strategic Growth Area and Community Node which includes a community centre and commercial services. This complete community can be serviced in a fiscally responsible manner as it is near the Guelph Wastewater Treatment Plant, in west Guelph.

For the reasons noted in this letter, it is our opinion that the City requires additional Community Area land to accommodate growth to 2051 and that the Province should include the requested settlement expansion area within the boundary of the City of Guelph. These lands should be included to provide the City with the required land to meet the 2051 land needs. These lands stand out as being among the best opportunities to expand the urban areas as:

- The Subject Lands are located in an area well served by existing infrastructure and where the expansion area can be adequately serviced through both existing and planned infrastructure (sanitary, storm, and watermain).
- The Subject Lands are located outside Provincial Plans including the Greenbelt, Oak Ridges Moraine, or Niagara Escarpment.
- The proposed expansion area is located within walking distance to community amenities such as grocery stores, existing retail of approximately 300,000 square feet, schools, recreation opportunities, also university/colleges (Guelph, Conestoga and Ontario Agricultural College) are in close proximity.
- The existing expanded community can become a future Major Transit Station Area because the lands are abutting the Kitchener GO Rail corridor. This potential future station will represent the completion of the Community Node in this area utilizing the above-noted community amenities.
- The Subject Lands are of sufficient size to provide new community growth in a compact and complete community that compliments and logically and efficiently extends the settlement pattern in the City.

The remainder of this letter provides the basis for the above noted opinion.

## Summary of Altus Growth Management Assessment

As part of the Municipal Comprehensive Review (“MCR”), the City is required to assess the need for additional land to accommodate growth to the 2051 planning horizon of the Growth Plan. The *Provincial Land Needs Assessment Methodology for the Greater Golden Horseshoe (2020)* (“LNA Methodology”) is to be used in conducting this assessment.

Attached as Appendix 5 to this letter is a summary of Altus’ review of the LNA on behalf of Armel. Based on this assessment, there is a significant requirement for new Community Area land to be added to the City to accommodate growth forecasted in the Region to 2051. Altus has determined that at a modified Scenario 3 (refer to Altus letter, Appendix 5), which appropriately follows the LNA Methodology and using the minimum targets of 50% intensification and 50 people and jobs per hectare on designated greenfield areas, the City would require at least another 189 hectares of Community Area to meet the growth forecast to 2051. We have reviewed this assessment and concur with its conclusions.

It is Altus’ and our opinion that the City incorrectly undertook its LNA. The scenario that was adopted by City Council fails to provide an option that is more in line with a market-based housing mix and should have used a modified Scenario 3. There are key policy considerations that we believe should have been addressed in the City’s work prior to finalizing their LNA including a correction which compares demand by unit type with supply by unit type and contains more ground-oriented housing as one of the prominent forms of housing in the growth mix to 2051.

Scenario 3, which is ground-oriented focussed, should have been considered by staff and Council as part of the work for their LNA. Scenario 3, as modified, would:

- Meet or exceed the targets and fully conform to the Growth Plan, including the minimum greenfield and intensification targets;
- Provide a market-based supply of housing to the extent possible;
- Encourage growth in the City for new families and retirees in more affordable housing they will prefer (low/medium density); and,
- Support high density growth and intensification by directing the vast majority of population growth into existing settlement areas and Strategic Growth Areas along higher-order transit routes, optimizing these areas for transit use and leveraging the significant investment in transit infrastructure.

Scenario 3 contains more ground-oriented housing, which can achieve both intensification in Strategic Growth Areas and a variety of housing in new communities. Based on the current market information, it is this type of housing that provides opportunities for improved housing affordability, increased density, complete communities, and desirable housing mix and forms for residents. This is especially true for young families and retirees who want 2-3 bedrooms in their current neighbourhoods without moving into an apartment.

More affordable housing that is attractive to residents and provides primarily ground-oriented units is essential to the quality of life in the City and its continued ability to attract new employers and businesses who wish to house their employees. The primary means of ensuring long-term affordable housing in the City is to provide an abundant, or at least a sufficient supply of all housing types to meet market-based demand.



It is Altus' opinion that based on this revised approach (using the Growth Plan minimums of 50 People & Jobs as well as 50% Intensification as inputs into Scenario 3 to calculating land needs to 2051), it is their estimate that the City has a substantial shortfall of community lands to accommodate planned housing, equal to 189 hectares. This is still well under the land required under a fully market-based scenario, which would require 743 hectares as outlined in the Altus letter in Appendix 5 (Scenario 4).

As such, this land needs analysis has concluded that a significant amount of land is required to accommodate growth to 2051, which can be partially accommodated by the Armel Lands that total approximately 156 ha of which 110 ha are gross developable area.

### **Response to Settlement Area Boundary Expansion Evaluation Criteria and Comment on the Draft Official Plan Amendment**

Our team has reviewed the settlement expansion criteria established in the PPS and Growth Plan. With respect to the settlement area boundary expansion requests, please find attached the following supporting materials:

- Summary table of responses to each of the applicable policies derived from the PPS and the Growth Plan regarding settlement area boundary expansions (Appendix 3); and,
- The proposed amendments to the City of Guelph Official Plan Mapping, which shows the revised land use designations for the requested expansion areas as “Greenfield Area” (Schedule 1a) and “Low Density Residential” (Schedule 2) (Appendix 6). The Low Density Residential designation permits a range of housing types including singles, semis, and townhouses, where the built form types can provide transit supportive densities for a potential GO Station. It should be noted, additional mapping revisions to the other Official Plan Schedules will be required to incorporate these lands within the urban boundary.

The assessment of the evaluation criteria shows that the requested expansions are appropriate and consistent with/conform to the applicable policies for the following reasons:

- It is our opinion that 189 hectares of additional Community Area lands are needed to accommodate future residential development in Guelph, which can be partly provided by the proposed expansion area of approximately 156 ha with 110 ha being gross developable lands in west Guelph;
- The proposed area for settlement expansion that represent the Armel Lands represent a logical area for urban expansion as they have the following characteristics:
  - Due to the size, the Subject Lands in west Guelph can be planned as a complete community to accommodate the forecasted growth. This area will provide additional housing supply abutting an existing Settlement Area. Moreover, the Subject Lands can be comprehensively developed to provide for opportunities to address climate change goals, including promoting compact and energy-saving designs, denser developments, and transit-supportive and walkable communities to lower GHG emissions from

buildings and transportation. Sustainability will be a focus as these lands are developed.

- The existing community can become a future Major Transit Station Area, along an existing GO Rail corridor, by incorporating its existing high density and diverse mix of uses within 400m from a potential future GO Station.
- The lands are located adjacent to the City of Guelph Settlement Area and are strategically located to provide a portion of the required Community Area land needs. Servicing infrastructure either exists or can be extended to the lands in a timely and efficient manner. The Subject Lands are in close proximity to the Guelph Wastewater Treatment Plant which has existing capacity in the system.
- The development of the Subject Lands will represent the completion of the existing Strategic Growth Area, Community Node in this area, and as such, will help utilize existing public facilities including the West End Community Centre, public parks, a fire station, public schools and existing retail of approximately 300,000 square feet and institutional uses in the City of Guelph.
- The proposed expansion lands, as well as any required infrastructure and services, will be planned in a financially and environmentally sustainable manner over their full life cycle through robust technical studies in accordance with Provincial and local planning policies. The two areas benefit from the location or expansion of existing infrastructure.
- There are no specialty crop areas in the proposed expansion area.
- The proposed expansion is located outside of the Greenbelt.

The proposed settlement area expansion represents an opportunity to create a complete community. We believe these areas are a logical and optimal location to accommodate a portion of the required settlement area expansion needed to achieve the targeted 18,000 units to be constructed within ten years, and the growth forecasted in the City to 2051.

Expanding the settlement area to include the Armel Lands would result in a contiguous settlement structure bounded by arterial roads or the CN Railway in the City of Guelph.

Additional work has already been undertaken by the Armel consultant team from MHBC to identify the existing conditions and demonstrate the feasibility of the inclusion of the Subject Lands into the settlement area boundary.

These preliminary studies/documents, which are provided in Appendix 7, have informed the responses to the evaluation criteria contained in Appendix 3 attached. Further studies will be completed through a future development review process. Moreover, inclusion of these lands can conform to the policies of the Provincial Policy Statement and Growth Plan, and the City should update its supporting studies to the MCR to include and address these lands. In addition, information from the presentation to MMAH Western District is also attached in Appendix 7.

We trust that this background work and these responses to the settlement area boundary expansion criteria are helpful to the Province in its preparation and consideration of growth scenarios and demonstrates both the feasibility and priority for inclusion of this area for settlement expansion in west Guelph into the urban area.

### **Conclusion**

Together, Armel and Mattamy can expeditiously deliver homes to assist the Province in meeting its goal of 1.5 million homes over the next ten years if the Armel Lands are included in the urban boundary.

We appreciate the opportunity to meet with the Province and discuss this submission once you have had the chance to review this letter and the attached material.

If you have any questions or wish to discuss this letter, please do not hesitate to contact the undersigned at any time.

Yours very truly,  
Malone Given Parsons Ltd.



**Matthew Cory, MCIP, RPP, PLE, PMP**  
**Principal, Planner, Land Economist, Project Manager**

cc. Armel Corporation  
Mattamy Homes  
Ryan Amato, MMAH

### **Attachments:**

<i>Appendix 1</i>	<i>Mattamy Homes Canada Letter of Support</i>
<i>Appendix 2</i>	<i>Previous Correspondence to City of Guelph</i>
<i>Appendix 3</i>	<i>Settlement Area Boundary Expansion Criteria Matrix</i>
<i>Appendix 4</i>	<i>Gross Developable Area Maps</i>
<i>Appendix 5</i>	<i>Altus LNA Letter</i>
<i>Appendix 6</i>	<i>OPA Maps</i>
<i>Appendix 7</i>	<i>Technical Documentation from MHBC and Presentation Materials</i>

# Appendix 1

Mattamy Homes Canada Letter of Support



December 23, 2022

The Honourable Steve Clark  
Minister of Municipal Affairs and Housing  
777 Bay Street, 17th Floor  
Toronto, Ontario M5G 2E5

Dear Minister,

On behalf of Mattamy Homes Canada, I wish to confirm our support for the proposal to expand the Guelph Urban Boundary. The proposed expansion will allow our partnership with Armel to build a master-planned community of approximately 3,000-plus homes, contributing in a meaningful and expedient way to the government's goal of building 1.5 million homes over the next ten years.

Mattamy Homes has a long and proud history in the home building sector. Founded in 1978, we are now Canada's largest residential real estate developer, building homes of every type, including single detached, townhomes, mid-rise and high-rise units. In Canada, our communities stretch across the Greater Golden Horseshoe Area, as well as in Ottawa, Calgary and Edmonton. Each year – including our US markets - Mattamy helps more than 8,000 families realize the dream of home ownership.

These lands owned by Armel, currently located outside the Urban Boundary, border the existing built-up area and have servicing capacity to cost effectively and quickly deliver 3,000-plus homes (attached and detached). In addition, the lands are located on the Kitchener GO Line, which would support a future GO station.

Ontario is expected to grow by more than two million people by 2031, with approximately 1.5 million of those new residents expected to call the Greater Golden Horseshoe Region home. As it stands, Guelph's Growth Strategy will not support the housing supply needed to ensure that young families, newcomers and students can afford to live in the area.

Mattamy's size, expertise, talent and proven track record will ensure that our joint project with Armel contributes to many of the priorities identified by the province, including building more homes quickly and building more homes near transit.

We strongly support Armel's proposal to expand Guelph's Urban Boundary. At a time when Ontario is facing an unprecedented housing supply shortage, a project such as ours will have a significant impact, providing attainable, well-built homes for many Ontarians.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Brad Carr", written over a horizontal line.

Brad Carr  
CEO, Mattamy Homes Canada



# Appendix 2

Previous Correspondence to City of Guelph

June 2, 2021

Natalie Goss  
Senior Policy Planner  
Planning and Building Services  
City of Guelph

Dear Ms. Goss,

**RE: Recommendations for Guelph's Growth Management Strategy and Municipal Comprehensive Review**

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MHBC has been retained by Armel Corporation to provide input to the City of Guelph's Growth Management Strategy. We understand that the City is currently undertaking a comprehensive review of the Official Plan to conform with recent changes to Provincial legislation and policies.

We have reviewed the reports that the City has released to date and we participated in the Development Industry Stakeholder Roundtable meeting. My clients are very interested to be a part of this process. They have significant land holdings throughout the City and as long term developers with over 65 years of history in the City, they play a direct role in achievement of the City's growth management objectives. After having reviewed the technical reports prepared to date, I offer the following comments for your consideration in the next step of this process.

**1. Growth Management Options**

We have reviewed the growth management scenarios described in the Growth Scenario Planning Technical Brief. We note that the scenarios are similar and all take the approach of accommodating future growth within the existing urban area by increasing greenfield density and by shifting future housing demand to a much greater proportion of high density housing types.

The Technical Brief identifies that ground oriented housing (single detached, semi-detached and townhouse units) will make up only about 25% of the total residential units required to accommodate forecast population growth from 2022 to 2051. The remaining 75% of units will be higher density apartment units. This is a considerable change from the City's historical household growth by unit type. The report also notes that affordability of ground oriented housing has steadily decreased.

Given that there is very little ability to provide more ground oriented housing within the existing settlement boundary, the lack of supply will continue to drive prices for ground oriented housing higher.

The basis for the great shift in future housing demand that is described in the technical report is not clear. Altus Group has provided an analysis of the City's Growth Scenario Technical Brief and associated information which is described in the attached memo dated May 28, 2021. The memo notes that the City's analysis appears to be inconsistent with the estimate of housing market demand by Hemson Consulting in the June 2020 Technical Report which was the basis for the updated forecasts in Schedule 3 of the Growth Plan. Altus also notes that the City's analysis does not assess the demand and supply of housing by dwelling unit, as required by the Growth Plan and the Lands Needs Assessment Methodology.

The three scenarios provided in the Growth Scenario Technical Brief do not include a scenario that would reflect market demand for housing based on unit type. It is important to include such a scenario. Without it as a comparison, it is not clear what choices and trade-offs are required by the other scenarios in order to achieve the considerable change to housing demand preferences. Such an assessment would assist in determining whether the various factors to be considered have been properly balanced and reflect good planning. A scenario based on housing demand by unit type is not only important to assess the necessity of a settlement boundary expansion but it is also required by the Growth Plan and the Province's Land Needs Assessment Methodology as noted in the attached Altus memo.

## **2. Employment Lands**

According to the Employment Lands Strategy study, the City of Guelph has enough employment lands to accommodate forecast growth. This assumes that approximately 45% of employment will occur on designated employment lands and that new employment development will occur at higher densities than has occurred previously.

In order to protect the traditional industrial lands identified as Provincially Significant Employment Zones (PSEZ) such that they can retain and attract the types of employment that require large land areas and/or have relatively low employment densities, the study notes that density of employment lands outside these areas will need to develop at relatively high densities. For example lands designated as Corporate Business Park are identified as achieving densities of 70 jobs per hectare.

Achievement of the Employment Land Strategy will require considerable change from recent development trends and the City should be considering a wider range of changes to the urban structure. This includes ensuring that smaller Corporate Business Park lands that are located in various parts of the City are maximized for redevelopment. For example, the Corporate Business Park lands on Speedvale Avenue provide opportunity for achievement of high densities along a potential

intensification corridor. Speedvale Avenue should be considered as a mixed use corridor and the land use policy and regulations revised to allow for a wider range of uses at a form that achieves a higher density of development.

Specifically, the Corporate Business Park designation applies to only a small portion of lands in the Speedvale Avenue corridor. We recommend that the City apply a mixed use corridor designation to these lands and the entirety of the south side of Speedvale Avenue west of Edinburgh Road. The mixed use designation should allow for the types of uses currently permitted within the Corporate Business Park designation but with a greater range of uses to facilitate intensification and redevelopment.

### **3. Designating additional Intensification Corridors**

The Housing Analysis Strategy identifies that a significant amount of future growth will need to be accommodated through intensification. The Report further recommends that the City identify additional intensification corridors and develop a hierarchy of nodes and corridors.

The Growth Scenario Planning Technical Brief and the Housing Analysis Strategy report identify that, for a variety of reasons, not all land within designated intensification areas will redevelop within the planning period. The current Intensification Corridors designated in the existing official plan, therefore, do not contain sufficient lands to accommodate the amount of intensification required to achieve future growth given that not all lands will redevelop during the planning horizon. The Altus memo also notes that the City's assumptions regarding the capacity for areas outside of Intensification Areas to accommodate growth appear to be overstated. Therefore, the City should be considering additional Intensification Corridors to ensure there is sufficient opportunity to accommodate future growth within the planning period in locations that can be effectively serviced by multiple forms of transportation.

Service commercial designated lands such as those on Speedvale Avenue and Wellington Street are examples of corridors that should be considered for designation as intensification corridors. These lands have considerable potential for intensification given the existing built form and location. The Service Commercial designated lands along Speedvale Avenue west of Edinburgh Road are an opportunity for redevelopment and intensification given the relatively low density of existing development. Identification as a mixed use corridor and the broadening of the land uses would also provide an appropriate transition in land use and density from the mainly industrial uses on the north side of Speedvale Ave to the primarily low rise residential neighbourhoods to the south.

We recommend that the City include Speedvale Avenue and Wellington Street West as mixed use intensification corridors.

#### **4. Maximize the intensification potential in Community Mixed Use Nodes**

Community Mixed Use Nodes are already identified in the Official Plan as important components of the City's existing growth management strategy. Community Mixed Use Nodes provide significant opportunity for accommodating future growth. The Housing Analysis and Strategy report recommends that the City should identify and set growth targets for strategic growth areas. We support this recommendation.

The Community Mixed Use Nodes on the west side of Guelph (eg Elmira Paisley Node and Silver Creek Parkway Node) are strategic growth areas and provide considerable opportunity to accommodate residential and employment growth. It is important that the City not only look at the area within the "Node" but also the surrounding lands. There are a variety of land parcels within and near the Nodes, some of which are vacant, that are designated medium density. The City should consider greater density on these lands. There are limited opportunities for the City to accommodate the levels of intensification identified in the technical reports. The City needs to take advantage of intensification sites that are not yet developed and are in locations that would provide appropriate transition to existing low density neighbourhoods. The west side Community Mixed Use Nodes provide opportunity for accommodating considerable growth (at least 7,500 future pop) and also provide opportunities for development in concert with planned transit and potential future higher order transit. Comprehensive planning to these areas now also minimizes site specific applications in the future and better ensures compatibility with existing surrounding development.

More flexibility is needed in the commercial land use policies within the Nodes. The current policies and regulations work against achievement of mixed use and residential intensification in particular. Given the level of intensification needed to accommodate future growth, the City will have to be relatively aggressive in applying a permissive land use framework that will allow for and encourage considerable density (and height) in the Community Mixed Use Nodes and other places that are located such that the impacts of height and density on existing low rise neighbourhoods are minimized and the benefits of density, such as transit efficiency, are maximized. We recommend that potential growth management options fully explore the maximum potential of the Community Mixed Use Nodes.

#### **5. Maximize intensification potential in Neighbourhood Commercial Centres**

There are a number of neighbourhood commercial centres designated within City. The majority are within the designated Built Up Area. The current Official Plan identifies that Neighbourhood Commercial Centres are intended to provide the day to day service and shopping needs for surrounding residential areas. In some cases, this planned function is no longer occurring due to the changing nature and evolution of commercial activity. In a few cases, designated neighbourhood commercial centre sites remain vacant and may never develop as planned. For example, the Neighbourhood Commercial Centre designated site at the corner of Willow Road and Elmira Road is



vacant and unlikely to develop with commercial land uses given its proximity to the Community Mixed Use Centre a few blocks away at Paisley Road and Elmira Road.

In general, the neighbourhood commercial centres provide opportunity for accommodation of future population and employment growth. We recommend that through the Growth Management Strategy, the City should evaluate and consider these sites for a wider range of uses including residential and other employment uses and allow for greater height and density than what is currently permitted.

## **6. Servicing and Infrastructure Capacity**

The City has noted that a number of servicing studies are underway. It is important that these studies are completed before the City determines a preferred growth option. At this point it is not clear if there are servicing constraints that would limit the achievement of greater density in areas that the City has identified.


## **7. Process and Next Steps**

As noted above, the City's growth management strategy is an important input to the update of the Official Plan. Armel has considerable landholdings in the City and will play a role in implementing the City's growth management strategy in any form that it should take. We ask that the City continue to consult with members of the development industry as part of the next steps in the process.

In conclusion, we acknowledge that the City has undertaken considerable work and the information provided to date is informative and helpful. We kindly ask that you consider these comments and recommendations in preparation of the next steps of the City's growth management strategy and official plan review. We would also welcome the opportunity to discuss with you the comments in this memo and those in the attached Altus memo in more detail and we are available for a video conference call with you and your team at a time of your convenience.

Yours truly,

**MHBC**



Dan Currie, MA, MCIP, RPP  
Partner

cc. Mandy Scully, Armel Corp.  
Chris Corosky, Armel Corp.  
Daryl Keleher, Altus Group  
Susan Rosenthal, Davies Howe

June 2, 2021

Memorandum to: Mandy Scully  
Armel Corporation

From: Daryl Keleher  
Altus Group Economic Consulting

**Subject: Guelph OP Review – Implications of Growth Scenarios**  
**Our File: P-6656**

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Altus Group Economic Consulting was retained by Armel Corporation to review the City of Guelph's land needs assessment, including the housing forecasts, estimates of housing supply and housing development potential, as well as the inputs, assumptions and methodology used to establish the need for an urban boundary expansion to accommodate population and employment growth to 2051.

Our preliminary findings are summarized below:

***City's Housing Forecast Falls Short of Meeting Demand for Ground-Related Housing***

- There are significant differences between the forecasted housing market demand with the housing mix in the City's GMS with significant shortfalls in ground-related housing (singles, semis, rows) relative to demand.
- The lack of ground-related housing being included in the City's plans would have significant implications for the City's ability to attract a young, qualified labour force, and may push young families, who have been responsible for a significant share of the City's population growth, to other nearby municipalities where their desired housing is more likely to be available;

***Concerns with Estimated Housing Supply and Intensification Potential***

- Additional detail is required to understand what is included and excluded from the City's supply of existing designated greenfield areas;
- The City appears to be over estimating the intensification potential in parts of the City outside of its key intensification areas. Assuming 100% build-out of all unit potential in the City's Downtown, its Community Mixed-Use Nodes and Intensification Corridors, the City is requiring roughly one-third of all intensification units to be in other parts of the City's existing communities, the potential of which is likely overstated;

***City's Housing Forecast Overemphasizes Ability of Accessory Apartments to Meet Housing Demand***

- A significant proportion of new housing projected to be built in the City to 2051 is in 'accessory apartments', which the City is basing future projections of on recent historic trends.
- The City's forecast share of accessory apartments (11%) is roughly 5-7 times higher than the shares assumed by nearby municipalities of Halton Region and the City of Hamilton (1.4% to 2.5%),

- The City’s reliance on these accessory apartment units to meet forecasted housing demand ignores both that:
  - A significant proportion of the demand for these units historically has come from students responding to no new on-campus housing being constructed at the University over the past 20 years, despite enrolment increasing by 92% over that same period;
  - Where these units in the future will be occupied by students, these persons do not count towards the achievement of the City’s population forecasts – rather, the demand for these units by out-of-town students, and other non-permanent residents should be added to the quantum of the City’s overall housing demand;
  - By relying on these accessory units, the extent of the need for additional urban land is likely underestimated.

Additional analysis regarding the above points are provided in the detailed subsections of this memorandum below.

## COMMENTARY ON HOUSING FORECASTS

### Difference in Housing Forecast vs Estimated Housing Demand

Figure 1 shows how the housing forecasts used in the City’s Growth Management Study (GMS) differs from the estimate of housing market demand by Hemson Consulting in the June 2020 Technical Report, which was used as the basis for the forecasts in Schedule 3 of the Growth Plan. The City’s GMS housing forecasts would see shortfalls of ground-related housing relative to estimated market demand ranging from 6,180 to 8,730 ground-related units.

Figure 1

**Comparison of Housing Demand Estimate for City of Guelph with Housing Forecasts in Shaping Guelph Study**

	Ground-Related	Apartments <i>Units</i>	Total	Ground-Related	Apartments <i>Percent</i>	Total
<b>Hemson GGH Technical Report (2016-2051)</b>	19,000	12,000	31,000	61.3%	38.7%	100.0%
<b>Guelph GMS (2016-2051)</b>						
Scenario 1	10,270	20,925	31,195	32.9%	67.1%	100.0%
Scenario 2	11,715	19,480	31,195	37.6%	62.4%	100.0%
Scenario 3	12,820	18,375	31,195	41.1%	58.9%	100.0%
<b>Differences Between Demand and GMS - Surplus/(Shortage)</b>						
Scenario 1	(8,730)	8,925	195			
Scenario 2	(7,285)	7,480	195			
Scenario 3	(6,180)	6,375	195			

Source: Hemson GGH Technical Report, June 2020, City of Guelph, Growth Scenario Planning - Shaping Guelph, Growth Management Strategy, (March 2021)

There are numerous implications of the City’s housing forecasts deviating so significantly from the recent forecasted housing market demand, including planning for lower population than Schedule 3 of the

Growth Plan requires, relying on increased mobility of senior households to ‘free-up’ ground-related housing supply as a means to address the shortfall in planned supply of singles, semis and rows, reducing housing options for young families, and expecting households to increasingly choose larger apartment units that are less desirable from a market perspective than dense ground-related housing forms such as townhouses.

The mechanisms and assumptions being relied upon by the City to make-up for the relative lack of ground-related housing compared to market demand, such as expecting seniors to be less likely to desire aging-in-place, expecting young families to increasingly choose apartments over ground-related housing, do not take into account many of the reasons why the counter-vailing trends have persisted in the City and elsewhere in the Province for some time.

### Different Unit Mixes in the City’s Growth Scenarios Are Unlikely to Generate Forecasted Population

The three growth scenarios are based on 31,195 new housing units, of differing unit mixes, producing the same 66,700 net population growth over the 2016-2051 period. However, when the average household size assumptions for future units (otherwise known as persons per unit / PPU factors), as forecast in the City’s 2018 Development Charges Background Study, are applied to the unit mixes from each of the three growth scenarios, Scenario 1 and Scenario 2 each result in substantial shortfalls in projected population growth relative to forecast, of approximately 3,500 persons and 2,220 persons, respectively.

Figure 2

<b>Population Generation by Growth Scenario, City of Guelph, 2016-2051</b>					
	Low - Density	Medium-Density	High-Density	Accessory Apartments	Total
<b>Housing by Scenario</b>					
	<i>Units</i>				
Scenario 1	3,270	7,000	17,570	3,355	31,195
Scenario 2	3,475	8,240	16,125	3,355	31,195
Scenario 3	4,420	8,400	15,020	3,355	31,195
<b>Persons per Unit Factors</b>					
	<i>Persons per Unit</i>				
Persons per Unit Factors	3.332	2.455	1.677	1.677	
<b>Population Generated by Scenario</b>					
	<i>Persons</i>				
Scenario 1	10,896	17,185	29,465	5,626	63,172
Scenario 2	11,579	20,229	27,042	5,626	64,476
Scenario 3	14,727	20,622	25,189	5,626	66,164
Total Growth Forecast					66,700
<b>Estimated Shortfall by Scenario</b>					
			Additional Units Required	Average Household Size	Population
			<i>Units</i>	<i>Persons / Unit</i>	<i>Persons</i>
Scenario 1			1,742	2.03	(3,528)
Scenario 2			1,076	2.07	(2,224)
Scenario 3			253	2.12	(536)

Source: Altus Group Economic Consulting based on City of Guelph Shaping Guelph (April 9, 2021), City of Guelph 2018 Development Charges Background Study



If the City is to continue the evaluation of the three growth scenarios, additional housing units will be required to offset the increased emphasis on medium and high-density housing forms compared to estimated housing market demand and still achieve the population forecast allocated to the City. Based on our estimates, and average household sizes within the three growth scenarios, to correct for this issue alone (and in isolation from other issues raised here), between 250 and 1,740 additional housing units need to be incorporated into the City's housing forecasts to meet the City's growth forecasts to 2051.

### Relying on Mobility of Aging Households is Unlikely to Address Shortfall in Forecast Housing Demand of Young Families

The housing forecasts used in the three growth scenarios all present a significant deviation from the City's estimated housing market demand in the August 2020 Technical Report prepared by Hemson Consulting, which was used as the basis for the 2051 population forecasts in the 2020 Growth Plan.

The significant shortfall in ground-related housing forms (singles, semis, rows) equates to between 5,980 units (Scenario 3) and 8,530 units (Scenario 1), which is offset by a surplus of high-density and accessory apartments ranging from 4,275 units (Scenario 3) to 6,825 units (Scenario 1).

If the City is to meet housing demand as estimated by Hemson Consulting, the implication is that seniors currently occupying ground-related housing will vacate their homes, freeing up that housing stock for young families, and will either a) move to an apartment unit within the City, or b) move to a unit outside of the City.

If the anticipated moving of senior households out of ground-related housing does not materialize to the degree implied (5,980 to 8,530 units to 2051), this will mean that families seeking ground-related housing will be forced to locate in another municipality or pay increased housing prices for ground-related housing in the City to secure their desired housing form. If ground-related housing supply falls short of demand for ground-related housing, it will put upward pressure on prices for those ground-related homes that are available in the City.

**Figure 3 Shortfall / Surplus Relative to Estimated Housing Market Demand, by Growth Scenario, City of Guelph, 2016-2051**

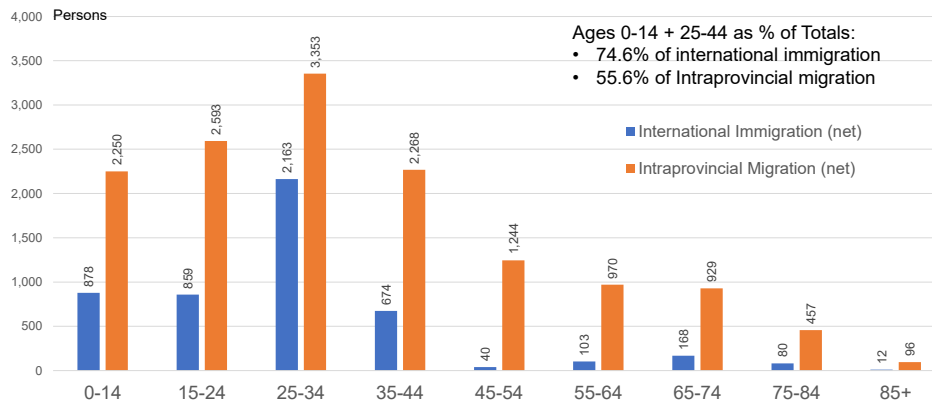
Housing by Scenario	Low - Density	Medium-Density	High-Density	Accessory Apartments	Total
			<i>Units</i>		
Scenario 1	3,270	7,000	17,570	3,355	31,195
Scenario 2	3,475	8,240	16,125	3,355	31,195
Scenario 3	4,420	8,400	15,020	3,355	31,195
Housing Market Demand	10,200	8,600	12,900	1,200	32,900
Surplus / (Shortfall) by Scenario					
Scenario 1	(6,930)	(1,600)	4,670	2,155	
Scenario 2	(6,725)	(360)	3,225	2,155	
Scenario 3	(5,780)	(200)	2,120	2,155	

Source: Altus Group Economic Consulting based on City of Guelph Shaping Guelph (April 9, 2021), Hemson Technical Report, (August 26, 2020)

Over the past 10 years, nearly 75% of net international immigration and 56% of Intraprovincial migration to the Wellington County/Guelph area has been from the 0-14 and 25-44 age groups, showing that the primary source of population growth and influx of labour force talent into the City from other parts of the world and Ontario are new and young families.

Based on the significant disconnect between the housing market demand in the City and the housing forecasts in the City's growth scenarios, it is likely that a significant proportion of prospective newcomers to the City will find apartment units or accessory apartments unsuitable for their needs and will instead find desired housing forms that suit their budget and lifestyle in municipalities outside the City.

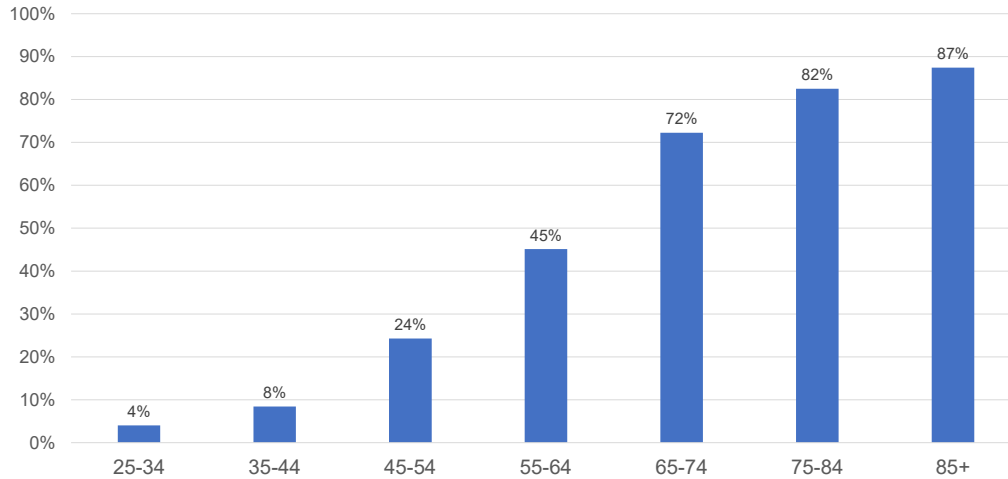
**Figure 4** Net International Migration and Intraprovincial Migration to Wellington County by Age Group, 2010-2019



Source: Statistics Canada

There is often little financial incentive for older households to move from their family home – according to the 2016 Census, the share of owner-occupied housing units that have mortgages declines significantly for households older than 65 years of age. Over 80% of households with persons aged 75+ have no mortgage on their property. This implies that there is typically little financial motivation for older households to leave their family homes earlier than desired, as in most cases, beyond ongoing maintenance costs and annual property taxes, the costs of owning a property decline as households exit their income-earning years.

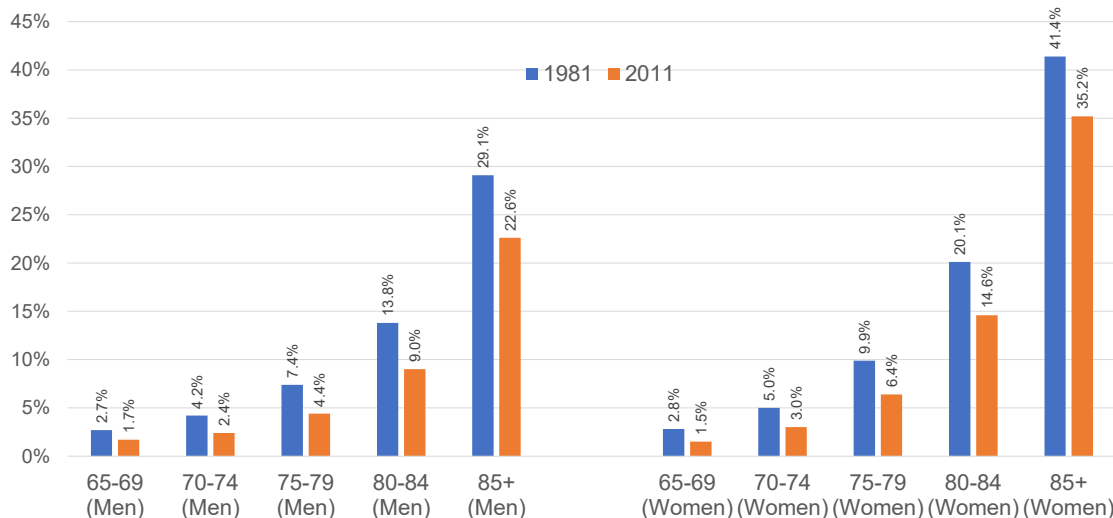
**Figure 5 Share of Owner-Occupied Households without Mortgage Payments, City of Guelph, 2016**



Source: Statistics Canada, 2016 Census

Compared to 1981, as of 2011 the share of seniors living in collective dwellings has fallen significantly, for every age group of seniors. It is increasingly unlikely for seniors to vacate their family homes for collective dwellings such as senior residences, nursing homes, long-term care, special care facilities, etc. The expectation that seniors will increasingly choose to vacate their homes to ‘make room’ for younger households seeking ground-related housing is not grounded in recent trends seen in the choices being made by older households.

**Figure 6 Share of Persons by Age Group Living in Collective Dwellings, Canada, 1981 & 2011**



Source: Statistics Canada, Census of Population, 1981 and 2011

## Large Apartment Units are Not a Suitable Substitute for Many Families

Based on data from Altus Group on prices and sizes of actively marketed units within the City, a typical 2-bedroom apartment ranges from \$529,400 to \$580,500, and would provide 1,080 to 1,200 sf of space, while a typical townhouse unit being sold in the City is priced at approximately \$615,100, and in many cases would have three bedrooms within the unit, and would provide an average of over 1,600 sf of space. It is unlikely that many young families will choose an equally priced, but smaller condominium apartment unit over a larger ground-related townhouse.

Figure 7

### Average Unit Size and Selling Price, Actively Marketed Developments, City of Guelph

	Apartment	
	Average Unit Size	Average Selling Price
<b>Condominium Apartments</b>	<i>Sq. Ft.</i>	<i>\$ / Sq. Ft.</i>
1 Bedroom	690	336,000
1 Bedroom + Den	764	372,000
2 Bedroom	1,087	529,400
2 Bedroom + Den	1,192	580,500
3 Bedroom & Up	1,264	615,600
<b>Townhouses</b>	1,616	615,140

Source: Altus RealNet

## How Much Low-Density Housing is Already Approved?

Based on the total housing forecast over the 2016-2051 period, and the existing supply of housing units on existing designated greenfield lands, the three growth scenarios presented by the City add just 3,872 to 4,452 additional low-density and medium-density units in the DGA over the 2016-2051 period, which equates to just 111 to 127 units per year of additional low-density and medium-density units in the City's DGA.

This means that the City's 30-year housing forecast and land needs exercise is only roughly doubling the supply of low- and medium-density units DGA areas. If the market demand for low- and medium-density housing is not met, the housing that is available within the City (existing and new homes) will be subject to increased competition and the City's existing and new supply of low- and medium-density housing will become even less and less affordable over time.

**Figure 8 Additional Low- and Medium-Density Housing Forecast Over and Above Existing Supply, Guelph 2016-2051**

Housing by Scenario	Low - Density	Medium-Density	Total Low & Medium-Density
<i>Units</i>			
Scenario 1	3,270	7,000	10,270
Scenario 2	3,475	8,240	11,715
Scenario 3	4,420	8,400	12,820
<hr/>			
DGA Housing by Scenario			
Scenario 1	2,895	5,390	8,285
Scenario 2	2,895	5,390	8,285
Scenario 3	3,320	5,545	8,865
<hr/>			
Existing DGA Supply			
Short-Term Supply	451	318	769
Designated Supply	902	2,742	3,644
Total	1,353	3,060	4,413
<hr/>			
Net New DGA Supply by Scenario			
Scenario 1	1,542	2,330	3,872
Scenario 2	1,542	2,330	3,872
Scenario 3	1,967	2,485	4,452

Source: Altus Group Economic Consulting based on City of Guelph Shaping Guelph (April 9, 2021), Growth Management and Affordable Housing Monitoring Report, 2020

## ACCESSORY APARTMENTS

### 11% of City's Housing Forecast Is in Accessory Apartments

Each growth scenario projects a total of 3,355 accessory apartments, which equates to roughly 11% of the 31,195 net new housing units to be constructed in the City between 2016 and 2051. According to the April 9 Staff Report from the City, accessory apartments are defined as follows:

*Accessory apartments (accessory dwelling unit) is a dwelling unit that is self-contained, subordinate to and located within the same building or on the same lot as a primary dwelling unit. These are often referred to as secondary dwelling units, granny flats, or basement apartments with separate kitchen areas.*

Of the 3,355 accessory apartments in the City's housing forecast, 2,670 of these are planned to be located within the existing built-up area (BUA), and the remaining 685 will be planned to be located within the designated greenfield area (DGA).

### **City's Forecast Share of Accessory Apartments is 5-7 Times Higher Than Forecasts of Surrounding Municipalities**

By comparison, other municipalities undertaking their LNA exercises are forecasting significantly lower proportions of new housing in the form of accessory apartments. The City of Hamilton is forecasting just



2,760 accessory apartments (2.4% of all new housing forecast), while Halton Region is forecasting 2,400 accessory apartments (1.4% of all new housing forecast), well below the City of Guelph’s rate of 10.8%. Similar to the City of Guelph, the City of Hamilton also has a significant student population, but there have been numerous student residence buildings constructed in that City<sup>1</sup> that appears to mitigate the need for relying on accessory apartments throughout the City.

**Figure 9 Comparison of Proportion of Housing Unit Forecast as Accessory Apartments, City of Guelph**

Municipality	Housing Forecast		
	Total Housing Units	Accessory Apartments	Accessory Apartments as % of Total
	Units	Units	Percent
City of Guelph	31,195	3,355	10.8%
City of Hamilton	110,320	2,760	2.5%
Halton Region	173,500	2,400	1.4%

Source: City of Guelph Shaping Guelph Growth Scenarios (April 9, 2021), Halton Integrated Growth Management Strategy Growth Concepts Discussion Paper (February 2021), City of Hamilton Land Needs Assessment to 2051 (December 2020)

The 3,355 accessory apartments amount to an annual average of approximately 96 accessory apartments per year. While the City has averaged 147 accessory apartment building permits per year over the 2008-2020 period (or 1,122 in total), basing a forecast of future accessory apartment completions on historic trends is problematic for two key reasons – 1) the supply of units within which accessory apartments can be incorporated is not limitless, but fixed, and each year the number of opportunities dwindles, and 2) much of the demand for accessory apartments was driven by the lack of new on-campus student housing.

Additionally, to the extent accessory apartments are occupied by students, as the Census does not count these persons towards the City’s population, a significant proportion of future accessory units will not satisfy demand for population growth in the City. It is also unlikely that accessory apartment units would be a suitable substitute for the housing that most young families would be seeking. According to research undertaken by CMHC, in the City of Guelph, 74% of secondary dwelling units are basement apartments, with the average floor of basement apartments being 771 square feet.<sup>2</sup>

**Forecast Being Based on Historic Trends Ignores Finite Supply of Opportunities for Accessory Apartments**

According to research undertaken by CMHC into secondary dwelling units, as of 2019, roughly 9.2% of the City’s ground-oriented housing units had secondary units, behind only the City of Toronto (15.4%) and the City of Brampton (9.6%) among Ontario municipalities. The forecasted growth of 3,335 accessory

<sup>1</sup> Les Prince Hall was constructed in 2006, and had 389 beds, and the Peter George Centre for Living and Learning was opened in 2019, and includes a 500-bed residence.

<sup>2</sup> CMHC, <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2021/secondary-housing-units-across-city-toronto>

units and 10,270 low- and medium-density units to 2051 would mean that by 2051 roughly 14.5% of the City’s ground-oriented dwellings would have a secondary dwelling unit (or just over 1 in 7 units), with the amount of growth estimated (3,335 units) more than doubling the current number of accessory units in the City.

**Figure 10 Estimates of Current and Future Accessory Apartment Units as Share of Ground-Oriented Housing, City of Guelph**

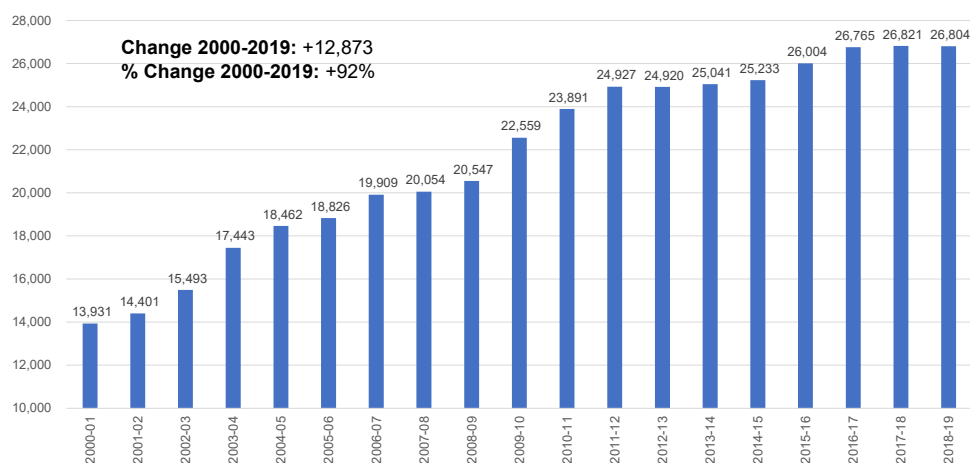
	City (Current)	Grow th (Sc. 1)	Total
Estimated Number of Secondary Units	3,206	3,335	6,541
Estimated Percentage of Ground-Oriented Properties with Secondary Unit	9.2%		14.5%
Total Ground-Oriented Units	34,848	10,270 <sup>1</sup>	45,118

<sup>1</sup> Based on total forecasted low -density (3,270) and medium-density (7,000) units in Growth Scenario 1  
Source: City of Guelph OP Review , Growth Scenario Planning Technical Brief, CMHC

***City’s Forecast of Accessory Apartments Ignore Student-Based Demand, Which Does Not Contribute to Achievement of Population Forecasts***

Full-time enrolment at the University of Guelph (“the University”) has increased substantially over the past 20 years, with overall enrolment among full-time students increasing by 92% since 2000, or an increase of 12,873 students, most of which would be associated with the main campus in Guelph (in recent years, roughly 82% of full-time students were based on the main Guelph campus).

**Figure 11 Historic Full-Time Enrolment, University of Guelph, 2000-2019**



Source: Ministry of Colleges and Universities, Common University Data Ontario

***There Has Been No New On-Campus Housing Built Since 2001, Forcing Increased Student Demand Off-Campus***

Despite the significant growth in enrolment at the University, there has been no new on-campus residence beds made available – there have been no new on-campus housing built since 2001, which has placed increased emphasis on off-campus housing, such as private student housing, but also accessory apartments throughout the City.

**Figure 12** Inventory of Student Residences, University of Guelph

Building(s)	Year	Capacity
	Opened	Beds
East Village	2001	651
78 College Avenue	1993	200
East Residence	1973	611
Wellington Woods (family)	1972	139
Lennox-Addington Hall	1971	574
South Residence	1969	1,821
Lambton Hall	1967	425
Johnston Hall	1932	320
Watson Hall	1931	51
Mills Hall	1921	195
Maids Hall	1913	50
Macdonald Hall	1904	149
University Houses	misc.	39
Total		5,225

Source: University of Guelph

Part of the reason why accessory apartments in the City have seen substantial unit growth over the past 20 years is that there has been considerable demand for student housing that has not been met on-campus, with the growing gap between enrolment and on-campus housing made up by the private student housing developments and accessory apartments. As the previously unmet demand is fulfilled, it is likely that the recent pace of accessory apartment unit growth will slow.

In addition, the housing units throughout the City that are occupied by students do not count towards population growth that the City’s GMS is seeking to accommodate – instead the growth in students and their housing needs should be accounted for over and above the housing needed to accommodate the City’s forecasted population growth.

**ANALYSIS OF INTENSIFICATION ASSUMPTIONS**

**Growth Capacity within City’s Built-Up Area Appears Overstated**

The City’s Housing Analysis and Strategy report estimates that 70% of the capacity for residential growth within the City’s built-up area is in areas outside of the Downtown Urban Growth Centre, Community Mixed-Use Nodes and Intensification Corridors, and instead is in the “rest of the built-up area” and accessory units within existing dwellings/lots.

The City's intensification areas have a capacity of just 10,606 units, so even under a liberal assumption that 100% of the potential units in the Downtown, Community Mixed-Use Nodes and Intensification Corridors are constructed by 2051, it would still require 5,000 to 6,250 units built in other areas of the City, which may be challenging to achieve if these sites are in areas without the transit, amenities or other features that the City's primary intensification areas have.

**Figure 13 Estimated Capacity for Growth within City of Guelph Built-Up Area (BUA)**

Capacity within City BUA by Location	Residential Unit Capacity <i>Units</i>	Population Capacity <i>Persons</i>
Downtown UGC	5,108	11,740
Community Mixed-Use Nodes (MUN)	2,180	5,010
Intensification Corridors (IC)	3,318	7,625
Rest of Built-Up Area	22,822	52,445
Additional Residential Dwelling Units	1,575	3,620
Total	35,003	80,440
<b>Built-Up Area Units by Scenario</b>		
Scenario 1	15,620	
Scenario 2	15,620	
Scenario 3	16,865	
Capacity in UGC, MUN, IC	✔ 10,606	
<b>Required Development in Rest of BUA by Scenario</b>		
Scenario 1	5,014	
Scenario 2	5,014	
Scenario 3	6,259	

Source: Altus Group Economic Consulting based on City of Guelph Housing Analysis and Strategy

While some explanation is provided in Appendix A to the Housing Analysis and Strategy Report, the estimated capacity of 22,822 dwelling units within the Rest of the BUA is based on curious assumptions that would appear to significantly overstate the amount of intensification potential:

- Including 'unused' density on 'underutilized' lots that are not currently at the maximum permitted residential floor space index (density) or lot coverage – it is unclear whether this 'maximum permitted' FSI used is inclusive of permitted height or density allowable through density bonusing, or if this represents base density permissions only;
- Lots with commercial land uses that permit residential, despite the City's report also stating that "it is important that all commercial lands within the City maintain a commercial function", which even if residential uses are allowed, any requirement to maintain and/or replace commercial floor space may hinder the feasibility of new residential development;
- Inclusion of 'reserve lands' that are expected to accommodate urban uses, but have servicing or access constraints, or "where additional land use planning is required to determine appropriate land uses";

- Inclusion of lots with frontage on an arterial or collector road, which may run counter to the City’s stated objective to intensify other significant corridors in the City – it is unclear whether these units would overlap with the 3,318 units of intensification potential along the identified Intensification Corridors. We would seek information from the City to confirm whether these units of intensification potential are double counted;
- A secondary consideration, based on the lots identified through above listed criteria (among others), was whether the identified sites had a residential building constructed since 2015 – with those recently seeing construction not considered as an opportunity for residential intensification. However, the City’s GMS states that “sites on which a residential building was constructed between 2005 and 2014 remained as an opportunity for residential intensification” although at a lower priority level than less recently developed sites. At a minimum, the City should discount the potential for redevelopment on lots with residential units constructed since 2005 (and likely significantly further back than that) in estimating intensification potential within the City’s built-up area.

The list of criteria and details regarding the evaluation framework do not appear to have considered the ‘net’ amount of dwelling units on potential intensification sites, if a new intensification development project would require existing dwelling units to be demolished.

### Pace of Apartment Growth Needs to Continue Recent Historic Highs for Next 30 Years

The City’s growth scenarios include apartment forecasts ranging from 18,375 units to 20,925 units over the 2016-2051 period, requiring an annual pace of 525 to 598 units per year.

The pace of growth in apartments in recent years in the City has been 512 units per year, meaning that even at the low-end of the forecasted range of annual apartment units, the City would need to replicate the trends seen in the past five years for every year to 2051.

Rather than comparing future growth to the City’s recent increased apartment development activity, when the future apartment unit forecasts are compared to longer stretches of historic apartment development, the pace of growth assumed for the City appears less and less likely to continue for the entire 30-year period going forward, as in many cases the amount of apartment development required over the next 30 years would need to double or triple the longer-term trends in apartment construction in the City.

Figure 14

	Pace of Annual Apartment Growth by Scenario Compared to Historic Rates		
	Growth Scenario 1	Growth Scenario 2	Growth Scenario 3
Compared to Past Five Years ( <b>512 units/yr</b> )	+2%	+9%	+17%
Compared to Past 10 Years ( <b>395 units/yr</b> )	+33%	+41%	+51%

Compared to Past 15 Years <b>(308 units/yr)</b>	+70%	+80%	+94%
Compared to Past 20 Years <b>(254 units/yr)</b>	+106%	+119%	+135%
Compared to Past 25 Years <b>(217 units/yr)</b>	+142%	+157%	+176%
Compared to Past 30 Years <b>(203 units/yr)</b>	+159%	+175%	+195%

## COMMENTS RE: LAND NEEDS METHODOLOGY

### Land Needs Analysis Does Not Compare Demand by Unit Type with Supply by Unit Type

The City's GMS, when estimating land needs, takes the amount of population to be accommodated in the DGA, adds the community land jobs, and divides the total number of persons and jobs to be accommodated by the assumed DGA density to estimate the number of hectares needed. This estimated land need is compared with the number of hectares of designated greenfield area to assess whether there is sufficient available land in the DGA.

However, the LNAM requires that the City assess whether the housing supply by unit type is sufficient or not to accommodate housing demand by unit type. When the housing forecasts are compared to housing supply by unit type, there is a deficiency of housing of all types within the City's housing supply.

**Figure 15 Comparison of Housing Forecasts in City of Guelph GMS, with Housing Supply by Unit Type**

	Low - Density	Medium-Density	High-Density	Accessory Apts	Total
<b>Scenario 1</b>					
			<i>Units</i>		
Housing Forecast	3,270	7,000	17,570	3,355	31,195
Total Supply	1,581	4,348	8,796	n.a.	14,725
Surplus / (Shortage)	(1,689)	(2,652)	(8,774)		(13,115)
<b>Scenario 2</b>					
Housing Forecast	3,475	8,240	16,125	3,355	31,195
Total Supply	1,581	4,348	8,796	n.a.	14,725
Surplus / (Shortage)	(1,894)	(3,892)	(7,329)		(13,115)
<b>Scenario 3</b>					
Housing Forecast	4,420	8,400	15,020	3,355	31,195
Total Supply	1,581	4,348	8,796	n.a.	14,725
Surplus / (Shortage)	(2,839)	(4,052)	(6,224)		(13,115)

Source: City of Guelph, Growth Scenario Planning - Shaping Guelph, Growth Management Strategy, (March 2021), City of Guelph Growth Management and Affordable Housing Monitoring Report 2020 (April 9, 2021)

## Potential Need for Deductions to Existing DGA Land Area

Policy 2.2.7.3 of the Growth Plan states that the minimum density target will be measured over the entire DGA, but with some exclusions (as listed below). It is unclear whether the 975 hectares of existing DGA land area include any of the following required exclusions:

- Natural heritage features and areas;
- Natural heritage systems and floodplains;
- Electricity transmission lines & associated rights-of-way;
- Energy transmission pipelines & associated rights-of-way;
- Freeways;
- Railways;
- Employment Areas; and
- Cemeteries.

We would request that the City make a full and complete inventory of existing housing developments in the development pipeline, as well as mapping of designated greenfield lands with gross and net land areas identified.

## Growth Plan Requires Minimum Intensification and Density Targets be Used in the MCR and Land Needs Assessment

Policy 2.2.8.2 of the Growth Plan states that:

*2. A settlement area boundary expansion may only occur through a municipal comprehensive review where it is demonstrated that:*

*a) based on the **minimum intensification and density targets** in this Plan and a **land needs assessment** undertaken in accordance with policy 2.2.1.5, sufficient opportunities to accommodate forecasted growth to the horizon of this Plan are not available through intensification and in the designated greenfield area. ...*

According to policy 2.2.7.2 of the Growth Plan, the minimum density target applicable to the DGA of the City of Guelph is 50 residents and jobs per hectare. This minimum density is what should be used to establish whether there are needs for additional land in the settlement area. The City uses the minimum intensification target of 50%, but is not using the minimum DGA density target in the land needs calculations.

Policy 2.2.1.5 of the Growth Plan states that:

*5. The Minister will establish a methodology for assessing land needs to implement this Plan, including relevant assumptions and other direction as required. This methodology will be used by upper- and single-tier municipalities to assess the quantity of land required to accommodate forecasted growth to the horizon of this Plan*

The Guelph GMS uses DGA densities of 64 and 66 persons & jobs per hectare to estimate whether additional DGA land is required. However, if the Growth Plan policy was met requiring that minimum density targets were used in the assessment of land needs under the City's MCR, it is apparent that the City has a substantial shortage of DGA land. Using the approach to calculating DGA land needs in the City presented in the Shaping Guelph report with the minimum density of 50 persons and jobs per hectare instead of 66 persons and jobs per hectare, instead of a small surplus of land, the City has a 250-hectare shortage.

If the City were to complete their assessment using the minimum density targets as required by the Growth Plan, it is apparent that there is a need for additional urban land in the City to allow for the achievement of forecasted population growth to 2051.

Figure 16

<b>Calculated DGA Land Needs to 2051, City of Guelph GMS</b>		
	Scenario 1 & 2 - Guelph GMS	Scenario 1 & 2 - at Minimum DGA Density, Growth Plan
<i>Persons</i>		
Population	52,520	52,520
Deduct - Pop'n in Accessory Apartments	660	660
Equals: Adjusted Population	51,860	51,860
<i>Jobs</i>		
Community Area Employment	9,390	9,390
<i>Persons &amp; Jobs</i>		
Total Population and Employment	61,250	61,250
<i>Persons &amp; Jobs per Hectare</i>		
Density (p&j per ha)	66	50
<i>Hectares</i>		
Required DGA Community Area	928	1,225
Existing DGA Community Area	975	975
Surplus / (Shortage)	47	(250)
Source: City of Guelph, Growth Scenario Planning - Shaping Guelph, Growth Management Strategy, (March 2021), Growth Plan for the Greater Golden Horseshoe		

### Conclusions Regarding City of Guelph Land Needs Analysis

In summary, there are numerous issues with the methodology, assumptions and inputs the City is relying upon in estimating the need for additional urban land in the City and its ability to accommodate the housing and population forecasts allocated to the City to the year 2051 in the Growth Plan for the Greater Golden Horseshoe:

- The City is not utilizing the minimum density targets for greenfield areas in estimating land needs, as directed by the Growth Plan, and is therefore understating the land needs to meet the projected demand for new housing in the City;
- Additional detail is required to understand what is included and excluded from the City's supply of existing designated greenfield area;



- The City's GMS does not assess the demand and supply of housing by dwelling unit, as required by the Growth Plan and the Land Needs Assessment Methodology, which will lead to a significant mismatch of housing demand with housing supply;
- The City appears to be over estimating the intensification potential in parts of the City outside of its key intensification areas. Assuming 100% build-out of all unit potential in the City's Downtown, its Community Mixed-Use Nodes and Intensification Corridors, the City is requiring roughly one-third of all intensification units to be in other parts of the City's existing communities, and the City needs to properly rationalize and understand the capacity for those areas to take on growth, and what the implications are for community infrastructure, transit accessibility, and other City-building objectives;
- A significant proportion of new housing projected to be built in the City to 2051 is in 'accessory apartments', which the City is basing future projections of on recent historic trends. Not only is the City's forecast share of accessory apartments (11%) roughly 5-7 times higher than the shares assumed by nearby municipalities of Halton Region and the City of Hamilton (1.4% to 2.5%), but the higher proportion used by the City has not been justified. The City's reliance on these accessory apartment units to meet forecasted housing demand ignores that a significant proportion of the demand for these units historically has come from students responding to no new on-campus housing being constructed at the University over the past 20 years, despite enrolment increasing by 92% over that same period;
- The reliance on accessory apartments to meet housing demand also ignores that a significant proportion of the residents of these units will be students who do not count towards the achievement of the City's population forecasts – rather, the demand for these units by out-of-town students, and other non-permanent residents should be added to the quantum of the City's overall housing demand;
- The City's housing forecasts rely heavily on apartment dwellings to meet demands for housing, however for many households and families, apartments will not meet their housing needs and are not and in many cases will not be a suitable substitute for ground-related housing. Further, the reliance on older households to move from their family homes to make room for younger families is not supported by data that shows an increasing propensity to 'age in place' rather than move to a collective dwelling for health or financial reasons.
- Further, the City's housing forecasts, as presented in the three growth scenarios the City's GMS studies, based on the City's assumptions of future household sizes by unit type, would each fall short of the population the City needs to plan to achieve. Beyond the mismatch of housing supply with housing demand by unit type, there is a shortfall of 250 to 1,750 units required in the City's housing forecast to achieve population growth to 2051.

Given all of the foregoing issues, it is likely that the City's estimate of land needs has been significantly understated, and the City's need for additional urban lands should be reassessed.

January 14, 2022

Melissa Aldunate  
Manager, Policy Planning and Urban Design  
Planning and Building Services  
City of Guelph

Dear Ms. Aldunate,

**RE: City of Guelph Growth Management Strategy and Land Needs Assessment**

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MHBC and Altus Group have been retained by Armel Corporation to provide input to the City of Guelph's Growth Management Strategy and Land Needs Assessment. Armel Corporation has significant land holdings throughout the City and as long term developers with over 65 years of history in the City, they play a direct role in achievement of the City's growth management objectives.

Armel, Altus and MHBC have been actively involved in the City's growth management strategy process. For example, we participated in the Development Industry Stakeholder Roundtable meeting and subsequent meetings with staff. In June 2021, we submitted comments on the draft Growth Management Strategy that had been released in the spring of 2021.

After having reviewed the most recent reports (Growth Management Strategy and Land Needs Assessment Report, December 2021; Long Term Population and Housing Growth Report, January 2022; and City of Guelph Staff Report, Shaping Guelph: Growth Management Strategy and Land Needs Assessment, January 2022) we continue to have a number of comments and concerns regarding the proposed Growth Management Strategy that is being recommended for Council endorsement. Our comments fall into two categories:

- 1) Comments on the proposed changes to the Urban Structure; and
- 2) Comments on the Land Needs Assessment and basis for the recommended Growth Management Strategy.

**Comments on the proposed Urban Structure**

The proposed urban structure described in the recommended Growth Management Strategy will be implemented through a future Official Plan amendment. Therefore, we look forward to the opportunity to

provide further comment once the detailed policy framework is released. However, our general comments on the urban structure are provided below.

## **1. Maximize the intensification potential in Strategic Growth Areas**

The Strategic Growth Areas are important components of the City's existing growth management strategy and provide significant opportunity for accommodating the forecast future growth. We are pleased to see that the recommended height and density within Strategic Growth Areas has been increased over earlier versions of the urban structure. This is positive and, in our view, necessary.

We would suggest, however, that the City can be much bolder in its approach to accommodating density. In our experience in other communities, it is very difficult to achieve density of 250 units per hectare, achieve good urban design and limit height to 14 storeys. We recognize that many existing residents may have concerns about tall buildings. However, if the City intends to implement the recommended growth strategy and accommodate a considerable amount of future growth through intensification, the City is going to have to put in place a structure that is capable of accommodating that level of development. Tall buildings greater than 14 stories are a necessary part.

## **2. Maximize intensification potential in Commercial Centres and Corridors outside of Strategic Growth Areas**

More flexibility is needed in the commercial land use policies. The current policies and regulations discourage achievement of mixed use and residential intensification in particular. Given the level of intensification needed to accommodate future growth, the City will have to be relatively aggressive in applying a permissive land use framework that will allow for and encourage the intensification needed to accommodate future growth.

We recognize that the planned function of Neighbourhood Commercial Centres is to provide the day to day service and shopping needs for surrounding residential areas. But in some cases, this planned function is no longer occurring due to the changing nature and evolution of commercial activity. For example, the Neighbourhood Commercial Centre designated site at the corner of Willow Road and Elmira Road is vacant and unlikely to develop with commercial land uses given its proximity to the Community Mixed Use Centre a few blocks away at Paisley Road and Elmira Road.

In general, the neighbourhood commercial centres and arterial commercial corridors, such as Wellington Street, Speedvale Avenue and others, provide opportunity for accommodation of future population and employment growth. We recommend that through the Official Plan update to implement the recommended urban structure, the City should consider these sites for a wider range of uses including residential and other employment uses, allowing for redevelopment and modest levels of intensification.

## Comments on the Land Needs Assessment

1. The land needs assessment and growth management options do not assess a growth scenario based on housing demand by unit type.

In our June 2021 comments on the draft Growth Management Options we noted that Altus Group had undertaken a technical review of the City's land needs methodology and found that the lack of a market demand analysis by housing type is a serious flaw in the City's land needs assessment (see attached June 2021 memo) which must be completed in order to properly assess the City's housing needs in accordance with the Growth Plan and the Provincial Land Needs Assessment Methodology, as required by Policy 2.2.1.5 of the Growth Plan. The City's Long Term Population and Housing Growth Report (January 2022) does contain helpful information on some of the data and analysis that has gone into the development of the Growth Management Options. However, it does not assess a housing forecast based on market demand by housing type which is a critical part of the needs assessment.

There are policy implications to not having undertaken a housing forecast based on market demand by housing type. The policy implication is that the City's Growth Management Strategy is not consistent with the Provincial Land Needs Assessment Methodology and, as such, would appear not to conform to the Provincial Growth Plan.

The practical implication of adopting the recommended Growth Strategy is that it is likely that the City's future housing supply will not match future housing demand preferences. Achievement of the recommended Growth Strategy requires that approximately 53% of future housing supply be provided in the form of high-density housing units. Without having completed a housing demand by unit type analysis, it is not clear what choices and trade-offs are required in order to achieve the considerable change to housing demand preferences. Such an assessment would assist in determining whether the various factors to be considered have been properly balanced and reflect good planning. We ask that the City complete a demand based assessment before Council adopts a final growth management strategy.

2. The preferred growth management option relies heavily on apartment dwellings to meet future housing demand; however, for numerous reasons, many families and households apartments are not a suitable substitute for ground related housing.

The basis for the great shift in future housing demand that is described in the Growth Management reports is not clear. The housing propensity analysis provided in section 3.2.6 of the Long Term Population and Housing Growth Report demonstrates that no age group has a propensity for high-density housing. The youngest age group (where the household maintainer is less than 25 years of age) has a propensity for high density housing at 40% - meaning 40% of households in this age category live in high density residential units and 60% live in medium- or low-density residential units. For all other age categories the propensity for high-density units is approximately 20%-35%.

The recommended Growth Strategy identifies that 53% of future housing units will be high-density units. Given the existing (2016) housing propensity rates, we question the assumption made that starting in 2021 and continuing to 2051 at least 50% of all new households, in all age groups, would have a propensity for high-density units.

We are concerned that the recommended Growth Strategy will result in a mismatch between future housing supply and future housing demand. A mis-match of supply with housing demand by unit type can have severe implications for overall housing affordability, particularly for ground-related housing forms. A lack of housing supply of any particular type can also have labour market consequences, and potentially hinder local businesses attracting and retaining local talent.

While the City's approach may lead to several areas of the City seeing increased permissions for high-density development, increased height and density capacity does not, in-and-of-itself boost demand for dwelling units in high-density developments.

For many households, high density housing units are not a suitable alternative and thus they will look elsewhere for housing. The result of which has impacts on employer's abilities to attract a skilled workforce, the loss of economic benefits of workers who would otherwise be resident in the City, and social and economic costs of increased commutes to work.

Given these significant implications, we would appreciate receiving the technical assumptions and methodological basis employed for the report's conclusion that historic propensities will shift so drastically in the future.

3. There is an over reliance on accessory apartments to meet forecast housing demand.

The recommended Growth Strategy identifies that nearly 11% of future housing growth will be supplied by accessory apartment units. As noted by Altus in their review of the City's methodology, this is roughly 5-7 times higher than other nearby municipalities of Halton Region and the City of Hamilton. While it is likely that the growing enrolment at post-secondary institutions will continue to heavily rely on accessory apartments, the population estimates the City has incorporated into the recommended Growth Strategy does not include post-secondary students. To the extent that the amount of accessory apartments contemplated would be for permanent residents only (over and above those accessory apartments used by students), the basis for the high number of future accessory apartments is not clear. The implication is that the City has likely underestimated the land needed to accommodate future housing units, or has simply not provided for sufficient housing units for its planned permanent population. We had previously requested further information to understand the City's conclusions on accessory apartments, Designated Greenfield Area density assumptions, and other requested information as described in the Altus letter of November 24, 2021 and we look forward to receiving a response.

In conclusion, we recognize the considerable work that the City has completed to date and we appreciate the opportunity to provide comments as input to the process. We recommend that Council refer the proposed Growth Management Strategy back staff to address the concerns we have raised and we look forward to having the opportunity to continue the dialogue and welcome further meetings with staff.

Yours truly,

**MHBC**

A handwritten signature in black ink that reads "Dan Currie". The signature is written in a cursive, flowing style.

Dan Currie, MA, MCIP, RPP  
Partner

cc. Mandy Scully, Armel Corp.  
Chris Corosky, Armel Corp.  
Daryl Keleher, Altus Group  
Susan Rosenthal, Davies Howe

# Appendix 3

Settlement Area Boundary Expansion  
Criteria Matrix

**Appendix 3: Armel Compliance with Settlement Area Boundary Expansion Evaluation Criteria**

Growth Plan, 2020 Criteria	PPS, 2020	Satisfaction of Criteria/Policies – Armel Lands
<p>2.2.8.2: A settlement area boundary expansion may only occur through a municipal comprehensive review where it is demonstrated that:</p>	<p>1.1.3.8 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:</p>	<p>This settlement area expansion request is being submitted concurrently with the City of Guelph Municipal Comprehensive Review process.</p>
<p>a) based on the minimum intensification and density targets in this Plan and a lands needs assessment undertaken in accordance with policy 2.2.1.5, sufficient opportunities to accommodate forecasted growth to the horizon of this plan are not available through intensification and in the designated greenfield areas:                      i) within the upper- or single tier municipality, and                      ii) within the applicable lower-tier municipality;</p>	<p>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;</p>	<p>Altus Group Economic Consulting (Altus Group) completed a Land Needs Assessment for Guelph on behalf of Armel. Based on this assessment, there is a significant requirement for new Community Area within the City to accommodate growth forecasted in the City to 2051. We have reviewed this material and agree with its conclusions.</p> <p>Altus has prepared a summary of the LNA undertaken for the City of Guelph on behalf of Armel. Based on this assessment, there is a significant requirement for new Community Area within the City to accommodate growth forecasted in the Region to 2051. Altus has determined that at a modified Scenario 3, which appropriately follows the LNA Methodology and using the minimum targets of 50% intensification and 50 people and jobs per hectare on designated greenfield areas, the City would require at least another 189 hectares of Community Area to meet the growth forecast to 2051. We have reviewed this assessment and concur with its conclusions.</p> <p>The City concluded in its Land Needs Assessment (LNA) released January 17, 2022 that the City will not require additional Community Area lands to accommodate forecasted growth (outside of the 45ha expansion for the Dolime Quarry) per their preferred Scenario 2. As set out in Altus's letter to the City dated June 2, 2021, and as further confirmed in Altus's recent letter dated December 2022, it is Altus's conclusion that the City's estimate of land needs has been significantly understated as it did not follow the Province's LNA Methodology, and the City's need for additional urban lands should be reassessed.</p> <p>The requested expansion area in west Guelph can be planned as a complete community to accommodate the forecasted growth and ensure the City will meet the minimum growth targets for intensification and greenfield density by the 2051 horizon of the Growth Plan. The comprehensive development of the Armel Lands will provide for opportunities to address climate change goals, including promoting compact and energy-saving designs, denser developments, and transit-supportive and walkable communities to lower GHG emissions from buildings and transportation due to the proximate location of amenities within the adjacent settlement area boundary as further explained in this matrix.</p>
<p>b) the proposed expansion will make available sufficient lands not exceeding the horizon of this Plan, based on the analysis provided in policy 2.2.8.2 a), while minimizing land consumption, and</p>		<p>The Altus LNA, conducted in accordance with the Province's methodology, provides the required analysis to determine an appropriate and sufficient amount of land to make available to 2051, taking into consideration housing demand and need by housing type, housing supply, employment and job forecasts, density targets, and balancing intensification with a market-based supply of housing, which will minimize land consumption.</p> <p>The Altus analysis of required urban area expansion considers the intensification and density targets for the City as well as the housing demand and supply by housing type, which generates a land needs requirement that is the minimum to accommodate forecasted growth to this planning horizon. The Armel Lands, located adjacent to the settlement area of Guelph in a potential future strategic growth area, are strategically located to contribute to the required community land needs of the City to 2051 without unnecessary land consumption and optimizing existing community infrastructure and amenities.</p>
<p>c) the timing of the proposed expansion and the phasing of development within the designated greenfield area will not adversely affect the achievement of the minimum intensification and density targets in the Plan, as well as the other policies of this Plan.</p>		<p>The requested inclusion of the area in west Guelph within an expanded urban area will provide a portion of the required land to accommodate growth to 2051, providing the opportunity to complete the community and plan a complete community with a diverse range and mix of housing types based on market demand. These lands will be planned to achieve higher residential densities than has historically been the case for designated greenfield areas and will therefore assist in achieving the City's density target for the designated greenfields, which is planned for higher than the minimum Growth Plan density target of 64 people and jobs per hectare. This will also help achieve meeting the Province's objective for more housing in a timely manner. The requested expansion does not adversely affect the intensification and density targets of the Growth Plan as an appropriate amount of high-density growth is still allocated to the existing settlement areas.</p>



Growth Plan, 2020 Criteria	PPS, 2020	Satisfaction of Criteria/Policies – Armel Lands
		<p>The expansion area in west Guelph represents a contiguous, orderly, and logical expansion to the existing Guelph Settlement Area Boundary that is adjacent to planned community lands. These lands are considered an appropriate size and location for a Settlement Area Boundary Expansion given its proximity to the existing road network, the existing settlement boundary, and the ability for the lands to be comprehensively planned. Expansion of these lands avoids leapfrogging or fragmentation of development and promotes compact, multi-modal complete communities that will reduce GHG emissions and will promote walkability to existing community services such as the community centre, library and retail services.</p>
<p>2.2.8.3: Where the need for a settlement area boundary expansion has been justified in accordance with policy 2.2.8.2, the feasibility of the proposed expansion will be determined based on the comprehensive application of all of the policies of this Plan, including the following:</p>		<p>See below.</p>
<p>2.2.8.3 a) there is sufficient capacity in existing or planned infrastructure and ....</p>	<p>1.1.3.8 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 their life cycle, and protect public health and safety and the natural environment;</p>	<p>The Armel lands are located in an area well served by existing infrastructure. There are existing sewage and water systems located near the lands. The west area of Guelph is well served by existing water infrastructure, including a number of wells, watermains, sewage lines and a nearby pumping station. The lands are also located within the electricity grid and would be served by Alectra Utilities.</p> <p>Armel has evaluated the servicing capacity and has concluded that the expansion areas can be adequately serviced through both existing and planned infrastructure (sanitary, storm, and watermain). There is also sufficient wastewater capacity in the Guelph Wastewater Treatment Plant. Servicing capacity for the remaining services will be confirmed through a future development review process for the Armel Lands.</p>
<p>2.2.8.3 b) the infrastructure and public service facilities needed would be financially viable over the full life cycle of these assets;</p>		<p>Development of the proposed expansion area makes efficient use of vacant land within an area where roads, sanitary, and municipal services can be provided with minimal extensions to existing infrastructure. Development on these lands are planned to achieve a cost-effective development pattern by proposing development at a density that efficiently uses the available land in a compact built form.</p> <p>Development on these lands will provide the City significant one-time revenues from Development Charges and Building Permits and ongoing revenues from Property Taxes.</p> <p>In regards to the public facilities, there are a number of them within walking distance to the Armel lands given this is the completion of an existing node and can benefit from numerous existing facilities. Public facilities in close proximity to the Armel Lands include the West End Community Centre, public parks, a fire station, public schools and other institutional uses. As part of the on-going growth management and planning processes, the City will need to update and/or complete master plans for emergency services, recreational facilities and institutional facilities.</p> <p>As such, these lands can be serviced in a cost-effective manner and will aid the City in maintaining a healthy supply of housing. Further technical studies will be provided as part a future planning process.</p> <p>The creation of new neighbourhoods on the proposed expansion areas adjacent to the Guelph settlement area will ensure a return on the investment of infrastructure related to growth in this area over their full life cycle.</p>
<p>2.2.8.3 c) the proposed expansion would be informed by applicable water and wastewater master plans or equivalent and stormwater master plans or equivalent, as appropriate;</p>		<p>The development of the proposed expansion area and the infrastructure required can be accommodated within the applicable Water and Wastewater Master Plan, as required to be updated through this MCR process. It should be noted that the City is currently undertaking a Water and Wastewater Servicing Master Plan, which aims to align the Municipal Comprehensive Review with the expected future growth. This Master Plan will provide more detail on servicing capacity to accommodate projected growth and will also be detailed in technical studies submitted with future planning applications.</p>
<p>2.2.8.3 d) the proposed expansion, including the associated water, wastewater and stormwater servicing, would be planned and demonstrated to</p>		<p>The development of the proposed expansion area will follow the applicable watershed studies and minimize any potential impacts on watershed conditions and the water resource system. This will be detailed in technical studies submitted with future planning applications.</p>

Growth Plan, 2020 Criteria	PPS, 2020	Satisfaction of Criteria/Policies – Armel Lands
<p>avoid, or if avoidance is not possible, minimize and mitigate any potential negative impacts on watershed conditions and the water resources system, including the quality and quantity of water</p>		
<p>2.2.8.3 e) key hydrological areas and the Natural Heritage System for the Growth Plan should be avoided where possible;</p>		<p>The development of the proposed expansion area will protect and have consideration for the Natural Heritage System (NHS), including natural heritage features and/or areas of natural heritage significance. A preliminary plan in Appendix 4 shows the natural heritage features that will be protected.</p> <p>Detailed natural heritage and environmental studies will be conducted as part of the future planning process that will demonstrate compliance with all the policies of the PPS, Growth Plan and the City OP. Development will be located outside of the significant natural heritage system and preserve or restore, where possible, important ecological features and linkages.</p> <p>We believe the proposed plan for the expansion area in west Guelph adheres to the guiding principles and policies set forth by the City as they relate to the Natural Heritage System and natural heritage features.</p>
<p>2.2.8.3. f) prime agricultural areas should be avoided where possible. To support the Agricultural System, alternative locations across upper- or single-tier municipality will be evaluated, prioritized and determined based on avoiding, minimizing and mitigating the impact on the Agricultural System and in accordance with the following: i) expansion into specialty crop areas is prohibited; ii) reasonable alternatives that avoid prime agricultural areas are evaluated; and iii) where prime agricultural areas cannot be avoided, lower priority agricultural lands are used;</p>	<p>1.1.3.8 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 alternatives which avoid prime agricultural areas; and ii. there are no reasonable alternatives on lower priority agricultural lands in prime agricultural areas;</p>	<p>There are no other reasonable alternative areas within the City that could accommodate settlement expansion that would avoid prime agricultural lands. Through a future development review process with the City, any opportunities to avoid or mitigate impacts on existing agricultural uses will be assessed. There are no specialty crop areas in the Armel Lands.</p> <p>Any lands within the City required for expansion into the urban boundary to meet growth needs would have to consider potential impacts on nearby agricultural operations. This issue is not unique to the Armel Lands.</p> <p>Furthermore, as per a letter prepared by MHBC dated December 20, 2022, the Canada Land Inventory identifies the soil capability of the Subject Lands as containing predominantly Class 0, 1 and Class 2w soils. Class 1 soils have no significant cropping limitations, whereas Class 2 soils have moderate limitations that restrict a range of crops. Further, the 'w' classification that accompanies the 2w CLI means that there is excess water in the soil, which further limits agricultural use. At present, some of the Armel properties are in agricultural use for cropping.</p>
<p>2.2.8.3 g) the settlement area to be expanded is in compliance with the minimum distance separation formulae;</p>	<p>1.1.3.8 d) the new or expanding settlement area is in compliance with the minimum distance separation formulae; and</p>	<p>There are no livestock facilities located on the Armel lands. However, the surrounding context consists of agricultural uses and there are some barns in the surrounding area (figure 5). The presence of a barn on a property does not always mean there is livestock activity, but rather indicates the potential for such activity. Confirmation of livestock activity would be determined during the completion of an Agricultural Impact Assessment. It appears that MOS requirements could be met, however, MOS calculations are required to be completed to confirm that a settlement boundary expansion will not impact existing livestock facilities.</p>
<p>2.2.8.3 h) any adverse impacts on the agri-food network, including agricultural operations, from expanding settlement areas would be avoided, or if avoidance is not possible, minimized and mitigated as determined through an agricultural impact assessment;</p>	<p>1.1.3.8. 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.</p>	<p>As per the letter prepared by MHBC dated December 20, 2022, the lands do not contain significant agricultural infrastructure or components of the agri-food network. As such, the expansion area in west Guelph can be expanded in compliance with this policy and through more detailed study at subsequent planning stages will ensure impacts on the agri-food network are either minimized or mitigated to the extent feasible.</p>
<p>2.2.8.3 i) the policies of Section 2 (Wise Use and Management of Resources) and 3 (Protecting Public Health and Safety of the PPS are applied;</p>	<p>2.1.1 Natural features and areas shall be protected for the long term.</p> <p>2.1.2 The diversity and connectivity of natural features in an area, and the long-term ecological function and biodiversity of natural heritage systems, should be maintained, restored or, where possible, improved, recognizing linkages between and among natural heritage features and areas, surface water features and ground water features.</p>	<p>Detailed natural heritage, watershed, environmental, and agricultural studies will be conducted as part of the future planning process that will demonstrate compliance with all the policies of the PPS, as well as the City OP.</p> <p>Development will be located outside of the significant natural heritage system and preserve or restore, where possible, important ecological features and linkages as it is understood the value and importance of the NHS as a carbon sink and its role in future climate resiliency. Any hazards identified through the detailed studies and fieldwork will be respected in planning policies and future development.</p>

Growth Plan, 2020 Criteria	PPS, 2020	Satisfaction of Criteria/Policies – Armel Lands
	<p>2.2.1 Planning authorities shall protect, improve or restore the quality and quantity of water...</p> <p>3.0 Development shall be directed away from areas of natural or human-made hazards where there is an unacceptable risk to public health or safety or of property damage, and not create new or aggravate existing hazards.</p>	
<p>2.2.8.3 j) the proposed expansion would meet any applicable requirements of the Greenbelt, Oak Ridges Moraine Conservation, Niagara Escarpment, and Lake Simcoe Protection Plans and any applicable source protection plan;</p>		<p>Not applicable; the proposed expansion area is not within the Provincial Plans for the Greenbelt, Oak Ridges Moraine, or Niagara Escarpment.</p>
<p>2.2.8.3 k) within the Protected Countryside in the Greenbelt Area:</p>		<p>Not applicable; the proposed expansion area is not within the Protected Countryside in the Greenbelt Area.</p>
<b>Other Policies</b>		
	<p>1.1.1 Healthy, liveable and safe communities are sustained by: ...</p> <p>b) accommodating an appropriate affordable and market-based range and mix of residential types (including single-detached, additional residential units, multi-unit housing, affordable housing and housing for older persons), ... to meet long-term needs;</p> <p>1.4.3 Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area by:</p> <p>a) establishing and implementing minimum targets for the provision of housing which is affordable to low and moderate income households and which aligns with applicable housing and homelessness plans. However, where planning is conducted by an upper-tier municipality, the upper-tier municipality in consultation with the lower-tier municipalities may identify a higher target(s) which shall represent the minimum target(s) for these lower-tier municipalities;</p> <p>b) permitting and facilitating:</p> <p>1. all housing options required to meet the social, health, economic and well-being requirements of current and future residents, including special needs requirements and needs arising from demographic changes and employment opportunities; and</p>	<p>Allowing for the inclusion of the expansion area in west Guelph will provide additional land to help satisfy housing demand and an opportunity to plan and construct complete communities with a balanced mix of housing types anticipated for the City based on market demand and supply. The specific land uses and housing mix will be determined during the future secondary plan process for the Guelph expansion lands, but will be in conformity with Provincial, and City policies respecting housing needs for the planning horizon. This area is appropriate to support a higher level of density given its strategic location along a CN Rail Corridor with the potential to support a new GO Station, which will achieve additional objectives for sustainability.</p> <p>The development of these lands will allow for compact residential development including in medium density forms of housing, which aids in meeting the market desire for grade-related, family-oriented housing, while also realizing a significant move away from the historically high proportion of low-density units and maintaining a shift to more apartments in the City. This type of growth in the City will allow new families and retirees more affordable housing that they will prefer.</p> <p>Medium density housing can achieve both intensification in Strategic Growth Areas and a variety of housing in new communities. Based on the current market information, it is this type of housing that provides opportunities for improved housing affordability, increased density, complete communities, and desirable housing mix and forms for residents. This is especially true for young families and retirees who want 2-3 bedrooms in their current neighbourhoods without moving into an apartment.</p> <p>More affordable housing that is attractive to residents and provides primarily grade-related units is essential to the quality of life in the City and its continued ability to attract new employers and businesses who wish to house their employees. The primary means of ensuring long-term affordable housing in the City is to provide an abundant, or at least sufficient, supply of all housing types to meet market-based demand.</p> <p>As noted earlier, including the Armel Lands within the urban area can help achieve these objectives. The proposed expansion area is located within walking distance to community amenities such as grocery stores, retail, elementary and high schools, and recreation opportunities (Margaret Greene Park and West End Community Centre), and in proximity to the university/college (Guelph, Conestoga). The development of the Armel Lands will complete the community node in this area, providing a complete community.</p> <p>The university and colleges (i.e. University of Guelph and Conestoga College) specifically provide or attract a wealth of opportunities including high-tech startups/incubators for access to information technology and agri-food.</p>

Growth Plan, 2020 Criteria	PPS, 2020	Satisfaction of Criteria/Policies – Armel Lands
	<p>2. all types of residential intensification, including additional residential units, and redevelopment in accordance with policy 1.1.3.3;</p>	<p>The Armel Lands have the potential to accommodate a complete community with a mix and range of housing opportunities that will support new development in the west end of the Guelph Settlement Boundary that can be a catalyst for future development in support of a potential new GO Station. Planning for these areas will be undertaken holistically through a comprehensive review process to ensure existing and new residents are not adversely affected by contaminant discharges and other pollutants.</p> <p>Planning for a complete community that is compact and supports multi-modal transit in proximity to employment lands (northeast of the lands) will contribute to lowering GHG emissions in the face of a changing climate.</p>

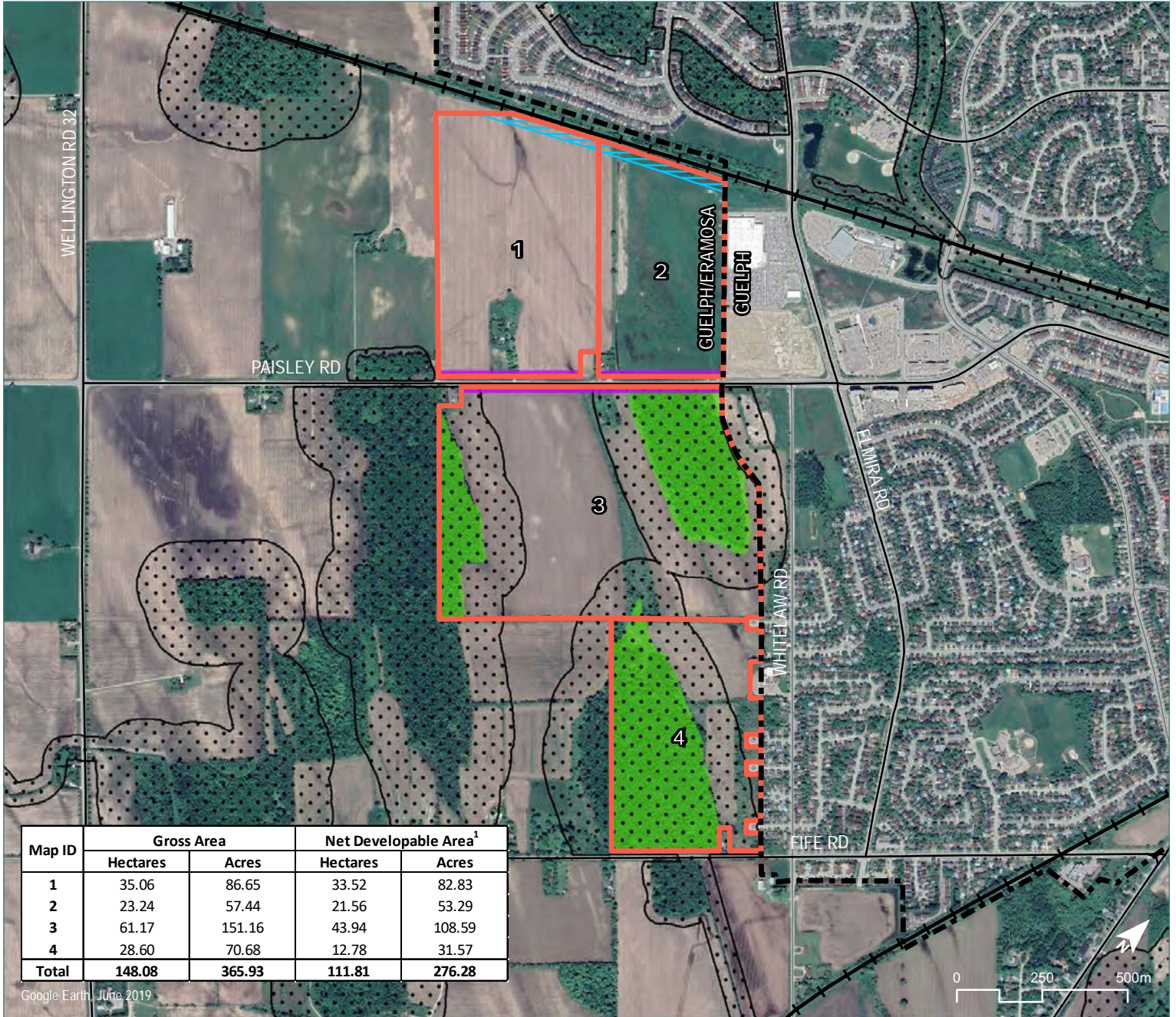
# Appendix 4

Gross Developable Area Maps



# NET DEVELOPABLE AREA

## Armel Landholdings, Guelph/Eramosa



Google Earth, June 2019

- Subject Lands<sup>1</sup>
- Municipal Boundary
- GRCA Regulated Area<sup>4</sup>
- Wellington County Greenlands System
- 30m Railway Setback
- 14m Provincial Road Setback

**Gross Area:**  
148.08 ha - 365.93 acres  
**Net Developable Area<sup>2</sup>:**  
111.81 ha - 276.28 acres

- Notes:
- <sup>1</sup> Eastern edge of Subject Lands are approximate. Digitized based on Geowarehouse image.
  - <sup>2</sup> Net Developable Area is an estimate based on available mapping and is subject to change through field work and environmental studies.
  - <sup>3</sup> If species at risk are found during environmental studies a meander belt assessment will be required.
  - <sup>4</sup> The Grand River Conservation Authority Regulated Area was not used as an NDA exclusion.
  - <sup>5</sup> Take-outs related to road widenings will be determined through future study.

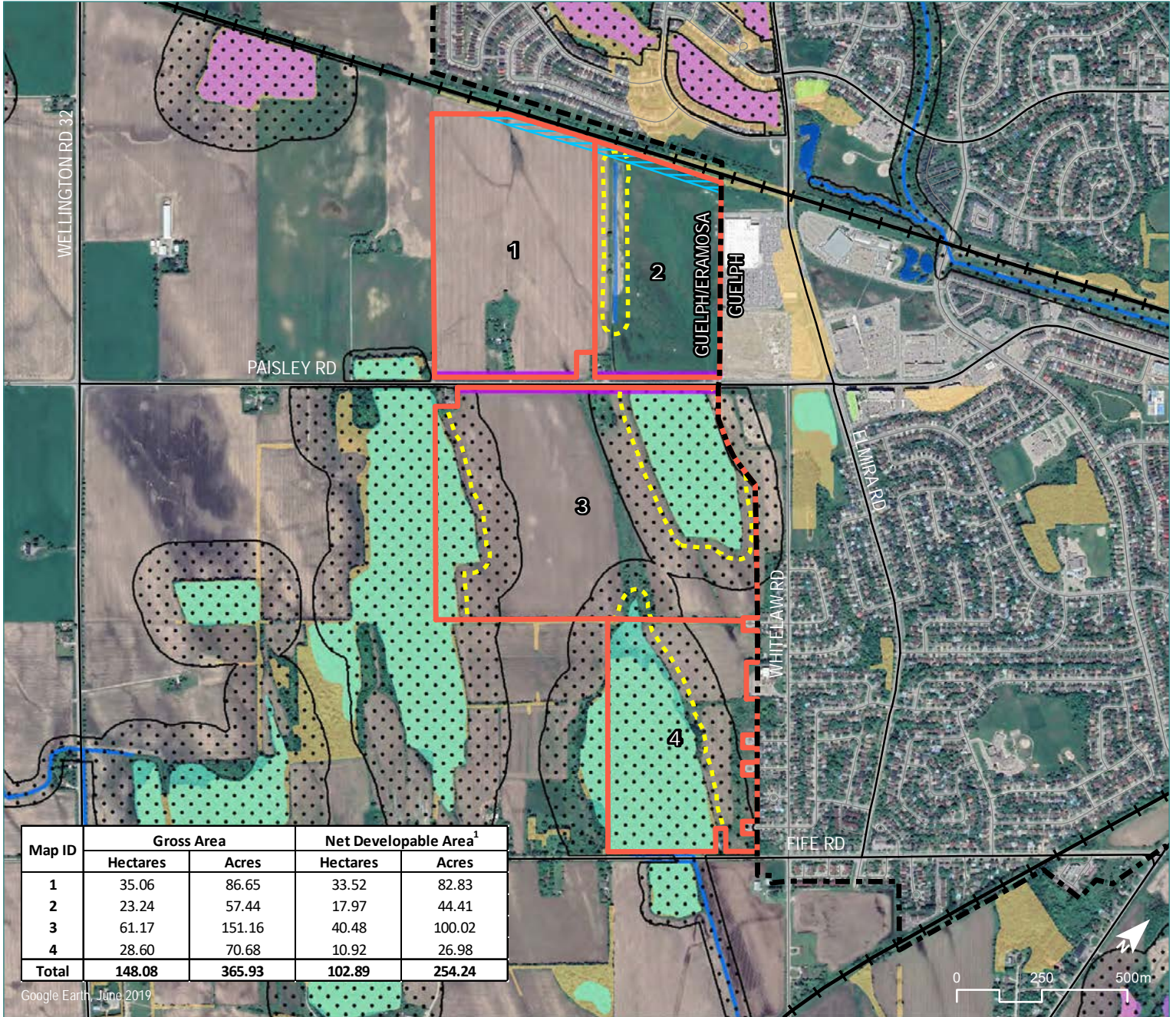
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MGP File: 22-3203  
Date: December 23, 2022



# NET DEVELOPABLE AREA

## Armel Landholdings, Guelph/Eramosa



Map ID	Gross Area		Net Developable Area <sup>1</sup>	
	Hectares	Acres	Hectares	Acres
1	35.06	86.65	33.52	82.83
2	23.24	57.44	17.97	44.41
3	61.17	151.16	40.48	100.02
4	28.60	70.68	10.92	26.98
<b>Total</b>	<b>148.08</b>	<b>365.93</b>	<b>102.89</b>	<b>254.24</b>

Google Earth, June 2019

- Subject Lands<sup>1</sup>
- Municipal Boundary
- GRCA Regulated Area<sup>4</sup>
- MNRF Mapped Environmental Features**
- Watercourse<sup>3</sup>
- Waterbody
- Provincially Significant Wetland
- Other Evaluated Wetland
- Un-Evaluated Wetland
- Wooded Area
- Net Developable Area Exclusions**
- MNRF Environmental Feature Buffer (30m Watercourses, Waterbodies & Wetlands, 10m Wooded Areas)
- 30m Railway Setback
- 14m Provincial Road Setback

**Gross Area:**  
148.08 ha - 365.93 acres

**Net Developable Area<sup>2</sup>:**  
102.89 ha - 254.24 acres

Notes:  
<sup>1</sup> Eastern edge of Subject Lands are approximate. Digitized based on Geowarehouse image.  
<sup>2</sup> Net Developable Area is an estimate based on available mapping and is subject to change through field work and environmental studies.  
<sup>3</sup> If species at risk are found during environmental studies a meander belt assessment will be required.  
<sup>4</sup> The Grand River Conservation Authority Regulated Area was not used as an NDA exclusion.  
<sup>5</sup> Take-outs related to road widenings will be determined through future study.

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MGP File: 22-3203  
 Date: December 23, 2022



# Appendix 5

Altus LNA Letter



December 23, 2022

Memorandum to: Mandy Scully, Armel Homes

From: Daryl Keleher, Senior Director  
Altus Group Economic Consulting

**Subject: Guelph – Land Needs Assessment**

**Our File: P-6656**

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## EXECUTIVE SUMMARY

This memorandum presents a recalculation of the City of Guelph’s land needs analysis (“LNA”), done through the City’s Growth Management Strategy (“GMS”) based on a set of assumptions that matches both the policies set out in the Growth Plan, and the steps in the Province’s Land Needs Assessment Methodology (“LNA M”) as close as possible.

The City’s GMS found that there was a **surplus** of community area lands to accommodate growth to 2051. However, the City’s analysis missed several fundamental elements of the Land Needs Assessment Methodology.

Based on our revised approach to calculating land needs to 2051, it is our estimate that the City instead has a substantial **shortfall** of community lands to accommodate planned housing, **equal to 189 hectares** (Scenario 3D as shown in detail later in this memo).

The City of Guelph will need this additional land to conform to the Growth Plan and provide as close to a market-based supply of housing as possible. Utilizing Growth Plan minimums in estimating land needs is crucial to ensure that sufficient land is available to ensure land and housing supply is readily available to meet market demand for housing of all types. It is important to note that utilizing Growth Plan minimum densities does not restrict added lands from developing beyond these minimum densities.

The land needs estimated in this memorandum represent the “Community Area Land” needs only – the estimated employment land needs to achieve 2051 employment forecasts are not accounted for in this analysis.

## SUMMARY OF APPROACHES TO ESTIMATING LAND NEEDS

Both the City’s approach taken in the GMS and the Alternative approaches reflect a ‘policy-based’ housing forecast that filters the market demand for housing by unit type through key Growth Plan policies such as intensification minimums and density targets in designated greenfield areas, and meets the market-based demand for housing to the extent possible given policy parameters such as minimum greenfield densities, minimum intensification targets.

We have also calculated the land needs of fulfilling the entirety of market demand by unit type as estimated by Hemson Consulting in their August 2020 Technical Report that underpinned the Schedule 3 forecasts in the 2020 *Growth Plan for the Greater Golden Horseshoe*. The findings of these various approaches are summarized in the table below. The detailed calculations for the Altus revised LNA approach and the market-based approach are presented in this memorandum.

Scenario	Notes / Revisions	Intensification Rate	DGA Density	Community Area Land Needs
City GMS – Preferred Scenario 2		50%	66 persons/jobs per hectare	Surplus of 43 hectares
City GMS – Alternative Scenario 3		55%	64 p/j per ha.	Surplus of 43 hectares
Revised City GMS Scenario 2A	Growth Plan Minimum Density	50%	50 p/j per ha.	Shortage of 250 hectares
Revised City GMS Scenario 3A	Growth Plan Minimum Density	55%	50 p/j per ha.	Shortage of 222 hectares
Alternative Altus Scenario 3D	Broken down by unit type  Growth Plan minimum density	50%	50 p/j per ha.	Shortage of 189 hectares
Full Market-Based Demand Scenario (Scenario 4)		n.a.	n.a.	Shortage of 743 hectares

## CITY GROWTH SCENARIOS 2 & 3 AND REVISED CITY SCENARIOS (2A & 3A)

### *City Scenarios 2 & 3 Based on Target Densities*

The City's April 2021 Shaping Guelph report showed, at target densities of 66 and 64 persons and jobs per hectare for Scenarios 2 and 3 respectively, that there was a 43-hectare surplus of land.

### *Modified Version of City Analysis Based on Growth Plan Minimum Densities (Scenarios 2A and 3A)*

If the City's April 2021 calculations were revised to be based on minimum Growth Plan densities of 50 persons and jobs per hectare, there would be a shortfall of DGA lands of 222 to 250 hectares. This does not mean that these lands can or will develop at these minimum densities, but rather to ensure that there is sufficient land to meet Schedule 3 population minimums even at minimum densities.

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#### **City of Guelph, Community Area DGA Land Needs at 2051, at GMS Target Density and Growth Plan Minimum Densities**

		City GMS April 2021 at Target Densities		City GMS at Growth Plan Minimum Densities	
		Base Case / Scenario 2	Scenario 3	Base Case / Scenario 2	Scenario 3
Population	A	52,520	51,120	52,520	51,120
Deduct - Growth Population Accommodated in Accessory Apartments	B	660	660	660	660
Population, Adjusted for Growth Accommodated in Accessory Apartments	C = A - B	51,860	50,460	51,860	50,460
Community Area Employment	D	9,390	9,390	9,390	9,390
Total Population and Employment	E = C + D	61,250	59,850	61,250	59,850
Target People and Jobs Density per Ha	F	66	64	50	50
Required Designated DGA Community Area (gross land area)	G = E / F	932	932	1,225	1,197
Existing Designated DGA Community Area (plus 42 ha of employment land converted)	H	975	975	975	975
Surplus / (Shortfall)	I = H - G	43	43	(250)	(222)

Source: Altus Group Economic Consulting based on Shaping Growth - Growth Scenarios and Urban Structure, (April 9, 2021), Appendix A - Alternative Growth Scenarios 2&3 - Summary of Draft Population and Housing Forecast

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## ALTUS REVISED APPROACHES TO SCENARIO 3

### (SCENARIOS 3B, 3C AND 3D)

We have undertaken a modified version of Scenario 3 that incorporates the City's forecast housing mix by unit type and by geographic area (designated greenfield area, built-up area), against the City's estimates of housing supply, but unlike the City's analysis, conforms to the LNAM by analysing demand and supply by unit type.

The City's LNA did not follow several required steps of the LNAM, including:

- City's LNA does not compare demand by unit type with supply by unit type;
  - The City's GMS takes an overly simplified approach of taking the amount of population to be accommodated in the DGA and dividing that by the assumed DGA density (64-66 persons and jobs per hectare) to estimate the number of hectares needed;
- No Adjustments for Undevelopable Land
  - Policy 2.2.7.3 of the Growth Plan states that the minimum density target will be measured over the entire DGA, but with some exclusions (as listed below). It is unclear whether the City's 975 hectares of existing DGA land area include any of the following required exclusions:
    - Natural heritage features and areas;
    - Natural heritage systems and floodplains;
    - Electricity transmission lines and associated rights-of-way;
    - Energy transmission pipelines and associated rights-of-way;
    - Freeways;
    - Railways;
    - Employment Areas; and
    - Cemeteries.
- Not using a contingency factor to account for market choice, long-term vacancy, etc.
- Policy 2.2.8.2 of the Growth Plan states that an MCR is to be based on minimum density targets. This does not necessarily mean that the lands will be developed at these densities, but for the purposes of establishing that lands will be available to meet, in any scenario, the minimum Growth Plan density requirements.

- Policy 2.2.8.2 of the Growth Plan states that:
  - 2. A settlement area boundary expansion may only occur through a municipal comprehensive review where it is demonstrated that:
    - a) based on the minimum intensification and density targets in this Plan and a land needs assessment undertaken in accordance with policy 2.2.1.5, sufficient opportunities to accommodate forecasted growth to the horizon of this Plan are not available through intensification and in the designated greenfield area. ...
- According to policy 2.2.7.2 of the Growth Plan, the minimum density target applicable to the DGA of the City of Guelph is 50 residents and jobs per hectare. This minimum density is what should be used to establish whether there are needs for additional land in the settlement area.

We provide three separate version of the recalculated community area land needs analysis:

- **Scenario 3B:** based on a breakdown of unit types, but using the City's target densities for Scenario 3 of 64 persons and jobs per hectare. The result under this analysis is that the City would need 148 additional gross hectares;
- **Scenario 3C:** based on breakdown of unit types, with unit-specific density assumptions used to convert housing needs by unit type into land needs. The densities used (30 units per net hectare for singles/semis and 60 units per net hectare for townhouses) are taken from the City's GMS and the alternative targets for Scenario 3. The result under this analysis is that the City would need 163 additional gross hectares;
- **Scenario 3D:** based on a breakdown of unit types, but using the Growth Plan minimum densities of 50 persons and jobs per hectare, as directed by Growth Plan policy 2.2.8.2. The result under this analysis is that the City would need 189 additional gross hectares;

As the Growth Plan directs the land needs analysis to be based on minimum Growth Plan densities to best ensure that sufficient lands are available to meet market demand by housing type to the extent possible, it is my opinion that Scenario 3D represents the approach most consistent with the Growth Plan and LNAM.

## FULL MARKET DEMAND (SCENARIO 4)

The below analysis is for illustration purposes only to show the disparity between the City's GMS scenarios, the revised scenarios that better follow the LNAM, compared to what achievement of the City's full market forecast in the Hemson Technical Report would entail, net of any and all short-term and designated/available supply.

### Estimated Land Needs to Fulfill Hemson Estimates of Market Demand to 2051 by Unit Type, City of Guelph

	Singles / Semis	Row s	Apartments	Total
<b>Housing Demand 2021-2051</b>				
	<i>Units</i>			
2021 Census	30,020	8,610	17,845	56,475
2051 Forecast (Hemson Technical Report)	40,800	15,900	28,300	85,000
Grow th 2021-2051	10,780	7,290	10,455	28,525
<b>Housing Supply</b>				
<b>Short-Term Supply</b>				
Built-Up Area	179	464	2,538	3,181
Designated Greenfield Area	414	463	2,287	3,164
Subtotal Short-Term Supply	593	927	4,825	6,345
<b>Designated and Available</b>				
Built-Up Area	20	833	1,423	2,276
Designated Greenfield Area	793	2,666	2,820	6,279
Subtotal Short-Term Supply	813	3,499	4,243	8,555
Total Housing Supply (mid-2021)	1,406	4,426	9,068	14,900
<i>Units</i>				
<b>Net Housing Need to Fulfill Demand</b>	9,374	2,864	1,387	13,625
<i>Units / Net Hectare</i>				
Assumed Densities (net units / ha.) - taken from Shaping Guelph Report, (March 2021), page 8	30	60	125	
<i>Net Hectares</i>				
Land Need for Residential Development	312	48	11	371
Net / Gross Factor				50%
<b>Total Community Area Land Need (gross hectares)</b>				<b>743</b>

Note: this analysis is for illustration purposes only, and ignores policy direction provided by Growth Plan, including intensification minimums, minimum densities in designated greenfield, etc.

Source: Altus Group Economic Consulting based on City of Guelph Growth Management and Affordable Housing Monitoring Report 2021, Hemson Technical Report for GGH (August 2020)

The gap between market demand and current supply is then converted to land needs using the City's target densities in the City's GMS by unit type (30 units per net hectare for singles/semis, 60 units per net hectare for medium-density units, and 125 units per net hectare for high-density residential).

Overall, the fulfilment of market demand by unit type would require 743 gross hectares of community area lands (net of any population-related job requirements or natural heritage lands).

It is worth noting that the revised approach taken to the City's GMS that better conforms to the LNAM (Scenario 3D below) results in an estimated land need of 189 hectares, which is just 25% of the land area required to fully meet projected market demand for all unit types in the City.

## APPENDIX A: DETAILED TABLES - ALTUS APPROACHES TO LAND NEEDS ASSESSMENT (SCENARIOS 3B & 3C)

### Step 1: Forecast Population Growth Over Planning Horizon

Based on population forecasts from Schedule 3 of the Growth Plan, also accounting for non-household population (1.36%) and Census undercount (3.82%).

Figure 1

Step 1: Population Forecasts				
	Census Population	Non-Household Population	Household Population	Total Population (w / Undercount)
	<i>Persons</i>			
2021 Population	143,740	1,955	141,785	147,200
2051 Forecast	197,624	2,725	200,349	208,000
Increase 2021-2051	53,884		58,563	60,800
Non-Household Population %	1.36%			
Census Undercount %	3.82%			

### Step 2: Forecast Housing Need by Dwelling Type

The estimates of housing market demand, as stated in City’s GMS report, are based on the Hemson August 2020 Technical Report submitted to the Ministry of Municipal Affairs as background to the Growth Plan Schedule 3 forecasts. These forecasts account for fertility, mortality, migration in determining the population forecasts, and in converting population forecasts to housing forecasts, accounts for the aging of the population and the net demand for housing by type based on the age profile of the population in 2051.

To achieve the minimum population growth target of 208,000 persons to 2051, based on the weighted average PPU (2.425 persons per unit) that is based on City-wide average household sizes by unit type as reported by the 2021 Census, and is accounts for the forecast housing mix (37.8% singles/semis, 25.6% rows, 36.7% apartments), the Region would need an additional 24,152 units from mid-2021 to 2051 to meet estimated 2051 housing demand by unit type. If the City’s housing forecast deviates significantly from the market-demand housing mix, additional housing units would be required to achieve 2051 population forecasts.



Figure 2

<b>Step 2: Housing Need by Dwelling Type</b>				
	<u>Singles/Semis</u>	<u>Row s</u>	<u>Apartments</u>	<u>Total</u>
2021 Census	30,020	8,610	17,845	56,475
2051 Forecast (Hemson Technical Report)	40,800	15,900	28,300	85,000
Growth 2021-2051	10,780	7,290	10,455	28,525
% Growth 2021-2051	37.8%	25.6%	36.7%	100.0%
Persons per Unit (2021 Census)	2.871	2.503	1.910	2.425
Household Population	58,563	persons		
Average PPU - Market Demand	2.425	persons per unit		
Housing Units Required for Household Population Growth	24,152	units		

### Step 3: Allocate Housing Units by Growth Plan Policy Area

The requirements of the Growth Plan to plan to for 50% of units within the built-up area limits the ability of the City to fully achieve the market-based housing forecast. However, the unit allocation within the BUA and the DGA should be optimized to both adhere as closely as possible to the market demand forecast as possible, given the direction from the LNAM. In total, it is estimated that the DGA Housing Demand for the 2021-2051 period will be 12,014 units.

Figure 3

<b>Step 3: Allocate Housing Units by Growth Plan Policy Area</b>				
	<u>Singles/Semis</u>	<u>Row s</u>	<u>Apartments</u>	<u>Total</u>
<b>Mix and Distribution of Units by Policy Area</b>				
Designated Greenfield Area - Housing Units	23.0%	39.0%	38.0%	100.0%
All Units	14.0%	27.0%	59.0%	100.0%
<b>Housing Built mid-2016 to mid-2021 (CMHC Completions)</b>	686	1,022	2,834	4,542
Average Intensification Rate, City of Guelph since 2015 (based on Auditor General's Report)				48.6%
<b>Total Housing, mid-2016 to 2051</b>	4,017	7,747	16,929	28,694
50.0% Built-Area Area - Housing Mix	717	2,152	11,477	14,347
50.0% Designated Greenfield Area - Housing Units	3,300	5,595	5,452	14,347
<b>Estimated Geographic Mix of Housing Built mid-2016 to mid-2021</b>				
48.6% Built-Up Area - Housing Units	149	112	1,948	2,209
51.4% Designated Greenfield Area - Housing Units	537	910	886	2,333
Total	686	1,022	2,834	4,542
<b>Housing Required mid-2021 to 2051</b>	9,127	6,172	8,852	24,152
50.3% Built-Up Area - Housing Units	568	2,040	9,530	12,138
49.7% Designated Greenfield Area - Housing Units	2,763	4,685	4,565	12,014
Total	3,331	6,725	14,095	24,152

### Step 4: Determine Housing Supply Potential

The City’s DGA as of mid-2021, as reported in the City’s Growth Management and Affordable Housing Monitoring Report, 2021, is estimated to be 9,443 units, including 3,164 units in ‘short-term supply’ and another 6,279 units in ‘designated and available’ supply. Of this, there are 1,207 singles/semis, 3,129 rows, and 5,107 apartments.

Figure 4

<b>Step 4: Housing Supply Potential</b>				
	<u>Singles/Semis</u>	<u>Row s</u>	<u>Apartments</u>	<u>Total</u>
<b>As of Mid-2021 (DGA)</b>				
Short Term Supply	414	463	2,287	3,164
Designated and Available	793	2,666	2,820	6,279
<b>Total</b>	<b>1,207</b>	<b>3,129</b>	<b>5,107</b>	<b>9,443</b>

### Step 5: Determine Housing Unit Shortfall by Type

The net unit growth in the DGA (from Step 4) is compared with the estimated housing unit potential already available within the DGA, resulting in an estimated shortfall in the DGA for all types of housing of 3,113 units, including shortfalls of 1,556 singles/semis, and 1,556 rows.<sup>1</sup>

Figure 5

<b>Step 5: Determining Housing Unit Shortfall by Type</b>				
	<u>Singles/Semis</u>	<u>Row s</u>	<u>Apartments</u>	<u>Total</u>
DGA Housing Unit Potential (as of mid-2021)	1,207	3,129	5,107	9,443
DGA Housing Demand (mid-2021 to mid-2051)	2,763	4,685	4,565	12,014
<b>Shortfall by Unit Type</b>	<b>1,556</b>	<b>1,556</b>	n.a.	<b>3,113</b>

### Step 6: Establish Community Area Land Need

Based on the net densities used by the City in their Alternative Growth Scenario 3, of 30 units per net hectare for low-density residential and 60 units per net hectare for medium-density residential, the 3,113 units of DGA shortfall would require 163 gross hectares (Scenario 3C).

<sup>1</sup> It has been confirmed that the matching of unit shortfalls of 1,556 units for singles/semis and 1,556 units for rows is a numerical coincidence

# Guelph Land Needs Analysis

December 23, 2022

Page 11

Figure 6

<b>Step 6A: Establish Community Area Land Need</b>				
	<u>Singles/Semis</u>	<u>Row s</u>	<u>Apartments</u>	<u>Total</u>
DGA Unit Shortfall by Unit Type	1,556	1,556	n.a.	
Density Factors (units per net hectare - City Scenario 3)	30	60	125	
Land Need for Residential Development	52	26	n.a.	78
Net / Gross Factor				50%
Gross Community Area Land Needs				156
Adjustment: Market Contingency	5%			8
Total Community Area Land Need				163

The shortfall of 3,113 units equates to a need to accommodate 8,684 persons, and after incorporating as assumed population-related employment at a rate of 11 residents per job, the population and jobs needed to be accommodated equates to 9,473 persons and jobs.

At the City’s target density of 64 persons and jobs per hectare (Scenario 3B), this equates to a gross land need of 148 hectares. At the minimum Growth Plan densities, the shortfall of community area lands equates to 189 hectares. At the City’s unit-specific densities, there would be a shortfall of 163 hectares.

The Growth Plan and the LNAM directs that the analysis of land needs be done on minimum densities, so it is our recommendation that the land need estimate that is most consistent with the LNAM is the estimate of 189 hectares (Scenario 3D).

Figure 7

<b>Step 6B: Establish Community Area Land Need &amp; Confirm Minimum Density Targets Achieved</b>				
	<u>Singles/Semis</u>	<u>Row s</u>	<u>Apartments</u>	<u>Total</u>
New DGA Units	1,556	1,556	n.a.	3,113
Persons per Unit	2.871	2.503	1.910	
Population in New DGA Units (persons)	4,468	3,896	n.a.	8,364
Population in New DGA Units w / Undercount (persons)			3.82%	8,684
Population-Related Employment (jobs)	11 residents per job			789
Population & Jobs in New DGA (persons & jobs)				9,473
3D - Gross Hectares at Minimum Densities	50 p&j / hectare			189
3C - Gross Hectares at Unit-Type Specific Densities	58 p&j / hectare			163
3B - Gross Hectares at Target Densities	64 p&j / hectare			148

## **APPENDIX B: ESTIMATING COMMUNITY AREA LAND NEEDS (LNA METHODOLOGY APPROACH)**

According to the Land Needs Assessment Methodology (“LNAM”), the following are the high-level steps required to be incorporated into assessing the needs for additional community lands within the Region and all single-tier (including the City of Guelph) and upper-tier municipalities in the Greater Golden Horseshoe:

### **1) Forecast Population Growth Over Planning Horizon**

- Based on forecasts contained in the Growth Plan, Schedule 3

### **2) Forecast Housing Need by Dwelling Type**

- Based on household formation rates and propensities to occupy particular dwelling types, population forecast is converted into a forecast of households by dwelling type
- Number of households by dwelling type in the base year is subtracted, yielding forecasted household growth by dwelling type – this is the market-based housing demand forecast
- Household growth by type is adjusted for any necessary factors such as:
  - Units added since base year;
  - Replacement units that will be lost (demolitions, etc.);
  - Changes in levels of vacancies;
  - Market contingency factors, etc.

### **3) Allocate Housing Units by Growth Plan Policy Area**

- As per policy 2.2.8.2 of the Growth Plan, assess need for settlement area boundary expansion based on minimum density and intensification targets from Growth Plan, as follows:
  - The City of Guelph’s minimum designated greenfield area density target is 50 persons and jobs combined per hectare (policy 2.2.7.2a); and
  - The City of Guelph’s minimum intensification target is 50% of all residential development occurring each year, within the delineated built-up area
- Assess whether policy-based housing forecast allows for the achievement of City housing forecasts, and if not, estimate residual population growth requirements, and allocate additional housing need to BUA/DGA based on previous steps

### **4) Determine Housing Supply Potential**

- Determine housing supply by policy area (built-up area, designated greenfield area, rural)

**5) Determine Housing Unit Shortfall by Type**

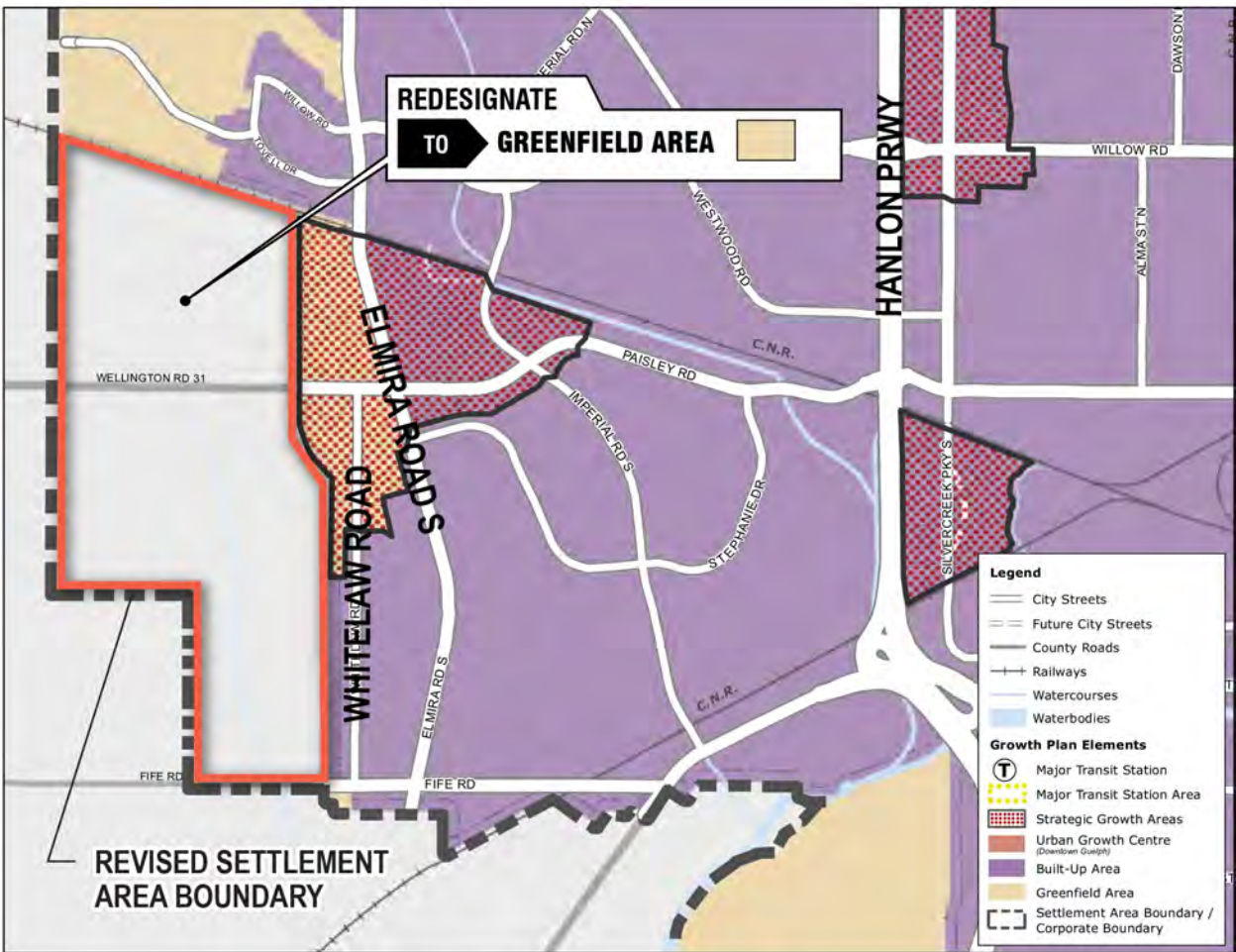
- Deduct housing supply by type from the forecasted housing need by type;

**6) Establish Community Area Land Need**

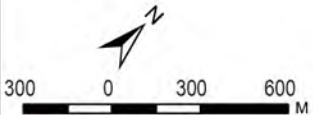
- Additional housing by type required beyond the existing supply is converted to a land requirement by applying appropriate densities that including population-related employment allocations;
- Conformity with intensification and designated greenfield area density targets is confirmed, or adjustments made to ensure conformity with the Growth Plan;
- Results in additional land to be designated for new community area through expansion of the settlement area.

# Appendix 6

OPA Maps



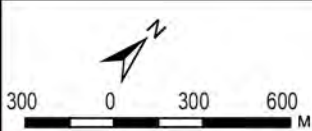
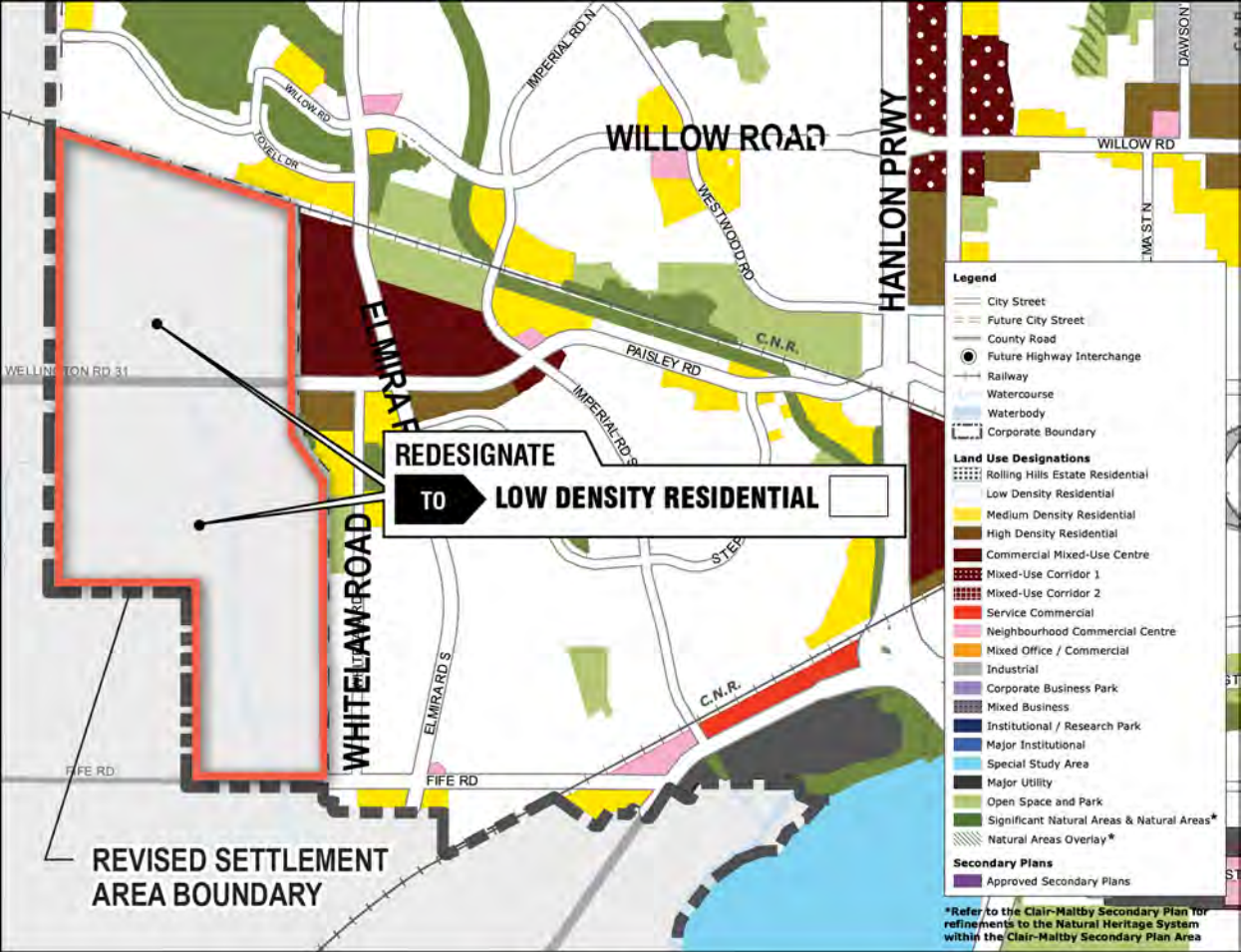
**CITY OF GUELPH  
OFFICIAL PLAN  
SCHEDULE 1a:  
URBAN STRUCTURE**



Projection: UTM 17N NAD83  
Produced by the City of Guelph  
Planning Services  
July 2022.

**Subject Lands**





**CITY OF GUELPH  
OFFICIAL PLAN  
SCHEDULE 2:  
LAND USE PLAN**



Projection: UTM 17N NAD83  
Produced by the City of Guelph  
Planning Services  
July 2022

**Subject Lands**



# Appendix 7

Technical Documentation from MHBC and  
Presentation Materials

December 20, 2022

Amy Emm  
Armel Corporation  
199 Bay Sreet, PO Box 459  
Toronto, ON M5L 1G4

Dear Amy,

**RE: City of Guelph Settlement Boundary Expansion  
Settlement Boundary Expansion Analysis  
OUR FILE 08176Y**

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## **1.0 Introduction**

The purpose of this letter is to provide a desktop review of Armel's landholdings and provide preliminary technical support for the inclusion of these lands in an expansion to the City of Guelph urban settlement area boundary. The Growth Plan provides criteria for selecting the appropriate area(s) for settlement boundary expansions. This letter will assess the Armel lands using the Growth Plan criteria. This is a preliminary review that has been completed using available information and mapping. In addition, the assessment reviews only the Armel owned lands and generally compares the Armel lands to all the other lands adjacent to the City's boundary.

## **2.0 Armel Landholdings**

The Armel lands are located in Guelph-Eramosa Township, adjacent to the existing City of Guelph boundary (refer to **figure 1**). There are a total of four properties clustered to the north-west of the City. The properties include:

1. 7108 Wellington Road 31
2. 7136 Wellington Road 31
3. 7117 Wellington Road 31
4. 7124 Fife Road

The properties are south of Speedvale Avenue W, north of Fife Road, east of Wellington Road 32, and west of Elmira Road. Collectively, the lands are approximately 161.69 hectares in area. Of the total Armel land holdings, the developable area is approximately 119 hectares. The developable area is a reflection of the Armel lands suitable for development and subtracts identified development constraints.

### **3.0 City of Guelph Forecast Growth**

A Municipal Comprehensive Review (OPA 80) was recently completed by the City, which was endorsed by Council in July 2022. The OPA 80 is now with the Province for review. The City has determined through OPA 80 that an urban boundary expansion is required in order to accommodate the forecasted growth as directed by the Growth Plan for the Greater Golden Horseshoe (the Growth Plan).

The Province's Growth Plan population forecast identifies that Guelph is to have a resident population of 203,000 and employment population of 116,000 by 2051. These forecasts were the basis for the City's Growth Management Strategy and OPA 80. In addition, OPA 80 includes a small settlement boundary expansion to include the Dolime Quarry lands. These lands have potential for an additional 5,000 resident population. The final adopted growth management strategy and OPA 80 identify a 2051 population forecast of 208,000 (an increase over the Growth Plan forecast of 203,000). This forecast results in a total population increase of 60,800 from 2021 to 2051 and a total increase in housing units of 28,500 from 2021 to 2051.

Since Guelph Council adopted OPA 80 in July, the province has made several announcements related to the More Homes Built Faster Act including identifying that there is a need for the construction of 1.5 million additional homes by 2031. The province has identified housing allocations for large municipalities for this time frame - the City of Guelph has been allocated to build 18,000 homes by 2031. The effect of the province's announcement is that Guelph would have to accommodate a significant proportion of the total number of housing units forecast in OPA 80 by 2031.

As part of the public process associated with the City's Growth Management Strategy and OPA 80, Armel provided comments to the City (refer to Appendix 1). As part of these comments, Altus Group had reviewed the City's GMS and identified a number of shortcomings with the City's analysis. The conclusion was that the City's estimate of land needs for future growth is understated and therefore it is unlikely that the City could accommodate the forecast population and housing growth within the existing settlement boundary. Based on Provincial growth objectives provided in the Growth Plan, and the recently announced More Homes Built Faster Act, there is a likely need for an additional boundary expansion.

### **4.0 The Growth Plan**

The Growth Plan sets out policies for a settlement boundary expansion in section 2.2.8. A settlement area boundary expansion can only occur through a municipal comprehensive review where it is demonstrated that there is a need for an expansion:

*2.2.8.2 A settlement area boundary expansion may only occur through a municipal comprehensive review where it is demonstrated that:*

- a) based on the minimum intensification and density targets in this Plan and a land needs assessment, sufficient opportunities to accommodate forecasted growth to the horizon of this Plan are not available through intensification and in the designated greenfield area*
- b) the proposed expansion will make available sufficient lands not exceeding the horizon of this Plan, based on the analysis provided for in policy 2.2.8. a), while minimizing land consumption; and*
- c) the timing of the proposed expansion and the phasing of development within the designated greenfield area will not adversely affect the achievement of the minimum intensification and density targets in this Plan, as well as the other policies of this Plan.*

If it can be justified that a settlement area boundary expansion is needed, there are 11 criterion that must be considered in determining the most appropriate location for an expansion. Section 2.2.8.3 sets out the criteria (a through k) for determining a settlement area boundary expansion:

- a) *there is sufficient capacity in existing or planned infrastructure and public service facilities*
- b) *the infrastructure and public service facilities needed would be financially viable over the full life cycle of these assets*
- c) *the proposed expansion would be informed by applicable water and wastewater master plans or equivalent and stormwater master plans or equivalent, as appropriate*
- d) *the proposed expansion, including the associated water, wastewater and stormwater servicing, would be planned and demonstrated to avoid, or if avoidance is not possible, minimize and mitigate any potential negative impacts on watershed conditions and the water resource system, including the quality and quantity of water*
- e) *key hydrologic areas and the Natural Heritage System for the Growth Plan should be avoided where possible*
- f) *prime agricultural areas should be avoided where possible. To support the Agricultural System, alternative locations across the upper-or single-tier municipality will be evaluated, prioritized and determined based on avoiding, minimizing and mitigating the impact on the Agricultural System and in accordance with the following:*
  - i. *expansion into specialty crop areas is prohibited;*
  - ii. *reasonable alternatives that avoid prime agricultural areas are evaluated; and*
  - iii. *where prime agricultural areas cannot be avoided, lower priority agricultural lands are used*
- g) *the settlement area to be expanded is in compliance with the minimum distance separation formulae*
- h) *any adverse impacts on the agri-food network, including agricultural operations, from expanding settlement areas would be avoided, or if avoidance is not possible, minimized and mitigated as determined through an agricultural impact assessment*
- i) *the policies of Sections 2 (Wise Use and Management of Resources) and 3 (Protecting Public Health and Safety) of the PPS are applied*
- j) *the proposed expansion would meet any applicable requirements of the Greenbelt, Oak Ridges Moraine Conservation, Niagara Escarpment, and Lake Simcoe Protection Plans and any applicable source protection plan; and*
- k) *within the Protected Countryside in the Greenbelt Area:*
  - i. *the settlement area to be expanded is identified in the Greenbelt Plan as a Town/Village;*
  - ii. *the proposed expansion would be modest in size, representing no more than a 5 per cent increase in the geographic size of the settlement area based on the settlement area boundary delineated in the applicable official plan as of July 1, 2017, up to a maximum size of 10 hectares, and residential development would not be permitted on more than 50 per cent of the lands that would be added to the settlement area*
  - iii. *the proposed expansion would support the achievement of complete communities or the local agricultural economy*
  - iv. *the proposed uses cannot be reasonably accommodated within the existing settlement area boundary*
  - v. *the proposed expansion would be serviced by existing municipal water and wastewater systems without impacting future intensification opportunities in the existing settlement area; and*
  - vi. *expansion into the Natural Heritage System that has been identified in the Greenbelt Plan is prohibited*

## 5.0 Boundary Expansion Analysis

Candidate lands to be considered for inclusion in a settlement boundary expansion must satisfy the Growth Plan criteria (a through k) set out in section 4.0 above. An analysis of the Armel lands for compliance with the main categories of the settlement boundary expansion criteria is provided below.

### 1. Agricultural Analysis

The Growth Plan provides mapping of the agricultural system for the Greater Golden Horseshoe. The Armel lands are identified on the Growth Plan mapping as prime agricultural area (**figure 2**). Prime agricultural areas are areas where prime agricultural lands predominate, including Canada Land Inventory Class 1, 2, 3 lands as well as Class 4 through 7 lands. Prime agricultural lands are specialty crop areas or CLI Class 1 through 3 lands. The Armel lands are designated in accordance with mapping identified by the Province. The Wellington County Official Plan designates the lands as Agriculture (**figure 3**) and the Township of Guelph Eramosa zones the lands Agriculture in the Township zoning by-law (**figure 4**). The Canada Land Inventory identifies the soil capability of the lands as containing predominantly Class, O, 1, 3 and Class 2w soils. Class 1 soils have no significant cropping limitations, whereas Class 2-3 soils have moderate limitations that restrict a range of crops. Further, the 'w' classification that accompanies the 2w CLI means that there is excess water in the soil, which further limits agricultural use. At present, some of the Armel properties are in agricultural use for cropping. The lands do not contain significant agricultural infrastructure or components of the agri-food network.

No livestock facilities are located on the Armel lands. However, the surrounding context consists of agricultural uses and there are some barns in the surrounding area (**figure 5**). The presence of a barn on a property does not always mean there is livestock activity, but rather indicates the potential for such activity. Confirmation of livestock activity would be determined during the completion of an Agricultural Impact Assessment. The following properties have been identified as containing a barn:

- 5382 Township Road 3
- 6924 Speedvale Ave W
- 5284 Wellington Road 32 (Mosborough Country Market)
- 5072 Wellington Road 32
- 7034 Paisley Road
- 6984 Paisley Road

The closest barn is located at 7034 Paisley Road and is approximately 768 metres from the Armel lands (**figure 6**). The property at 7034 Paisley Road contains a broiler barn and is located near the intersection of Paisley Road and Wellington Road 32. A preliminary MDS I calculation was completed for this barn, which provided a minimum setback of 162m from a sensitive land use, assuming maximum capacity of 1085 chickens. The Armel lands would comply with the MDS I setback for this barn. The MDS I calculation sheet is included as Appendix B to this letter.

Notwithstanding the location of the Armel lands, the surrounding area is populated with clusters of existing residential properties. Based on a review of aerial photography it appears that existing barns are closer to residential properties than the Armel lands. Therefore, livestock separation distances may have already been impacted by existing residential properties. Based on existing conditions of the area and the preliminary MDS I calculation, it appears that the proposed settlement boundary expansion will not impact existing livestock facilities and MDS setbacks could be met.

As shown on **figure 2**, the majority of lands adjacent to the existing settlement boundary are prime agricultural lands. Some of the potential boundary expansion options along the southern boundary have fewer areas identified as prime agricultural. However, these areas also have existing or potential mineral aggregate lands, or are constrained by natural heritage features. Therefore, it is likely that prime agricultural lands cannot be avoided and the Armel lands are equal to other potential expansion areas.

An agricultural impact assessment (AIA) would be required in order to provide a comprehensive analysis of any adverse impacts the expansion will have on the agricultural system and confirm that the Armel lands would be a good candidate areas.

## 2. Natural Environment Analysis

The Armel lands are outside of the Greenbelt, Oak Ridges Moraine and Niagara Escarpment plan areas and therefore, the requirements of these plans do not apply.

The Growth Plan as well as the Ministry of Natural Heritage Resources provides Natural Heritage mapping for the Greater Golden Horseshoe. This mapping includes the location of natural heritage systems, wetlands and woodlands. Some of the Armel lands contain non-provincially significant wetlands as per the provincial natural heritage system mapping (refer to **figure 7**). The County of Wellington Official Plan has also designated some of the Armel lands as core greenlands (**figure 3**) as well as provincially significant wetlands (and **figure 8**). Note that the County wetland mapping in figure 8 is not consistent with the provincial wetland mapping in figure 7.

The PPS provides that natural features are to be protected and that no development is permitted within areas of significant wetlands or woodlands. The Armel lands contain some environmental features, however, there is considerable land area outside the natural heritage system. It is expected that these features could be appropriately protected through appropriate buffers, development setbacks and land uses if they were included in the settlement boundary.

**Figure 9** shows the natural heritage system for all lands surrounding the City of Guelph. The areas to the south and east consist of large portions the natural heritage system, including provincially significant wetlands and woodlands and are generally more constrained than the Armel lands.

## 3. Mineral Aggregate Analysis

The PPS requires that minerals and petroleum resources be protected for the long-term. The Armel lands are not recognized or designated as having mineral aggregate or petroleum resource potential (**figure 10**).

There are some existing mineral aggregate resource extraction operations in other areas adjacent to the settlement boundary of Guelph (**figure 11**), as well as designated areas of potential resources (**figure 12**). However, the Armel lands are considerable distance away and a settlement boundary expansion that includes the Armel lands is not expected to impact any existing or potential operations.

## 4. Hazard Lands Analysis

Guelph and the surrounding area are within the Grand River Source Protection Area and subject to the Grand River Source Protection Plan. Some portions of the Armel lands are regulated by the GRCA, including two small areas of wetlands (**figure 13**). All Armel parcels are located outside of any floodplains or natural hazard areas. There are no known human hazards, such as former waste disposal sites on the lands.

The City of Guelph is within the Grand River watershed and is therefore under the jurisdiction of the GRCA. The GRCA mapping for the City (**figure 14**) shows a number of regulated areas along the urban boundary of the City. In many instances, a boundary expansion would involve regulated lands. The presence of regulated lands (Ellis Creek and wetlands) is not uncommon and development can be avoided on and immediately adjacent to these features.

#### 5. Source Water Protection analysis

The lands are located within a wellhead protection area and vulnerable drinking water areas as per the County Official Plan schedule B3. The lands have a vulnerability score of 10 and 8, which is significant. Land use activities in these areas have the potential to impact the quality and quantity of water. Such land use activities include (but are not limited to) pesticides, fuel, pipelines, livestock, sewage systems, and source material. The planned use of the Armel lands would predominantly consist of residential uses which would not result in significant impacts to source water.

The City of Guelph and Township of Guelph-Eramosa completed a Threats Management Strategy in 2018 for drinking water. The report found that municipal wells can meet current water demands, however, the City's Queensdale well cannot meet future needs. All other City and Township wells are expected to meet future needs. The Queensdale well is located near the Armel lands. It is the expectation that servicing the Armel lands would consist of connections to the City's existing municipal water system. This is the preferred form of servicing and results in the least impact on water quality/watersheds.

#### 6. Servicing and transportation

The Armel lands are located in an area well served by existing infrastructure. There are existing sewage and water systems located near the lands. The north-west area of Guelph is well served by existing water infrastructure, including a number of wells, watermains, sewage lines and a nearby pumping station. The lands are also located within the electricity grid and would be served by alectra utilities.

The City is currently undertaking a Water and Wastewater Servicing Master Plan, which aims to align the Municipal Comprehensive Review with the expected future growth. This Master Plan will provide more detail on servicing capacity to accommodate projected growth. The 2021 to 2030 multi-year budget provides a budget for 'Sustaining our Future', which pertains to water, wastewater, stormwater and solid waste services. Over the nine year period, the budget has allocated \$794.7 million to water services.

The Armel lands are adjacent to the City of Guelph and existing residential development. Water mains are located throughout the City, and are located adjacent to the Armel lands, which connect to the Guelph water supply system. The lands are in close proximity to the City's wastewater treatment plant. Armel has completed preliminary servicing analysis and concluded that the lands could be connected to the City's sanitary sewer system without significant additional infrastructure. Overall, the subject lands appear to be well situated relative to existing water and waste water services.

Additionally, the lands are well served by transit corridors including collector and arterial roads. Collector roads are intended for moderate volumes of traffic and to distribute traffic from arterial roads, typically 2 to 4 lanes. Arterial roads are intended to move larger volumes of traffic, ranging from 2 to 6 lanes and provide access throughout the City and to the provincial highway system. Adjacent and nearby collector roads, include Whitelaw Road and Imperial Road, and nearby Arterial roads, include Fife Road, Elmira Road, Paisley Road, and Speedvale Avenue. Additionally, the lands are adjacent to and in proximity to the

Kitchener GO line, which presents an opportunity for an additional GO train stop along this corridor. Presently, Guelph Transit has bus routes located adjacent to the Armel lands.

There are a number of public facilities near the Armel lands, including the West End Community Centre, public parks, a fire station, public schools and other institutional uses. As part of the on-going growth management and planning processes, the City will need to update and/or complete master plans for emergency services, recreational facilities and institutional facilities. Likewise, the school boards would continue to assess their needs as growth occurs. Given the size and location of the Armel lands there is opportunity to accommodate new fire stations, schools or other public service facilities.

#### 7. Cultural Heritage Resources

The PPS provides that built heritage and cultural heritage landscapes are to be conserved. Guelph-Eramosa Township has a register of provincial heritage properties. None of these heritage properties are included or adjacent to the Armel lands. Therefore, a settlement boundary expansion is not expected to impact built heritage or cultural heritage landscapes. There are no known archaeology resources on the lands. If the lands were included in the settlement area and designated for urban development, archaeological assessment would be required as part of the development process and any archaeological resources identified at that time could be appropriately conserved.

## **6.0 Summary**

The Armel lands are well located, adjacent to the existing western boundary of the City and near existing commercial, industrial and residential land uses. The lands are well served by existing high to medium transit corridors, as well as water and wastewater services. Additionally, the lands are in proximity to the Kitchener GO line and present an opportunity for establishing a future GO station.

Based on a desktop review, the lands would appear to meet the majority of the Growth Plan criteria for the selection of appropriate areas for settlement boundary expansions. In comparison to other potential expansion areas, the Armel lands appear to be equal to, or superior to other candidate areas in terms of minimizing impacts on prime agricultural lands, natural heritage features, mineral aggregate resources, hazard lands and cultural heritage resources. **Figure 15** is an overlay of land use constraints, including natural heritage and hazards/GRCA mapping. The total developable area (which avoids the wetlands) is approximately 119 hectares.

Overall, the Armel lands are a good candidate for expansion given their location to existing infrastructure and public services and conformance with the Growth Plan criteria. Notwithstanding these conclusions, further technical study, including an agricultural impact assessment and MDS calculations are required to fully confirm conformity with the Growth Plan.



# Figures

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**Figure 1  
Location Map**

**LEGEND**

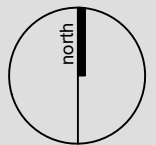
- Subject Lands
- Guelph City Boundary

**DATE:** November 2022

**SCALE:** 1: 25,000

**FILE:** 08176Y

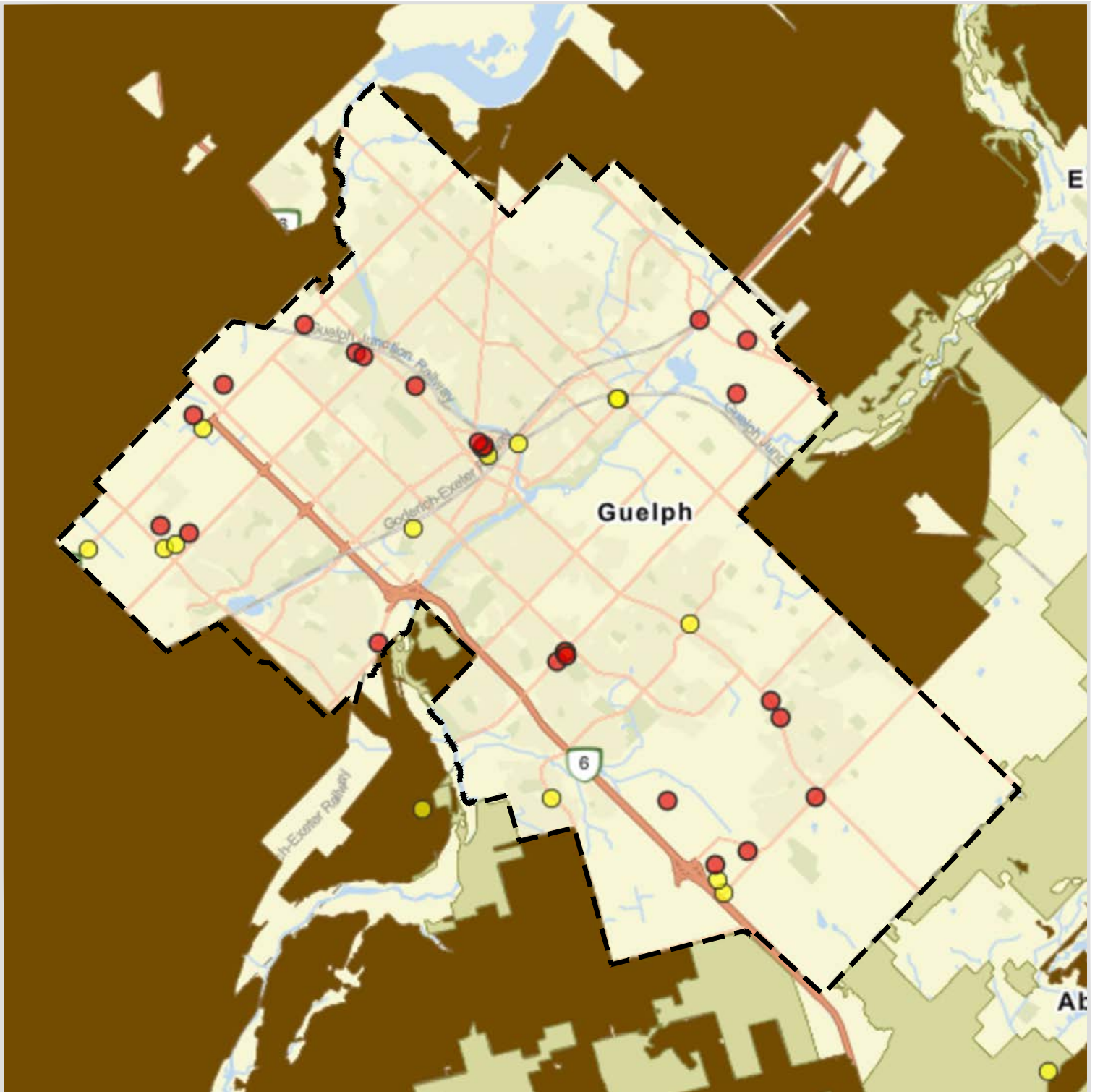
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7108 Wellington Rd 31  
 7136 Wellington Rd 31  
 7117 Wellington Rd 31  
 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County





**Figure 2**  
**Ontario Agricultural System**

**LEGEND**

 City of Guelph Boundary

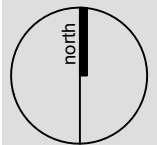
- Food manufacturing (ConnectON) 
- Beverage and tobacco product manufacturing (ConnectON) 
- Agricultural Land Base (OMAFRA)
  -  Prime Agricultural Land
  -  Candidate Area
  -  Specialty Crop Area

**DATE:** November 2022

**SCALE:** 1: 80,000

**FILE:** 08176Y

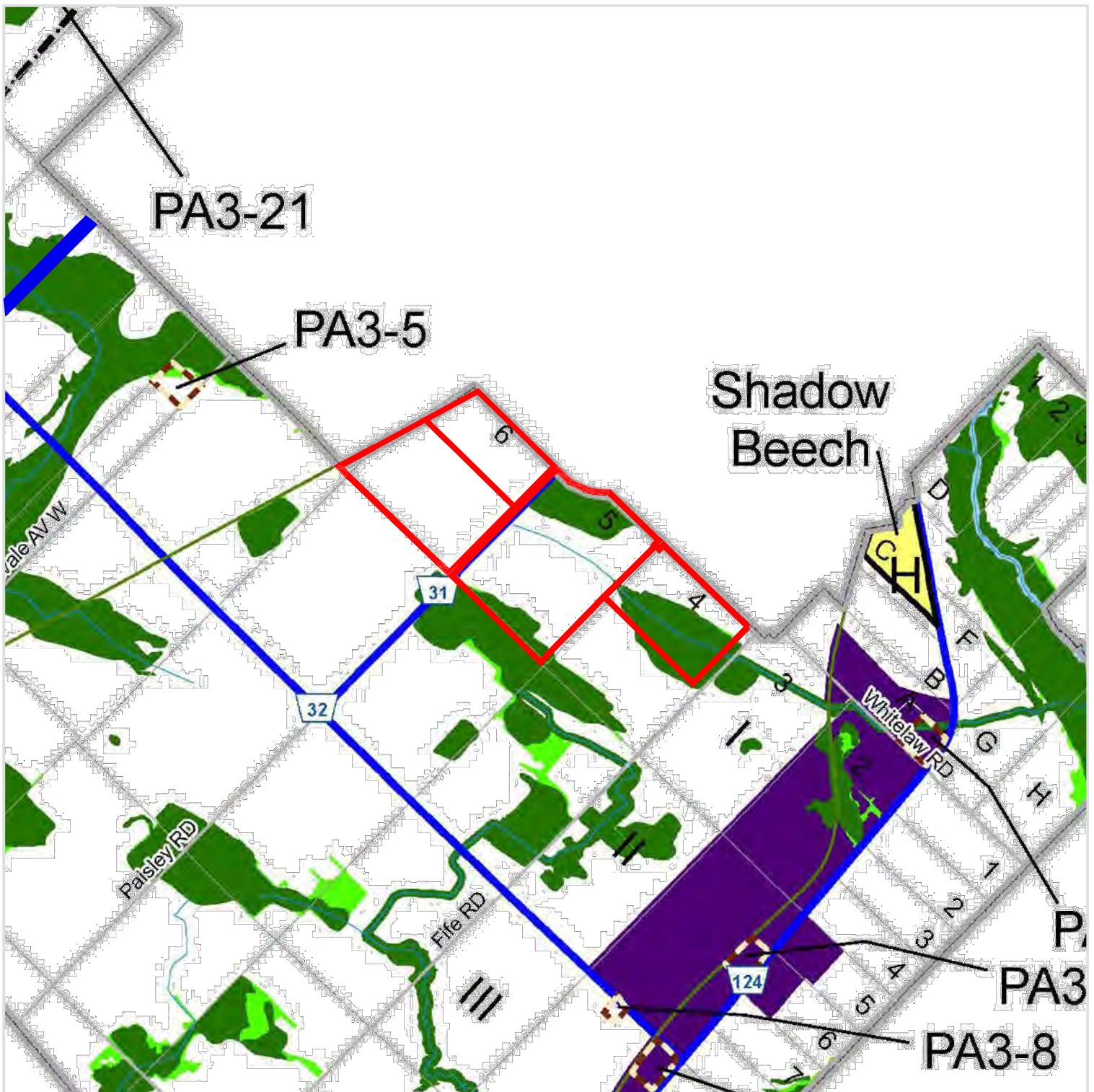
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7108 Wellington Rd 31  
 7136 Wellington Rd 31  
 7117 Wellington Rd 31  
 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County

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**Figure 3**  
**Wellington County**  
**Official Plan -**  
**Schedule A3**  
**Guelph-Eramosa**

7108 Wellington Rd 31  
 7136 Wellington Rd 31  
 7117 Wellington Rd 31  
 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County

**LEGEND**

- Subject Lands
- |   |  |
|---|--|
| <p><b>The Greenlands System</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #008000; border: 1px solid black; margin-right: 5px;"></span> Core Greenlands</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #90EE90; border: 1px solid black; margin-right: 5px;"></span> Greenlands</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #D3D3D3; border: 1px solid black; margin-right: 5px;"></span> Earth Science ANSI</li> </ul> <p><b>The Rural System</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #FFFFFF; border: 1px solid black; margin-right: 5px;"></span> Prime Agricultural</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #FFD700; border: 1px solid black; margin-right: 5px;"></span> Mineral Aggregate Area</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #FFB6C1; border: 1px solid black; margin-right: 5px;"></span> Recreational</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #800080; border: 1px solid black; margin-right: 5px;"></span> Rural Employment Area</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #FFDAB9; border: 1px solid black; margin-right: 5px;"></span> C.R. Country Residential</li> <li><span style="border: 1px dashed black; display: inline-block; width: 15px; height: 10px; margin-right: 5px;"></span> PA Policy Area</li> </ul> | <p><b>The Urban System</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #FFFF00; border: 1px solid black; margin-right: 5px;"></span> H. Hamlet Area</li> <li><span style="display: inline-block; width: 15px; height: 10px; background-color: #FFD700; border: 1px solid black; margin-right: 5px;"></span> U.C. Urban Centre</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 15px; height: 10px; border-bottom: 1px dashed black; margin-right: 5px;"></span> Trail</li> <li><span style="display: inline-block; width: 15px; height: 10px; border-bottom: 2px dashed black; margin-right: 5px;"></span> Proposed Major Roadways</li> <li><span style="display: inline-block; width: 15px; height: 10px; border-bottom: 1px solid blue; margin-right: 5px;"></span> County Roads</li> <li><span style="display: inline-block; width: 15px; height: 10px; border-bottom: 2px solid red; margin-right: 5px;"></span> Provincial Highways</li> <li><span style="display: inline-block; width: 15px; height: 10px; border-bottom: 1px solid grey; margin-right: 5px;"></span> Railway</li> </ul> |
|---|--|

DATE: November 2022

SCALE: 1: 30,000

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DRAWN: LC



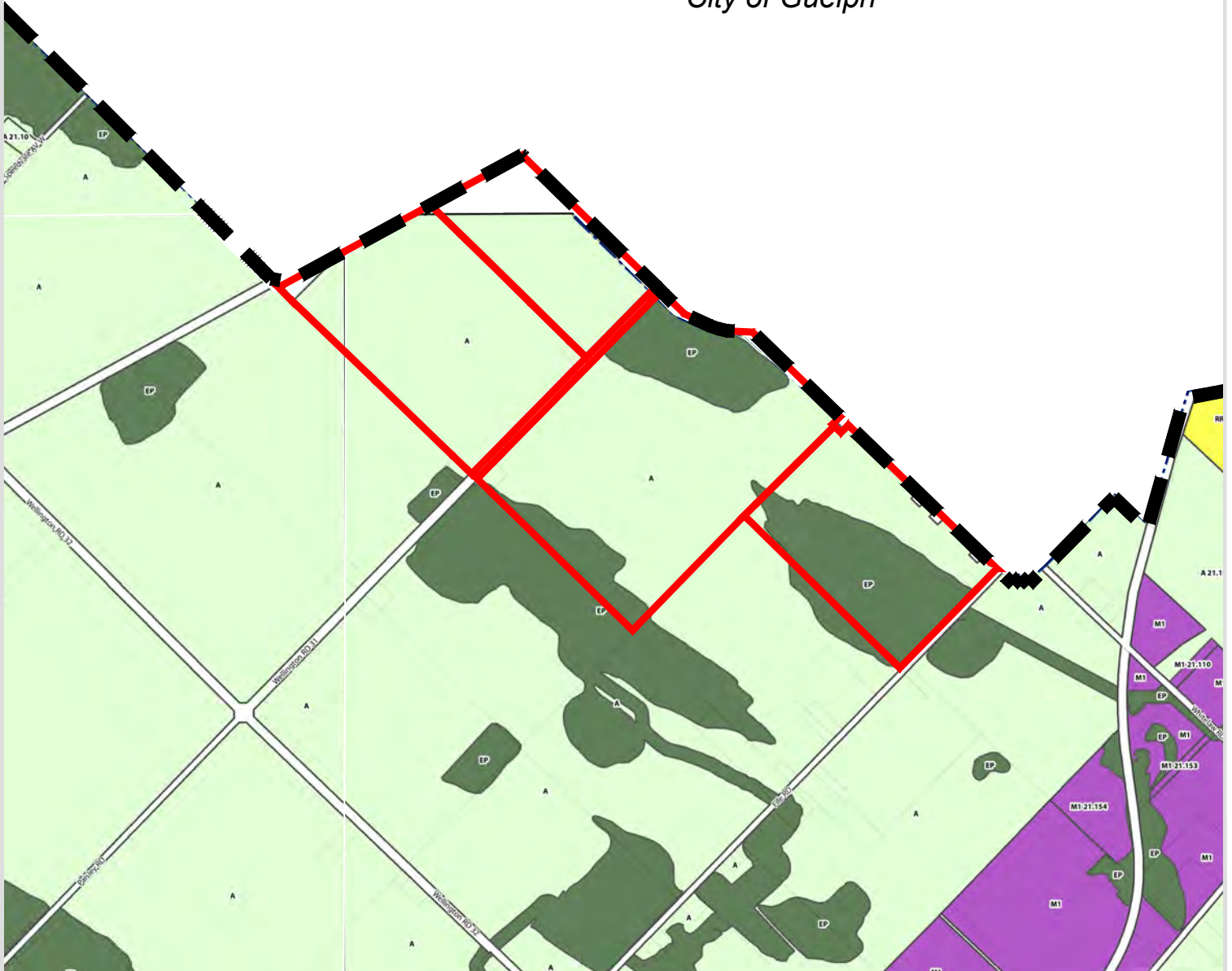
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City of Guelph



**Figure 4**  
**Guelph/Eramosa**  
**Township Zoning**  
**By-law**

**LEGEND**

- Subject Lands
- Municipal Boundary
- A Agricultural Zone
- EP Environmental Protection Zone
- M1 Rural Industrial Zone

**DATE:** November 2022

**SCALE:** N.T.S

**FILE:** 08176Y

**DRAWN:** LC



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7108 Wellington Rd 31  
 7136 Wellington Rd 31  
 7117 Wellington Rd 31  
 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County

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**Figure 5**  
**Potential Livestock**  
**Barns**

**LEGEND**

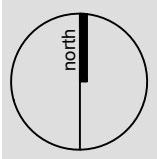
- Subject Lands
- Guelph City Boundary
- Potential Livestock Barn Locations

**DATE:** December 2022

**SCALE:** N.T.S

**FILE:** 08176Y

**DRAWN:** LC



K:\08176Y - 180 COLUMBIA STREET WRPT\POTENTIAL LIVESTOCK BARN.DWG

7108 Wellington Rd 31  
 7136 Wellington Rd 31  
 7117 Wellington Rd 31  
 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County

  
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**Figure 6  
Livestock Barns  
Distances**

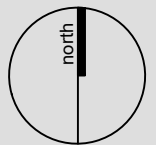
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- Subject Lands
  - Guelph City Boundary

**DATE:** December 2022

**SCALE:** N.T.S

**FILE:** 08176Y

**DRAWN:** LC

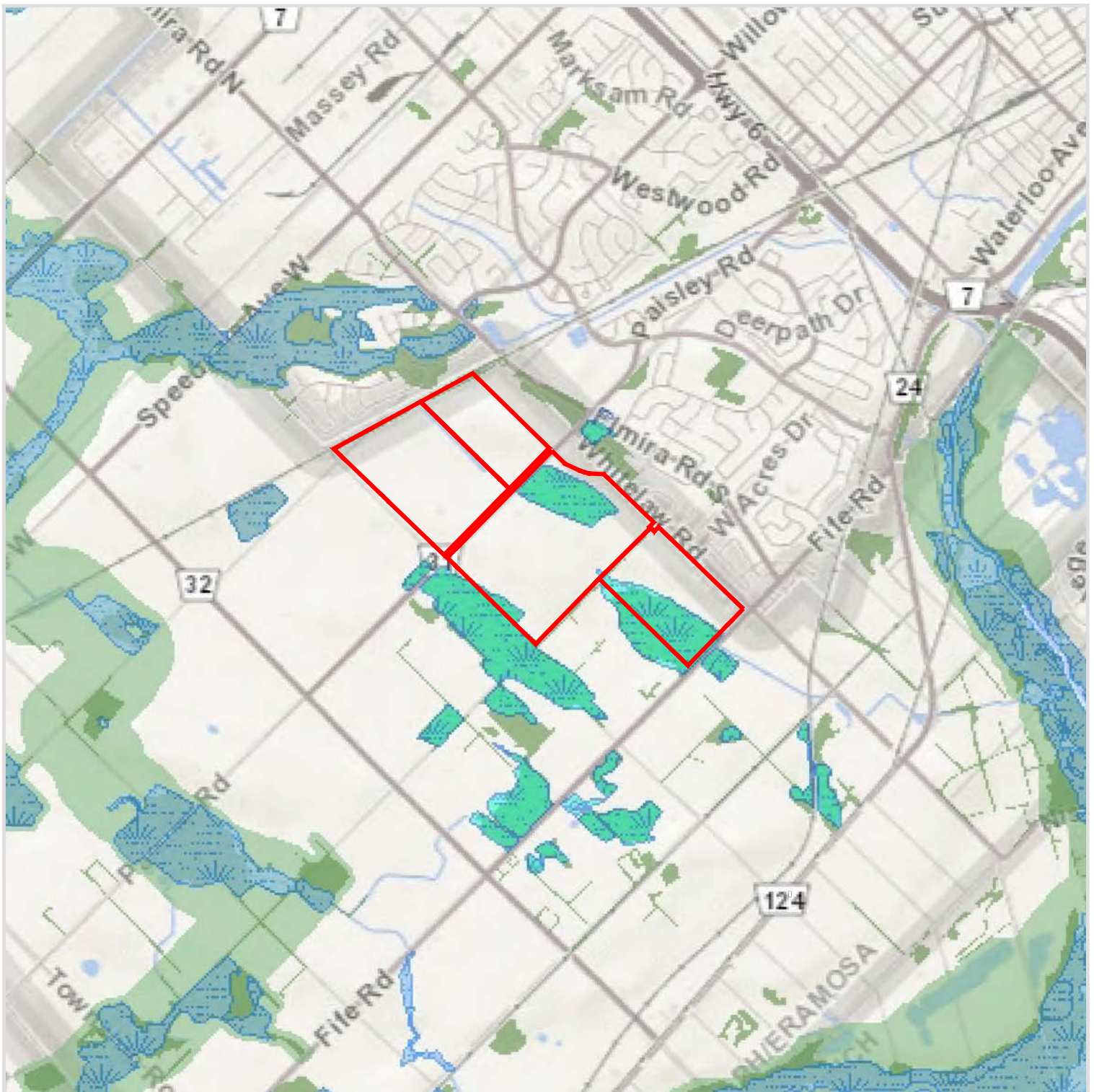


K:\08176Y - 180 COLUMBIA STREET WRPT\LIVESTOCK BARN DISTANCE.DWG

7108 Wellington Rd 31  
 7136 Wellington Rd 31  
 7117 Wellington Rd 31  
 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County

Note:  
 Distance from livestock barn to Armel Lands are only approximate





**Figure 7**  
**Ontario Natural**  
**Heritage System**

5321 Wellington Rd 32  
 7108 Wellington Rd 31  
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 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County

**LEGEND**

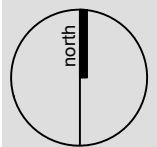
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- Evaluated Wetland
  - Provincially Significant/considérée d'importance provinciale
  - Non-Provincially Significant/non considérée d'importance provinciale
  - Unevaluated Wetland
- Woodland
- Natural Heritage System

**DATE:** November 2022

**SCALE:** 1: 30,000

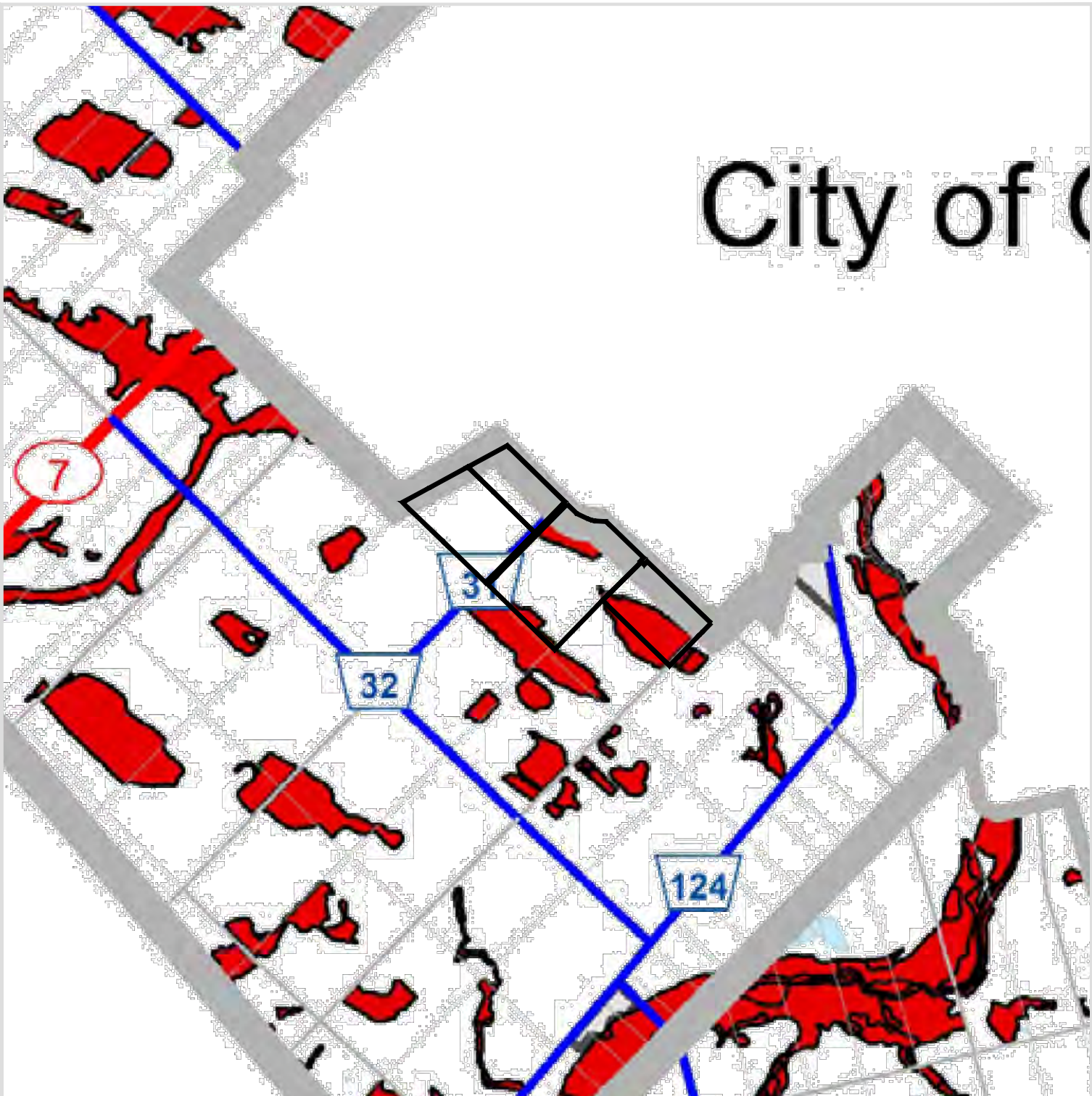
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**Figure 8**  
**Wellington County**  
**Official Plan -**  
**Appendix 3**  
**Provincially**  
**Significant**  
**Wetlands**

**LEGEND**

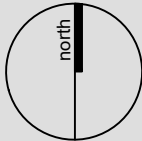
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-  Provincially Significant Wetlands

**DATE:** November 2022

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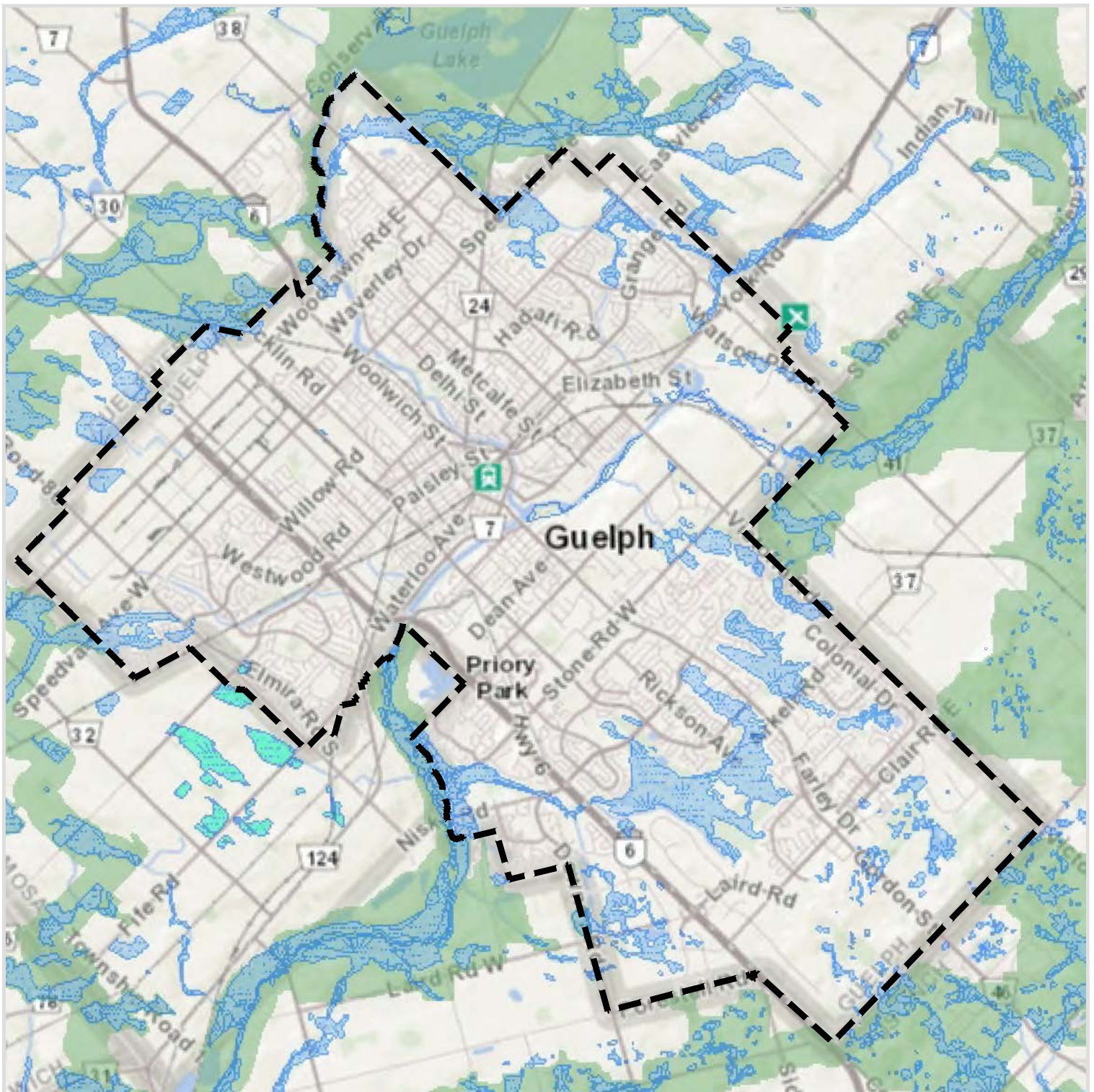


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7117 Wellington Rd 31  
7124 Fife Rd  
Township of Guelph Eramosa  
Wellington County








**MHBC** PLANNING  
URBAN DESIGN  
& LANDSCAPE  
ARCHITECTURE  
200-540 BINGEMANS CENTRE DR, KITCHENER, ON, N2B 3X9  
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**Figure 9**  
**Ontario Natural**  
**Heritage System**

**LEGEND**

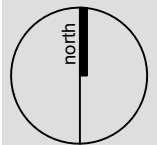
-  City of Guelph Boundary
-  Evaluated Wetland
  -  Provincially Significant/considérée d'importance provinciale
  -  Non-Provincially Significant/non considérée d'importance provinciale
  -  Unevaluated Wetland
-  Conservation Reserve
-  Natural Heritage System

**DATE:** December 2022

**SCALE:** 1: 75,000

**FILE:** 08176Y

**DRAWN:** LC

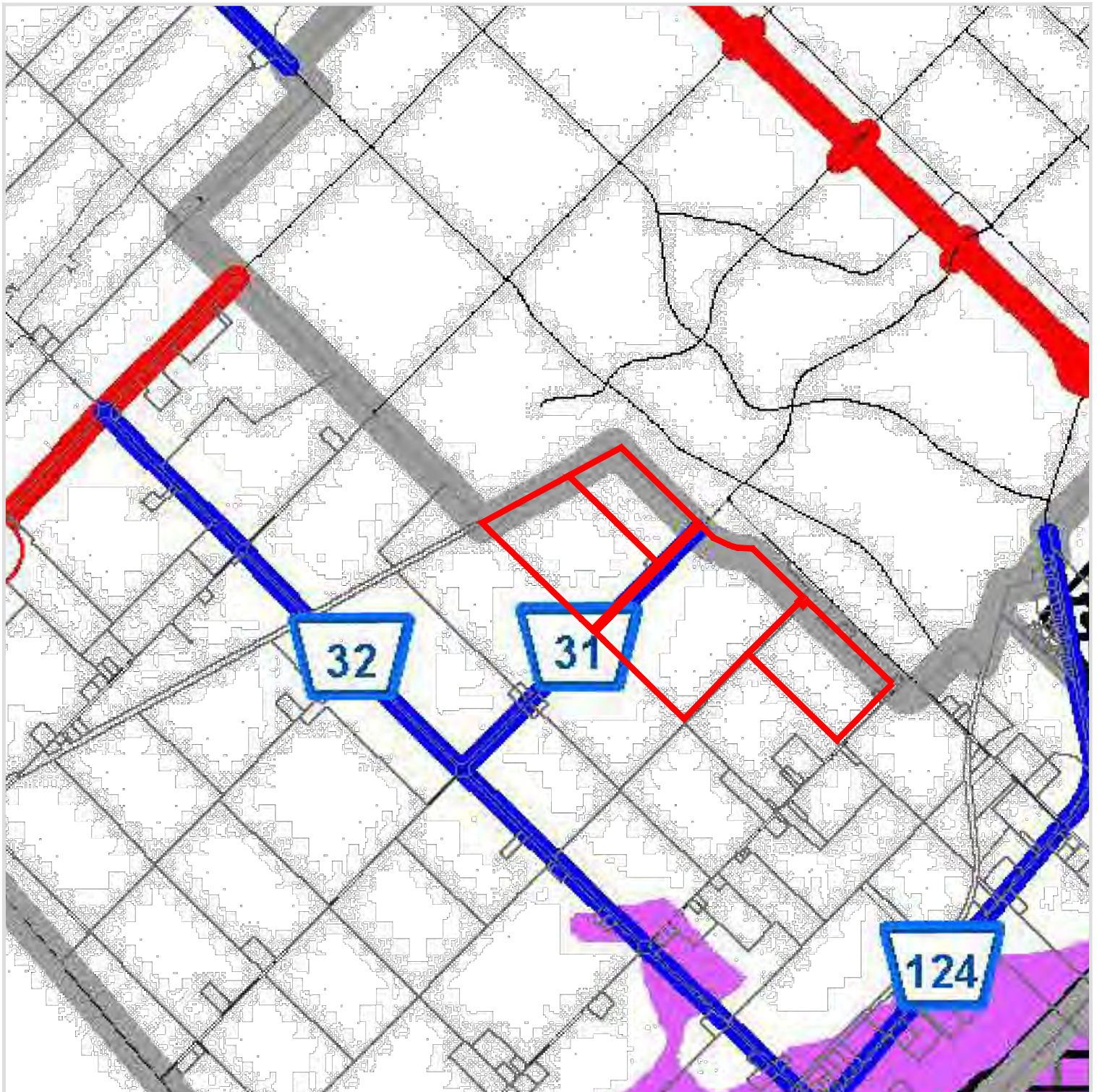


K:\08176Y - 180 COLUMBIA STREET WRPTNATURAL HERITAGE SYSTEM\_GUELPH.DWG

7108 Wellington Rd 31  
 7136 Wellington Rd 31  
 7117 Wellington Rd 31  
 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County

**MHBC** PLANNING  
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 & LANDSCAPE  
 ARCHITECTURE  
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**Figure 10**  
**Wellington County**  
**Official Plan -**  
**Schedule C Mineral**  
**Aggregate Resource**  
**Overlay**

**LEGEND**

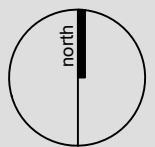
- Subject Lands
- Sand and gravel resources of Primary and Secondary Significance
- Selected Bedrock Resource Areas

**DATE:** November 2022

**SCALE:** 1: 30,000

**FILE:** 08176Y

**DRAWN:** LC

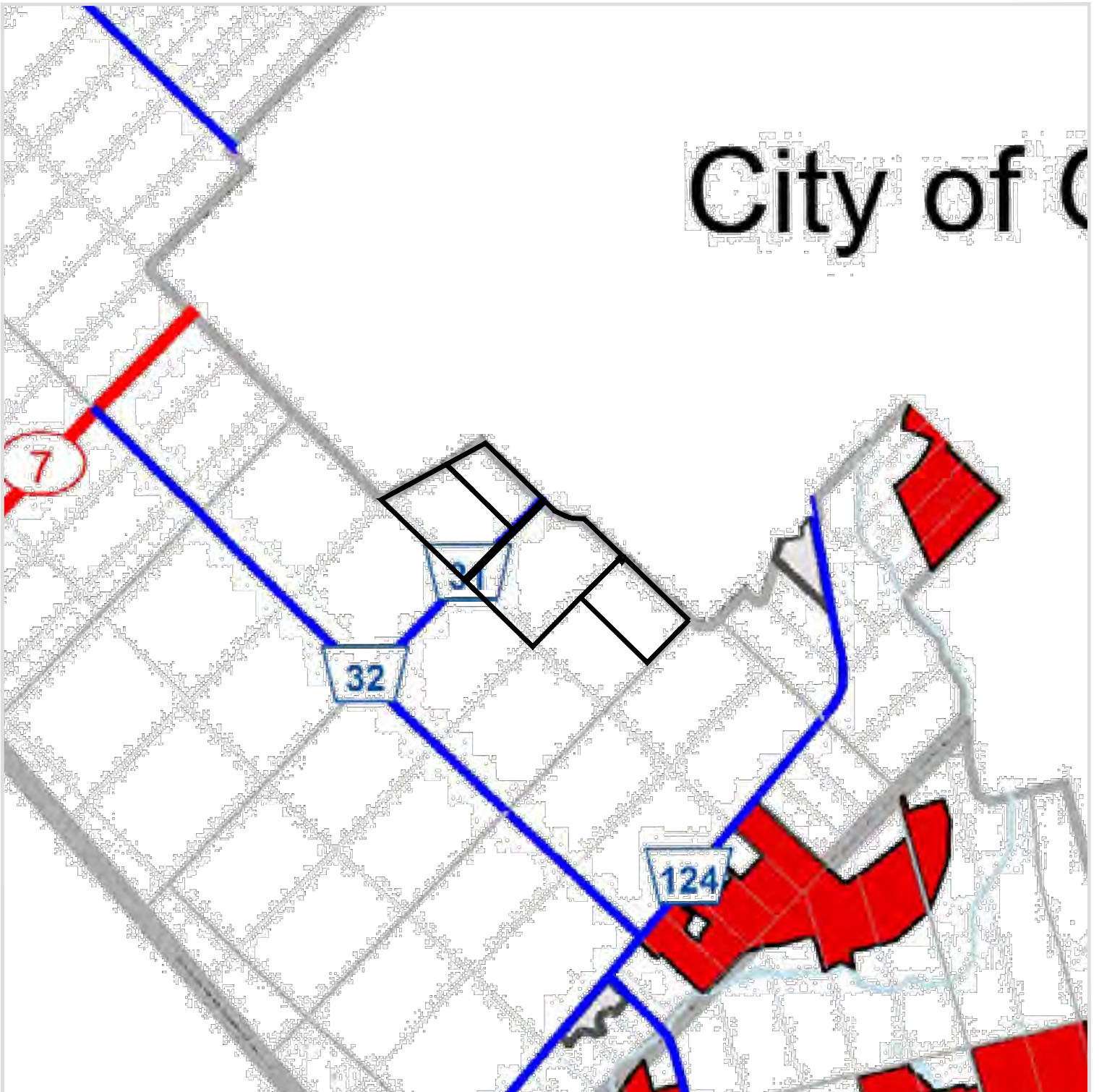


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7108 Wellington Rd 31  
 7136 Wellington Rd 31  
 7117 Wellington Rd 31  
 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County

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**Figure 11**  
**Wellington County**  
**Official Plan -**  
**Appendix 2 Licensed**  
**Aggregate**  
**Operations**

7108 Wellington Rd 31  
7136 Wellington Rd 31  
7117 Wellington Rd 31  
7124 Fife Rd  
Township of Guelph Eramosa  
Wellington County

**LEGEND**

 Subject Lands

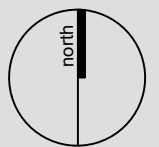
 (Sand, Gravel, Bedrock)

**DATE:** November 2022

**SCALE:** 1: 40,000

**FILE:** 08176Y

**DRAWN:** LC

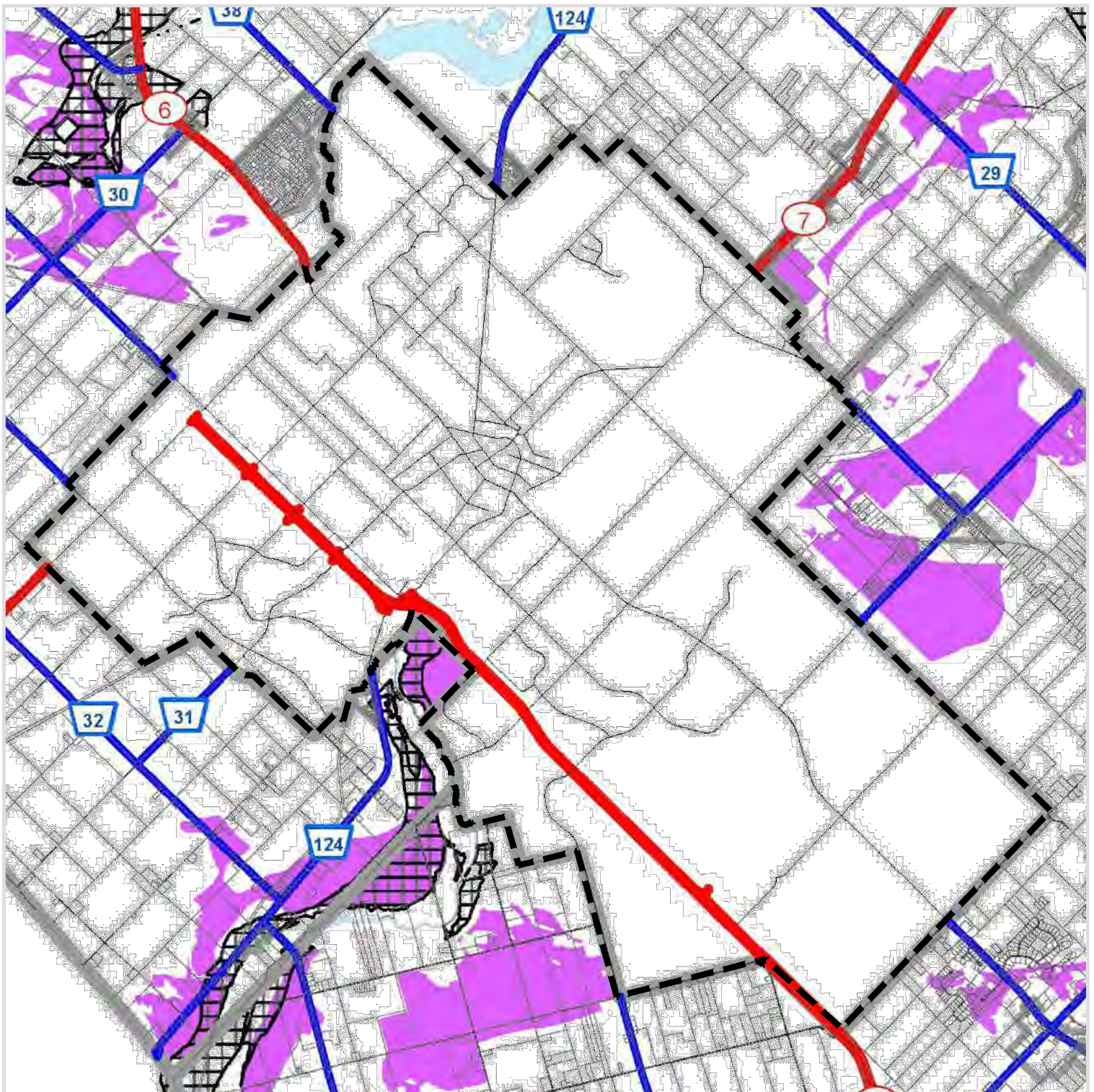


K:08176Y - 180 COLUMBIA STREET WRPTWELLINGTON OP APPENDIX 2.DWG

 **PLANNING**  
**URBAN DESIGN**  
**& LANDSCAPE**  
**ARCHITECTURE**




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**Figure 12**  
**Wellington County**  
**Official Plan -**  
**Schedule C Mineral**  
**Aggregate Resource**  
**Overlay**

**LEGEND**

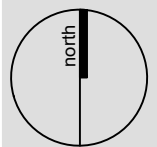
-  City of Guelph Boundary
-  Sand and gravel resources of Primary and Secondary Significance
-  Selected Bedrock Resource Areas

**DATE:** December 2022

**SCALE:** 1: 75,000

**FILE:** 08176Y

**DRAWN:** LC

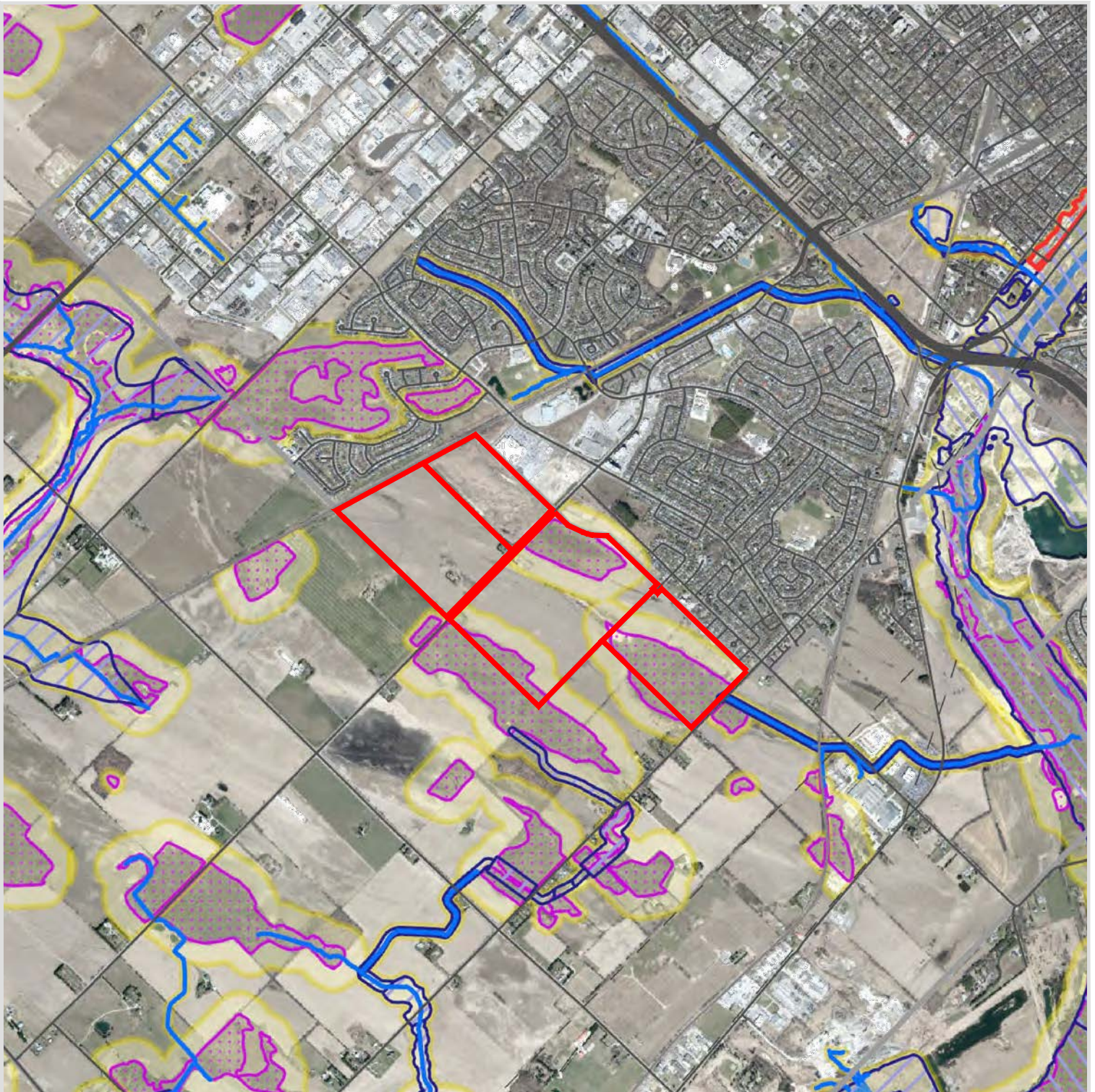


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7108 Wellington Rd 31  
 7136 Wellington Rd 31  
 7117 Wellington Rd 31  
 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County

**MHBC** PLANNING  
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**Figure 13**  
**Grand River**  
**Conservation**  
**Authority Mapping**

**LEGEND**

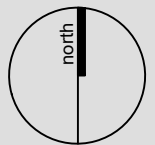
- Subject Lands
  
- Regulation Limit (GRCA)
- Regulated Watercourse (GRCA)
- Regulated Waterbody (GRCA)
- Wetland (GRCA)
- Floodplain (GRCA)
- Engineered
- Estimated
- Approximate
- Special Policy Area
- Slope Valley (GRCA)
  - Steep
  - Oversteep
  - Steep
- Slope Erosion (GRCA)
  - Oversteep
  - Toe
- Lake Erie Flood (GRCA)
- Lake Erie Shoreline Reach (GRCA)
- Lake Erie Dynamic Beach (GRCA)
- Lake Erie Erosion (GRCA)

**DATE:** November 2022

**SCALE:** 1: 30,000

**FILE:** 08176Y

**DRAWN:** LC

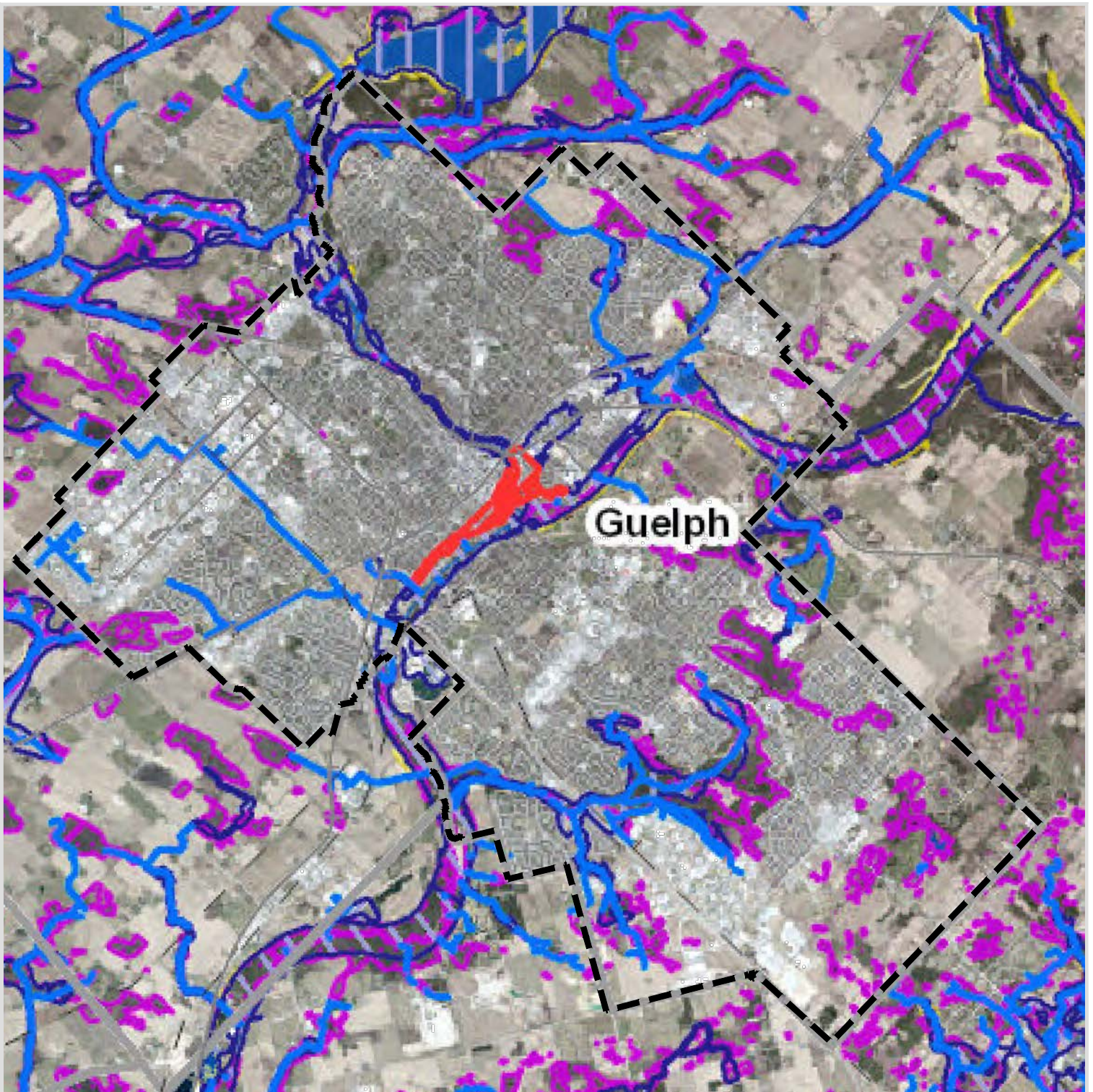


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7108 Wellington Rd 31  
 7136 Wellington Rd 31  
 7117 Wellington Rd 31  
 7124 Fife Rd  
 Township of Guelph Eramosa  
 Wellington County

**MHBC** PLANNING  
 URBAN DESIGN  
 & LANDSCAPE  
 ARCHITECTURE  
 200-540 BINGEMAN'S CENTRE DR, KITCHENER, ON, N2B 3X9  
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
















**Figure 14  
Grand River  
Conservation  
Authority Mapping**

5321 Wellington Rd 32  
7108 Wellington Rd 31  
7136 Wellington Rd 31  
7117 Wellington Rd 31  
7124 Fife Rd  
Township of Guelph Eramosa  
Wellington County

**LEGEND**

 City of Guelph Boundary

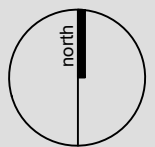
-  Regulated Watercourse (GRCA)
-  Floodplain - Special Policy Area (GRCA)
- Floodplain (GRCA)**
-  Engineered
-  Estimated
-  Approximate
- Wetland (GRCA)**
-  Wetland (GRCA)
- Slope Valley (GRCA)**
-  Steep
-  Oversteep
- Slope Erosion (GRCA)**
-  Steep
-  Oversteep
-  Toe
-  Regulated Waterbody (GRCA)

**DATE:** December 2022

**SCALE:** 1: 75,000

**FILE:** 08176Y

**DRAWN:** LC



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**Figure 15**  
**Developable Area**

**LEGEND**

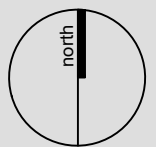
- Subject Lands
- Guelph City Boundary
- Developable Area (±119.8ha)
- Non-Provincially Significant Wetland

**DATE:** November 2022

**SCALE:** 1: 25,000

**FILE:** 08176Y

**DRAWN:** LC



K\08176Y - 180 COLUMBIA STREET WRPT\DEVELOPABLE AREA.DWG

7108 Wellington Rd 31  
7136 Wellington Rd 31  
7117 Wellington Rd 31  
7124 Fife Rd  
Township of Guelph Eramosa  
Wellington County



# Appendix A

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January 14, 2022

Melissa Aldunate  
Manager, Policy Planning and Urban Design  
Planning and Building Services  
City of Guelph

Dear Ms. Aldunate,

**RE: City of Guelph Growth Management Strategy and Land Needs Assessment**

---

MHBC and Altus Group have been retained by Armel Corporation to provide input to the City of Guelph's Growth Management Strategy and Land Needs Assessment. Armel Corporation has significant land holdings throughout the City and as long term developers with over 65 years of history in the City, they play a direct role in achievement of the City's growth management objectives.

Armel, Altus and MHBC have been actively involved in the City's growth management strategy process. For example, we participated in the Development Industry Stakeholder Roundtable meeting and subsequent meetings with staff. In June 2021, we submitted comments on the draft Growth Management Strategy that had been released in the spring of 2021.

After having reviewed the most recent reports (Growth Management Strategy and Land Needs Assessment Report, December 2021; Long Term Population and Housing Growth Report, January 2022; and City of Guelph Staff Report, Shaping Guelph: Growth Management Strategy and Land Needs Assessment, January 2022) we continue to have a number of comments and concerns regarding the proposed Growth Management Strategy that is being recommended for Council endorsement. Our comments fall into two categories:

- 1) Comments on the proposed changes to the Urban Structure; and
- 2) Comments on the Land Needs Assessment and basis for the recommended Growth Management Strategy.

**Comments on the proposed Urban Structure**

The proposed urban structure described in the recommended Growth Management Strategy will be implemented through a future Official Plan amendment. Therefore, we look forward to the opportunity to

provide further comment once the detailed policy framework is released. However, our general comments on the urban structure are provided below.

## **1. Maximize the intensification potential in Strategic Growth Areas**

The Strategic Growth Areas are important components of the City's existing growth management strategy and provide significant opportunity for accommodating the forecast future growth. We are pleased to see that the recommended height and density within Strategic Growth Areas has been increased over earlier versions of the urban structure. This is positive and, in our view, necessary.

We would suggest, however, that the City can be much bolder in its approach to accommodating density. In our experience in other communities, it is very difficult to achieve density of 250 units per hectare, achieve good urban design and limit height to 14 storeys. We recognize that many existing residents may have concerns about tall buildings. However, if the City intends to implement the recommended growth strategy and accommodate a considerable amount of future growth through intensification, the City is going to have to put in place a structure that is capable of accommodating that level of development. Tall buildings greater than 14 stories are a necessary part.

## **2. Maximize intensification potential in Commercial Centres and Corridors outside of Strategic Growth Areas**

More flexibility is needed in the commercial land use policies. The current policies and regulations discourage achievement of mixed use and residential intensification in particular. Given the level of intensification needed to accommodate future growth, the City will have to be relatively aggressive in applying a permissive land use framework that will allow for and encourage the intensification needed to accommodate future growth.

We recognize that the planned function of Neighbourhood Commercial Centres is to provide the day to day service and shopping needs for surrounding residential areas. But in some cases, this planned function is no longer occurring due to the changing nature and evolution of commercial activity. For example, the Neighbourhood Commercial Centre designated site at the corner of Willow Road and Elmira Road is vacant and unlikely to develop with commercial land uses given its proximity to the Community Mixed Use Centre a few blocks away at Paisley Road and Elmira Road.

In general, the neighbourhood commercial centres and arterial commercial corridors, such as Wellington Street, Speedvale Avenue and others, provide opportunity for accommodation of future population and employment growth. We recommend that through the Official Plan update to implement the recommended urban structure, the City should consider these sites for a wider range of uses including residential and other employment uses, allowing for redevelopment and modest levels of intensification.

## Comments on the Land Needs Assessment

1. The land needs assessment and growth management options do not assess a growth scenario based on housing demand by unit type.

In our June 2021 comments on the draft Growth Management Options we noted that Altus Group had undertaken a technical review of the City's land needs methodology and found that the lack of a market demand analysis by housing type is a serious flaw in the City's land needs assessment (see attached June 2021 memo) which must be completed in order to properly assess the City's housing needs in accordance with the Growth Plan and the Provincial Land Needs Assessment Methodology, as required by Policy 2.2.1.5 of the Growth Plan. The City's Long Term Population and Housing Growth Report (January 2022) does contain helpful information on some of the data and analysis that has gone into the development of the Growth Management Options. However, it does not assess a housing forecast based on market demand by housing type which is a critical part of the needs assessment.

There are policy implications to not having undertaken a housing forecast based on market demand by housing type. The policy implication is that the City's Growth Management Strategy is not consistent with the Provincial Land Needs Assessment Methodology and, as such, would appear not to conform to the Provincial Growth Plan.

The practical implication of adopting the recommended Growth Strategy is that it is likely that the City's future housing supply will not match future housing demand preferences. Achievement of the recommended Growth Strategy requires that approximately 53% of future housing supply be provided in the form of high-density housing units. Without having completed a housing demand by unit type analysis, it is not clear what choices and trade-offs are required in order to achieve the considerable change to housing demand preferences. Such an assessment would assist in determining whether the various factors to be considered have been properly balanced and reflect good planning. We ask that the City complete a demand based assessment before Council adopts a final growth management strategy.

2. The preferred growth management option relies heavily on apartment dwellings to meet future housing demand; however, for numerous reasons, many families and households apartments are not a suitable substitute for ground related housing.

The basis for the great shift in future housing demand that is described in the Growth Management reports is not clear. The housing propensity analysis provided in section 3.2.6 of the Long Term Population and Housing Growth Report demonstrates that no age group has a propensity for high-density housing. The youngest age group (where the household maintainer is less than 25 years of age) has a propensity for high density housing at 40% - meaning 40% of households in this age category live in high density residential units and 60% live in medium- or low-density residential units. For all other age categories the propensity for high-density units is approximately 20%-35%.

The recommended Growth Strategy identifies that 53% of future housing units will be high-density units. Given the existing (2016) housing propensity rates, we question the assumption made that starting in 2021 and continuing to 2051 at least 50% of all new households, in all age groups, would have a propensity for high-density units.

We are concerned that the recommended Growth Strategy will result in a mismatch between future housing supply and future housing demand. A mis-match of supply with housing demand by unit type can have severe implications for overall housing affordability, particularly for ground-related housing forms. A lack of housing supply of any particular type can also have labour market consequences, and potentially hinder local businesses attracting and retaining local talent.

While the City's approach may lead to several areas of the City seeing increased permissions for high-density development, increased height and density capacity does not, in-and-of-itself boost demand for dwelling units in high-density developments.

For many households, high density housing units are not a suitable alternative and thus they will look elsewhere for housing. The result of which has impacts on employer's abilities to attract a skilled workforce, the loss of economic benefits of workers who would otherwise be resident in the City, and social and economic costs of increased commutes to work.

Given these significant implications, we would appreciate receiving the technical assumptions and methodological basis employed for the report's conclusion that historic propensities will shift so drastically in the future.

3. There is an over reliance on accessory apartments to meet forecast housing demand.

The recommended Growth Strategy identifies that nearly 11% of future housing growth will be supplied by accessory apartment units. As noted by Altus in their review of the City's methodology, this is roughly 5-7 times higher than other nearby municipalities of Halton Region and the City of Hamilton. While it is likely that the growing enrolment at post-secondary institutions will continue to heavily rely on accessory apartments, the population estimates the City has incorporated into the recommended Growth Strategy does not include post-secondary students. To the extent that the amount of accessory apartments contemplated would be for permanent residents only (over and above those accessory apartments used by students), the basis for the high number of future accessory apartments is not clear. The implication is that the City has likely underestimated the land needed to accommodate future housing units, or has simply not provided for sufficient housing units for its planned permanent population. We had previously requested further information to understand the City's conclusions on accessory apartments, Designated Greenfield Area density assumptions, and other requested information as described in the Altus letter of November 24, 2021 and we look forward to receiving a response.

In conclusion, we recognize the considerable work that the City has completed to date and we appreciate the opportunity to provide comments as input to the process. We recommend that Council refer the proposed Growth Management Strategy back staff to address the concerns we have raised and we look forward to having the opportunity to continue the dialogue and welcome further meetings with staff.

Yours truly,

**MHBC**

A handwritten signature in black ink that reads "Dan Currie". The signature is written in a cursive, flowing style.

Dan Currie, MA, MCIP, RPP  
Partner

cc. Mandy Scully, Armel Corp.  
Chris Corosky, Armel Corp.  
Daryl Keleher, Altus Group  
Susan Rosenthal, Davies Howe

June 2, 2021

Memorandum to: Mandy Scully  
Armel Corporation

From: Daryl Keleher  
Altus Group Economic Consulting

**Subject: Guelph OP Review – Implications of Growth Scenarios**  
**Our File: P-6656**

---

Altus Group Economic Consulting was retained by Armel Corporation to review the City of Guelph's land needs assessment, including the housing forecasts, estimates of housing supply and housing development potential, as well as the inputs, assumptions and methodology used to establish the need for an urban boundary expansion to accommodate population and employment growth to 2051.

Our preliminary findings are summarized below:

***City's Housing Forecast Falls Short of Meeting Demand for Ground-Related Housing***

- There are significant differences between the forecasted housing market demand with the housing mix in the City's GMS with significant shortfalls in ground-related housing (singles, semis, rows) relative to demand.
- The lack of ground-related housing being included in the City's plans would have significant implications for the City's ability to attract a young, qualified labour force, and may push young families, who have been responsible for a significant share of the City's population growth, to other nearby municipalities where their desired housing is more likely to be available;

***Concerns with Estimated Housing Supply and Intensification Potential***

- Additional detail is required to understand what is included and excluded from the City's supply of existing designated greenfield areas;
- The City appears to be over estimating the intensification potential in parts of the City outside of its key intensification areas. Assuming 100% build-out of all unit potential in the City's Downtown, its Community Mixed-Use Nodes and Intensification Corridors, the City is requiring roughly one-third of all intensification units to be in other parts of the City's existing communities, the potential of which is likely overstated;

***City's Housing Forecast Overemphasizes Ability of Accessory Apartments to Meet Housing Demand***

- A significant proportion of new housing projected to be built in the City to 2051 is in 'accessory apartments', which the City is basing future projections of on recent historic trends.
- The City's forecast share of accessory apartments (11%) is roughly 5-7 times higher than the shares assumed by nearby municipalities of Halton Region and the City of Hamilton (1.4% to 2.5%),

- The City’s reliance on these accessory apartment units to meet forecasted housing demand ignores both that:
  - A significant proportion of the demand for these units historically has come from students responding to no new on-campus housing being constructed at the University over the past 20 years, despite enrolment increasing by 92% over that same period;
  - Where these units in the future will be occupied by students, these persons do not count towards the achievement of the City’s population forecasts – rather, the demand for these units by out-of-town students, and other non-permanent residents should be added to the quantum of the City’s overall housing demand;
  - By relying on these accessory units, the extent of the need for additional urban land is likely underestimated.

Additional analysis regarding the above points are provided in the detailed subsections of this memorandum below.

## COMMENTARY ON HOUSING FORECASTS

### Difference in Housing Forecast vs Estimated Housing Demand

Figure 1 shows how the housing forecasts used in the City’s Growth Management Study (GMS) differs from the estimate of housing market demand by Hemson Consulting in the June 2020 Technical Report, which was used as the basis for the forecasts in Schedule 3 of the Growth Plan. The City’s GMS housing forecasts would see shortfalls of ground-related housing relative to estimated market demand ranging from 6,180 to 8,730 ground-related units.

Figure 1

#### Comparison of Housing Demand Estimate for City of Guelph with Housing Forecasts in Shaping Guelph Study

	Ground-Related	Apartments <i>Units</i>	Total	Ground-Related	Apartments <i>Percent</i>	Total
<b>Hemson GGH Technical Report (2016-2051)</b>	19,000	12,000	31,000	61.3%	38.7%	100.0%
<b>Guelph GMS (2016-2051)</b>						
Scenario 1	10,270	20,925	31,195	32.9%	67.1%	100.0%
Scenario 2	11,715	19,480	31,195	37.6%	62.4%	100.0%
Scenario 3	12,820	18,375	31,195	41.1%	58.9%	100.0%
<b>Differences Between Demand and GMS - Surplus/(Shortage)</b>						
Scenario 1	(8,730)	8,925	195			
Scenario 2	(7,285)	7,480	195			
Scenario 3	(6,180)	6,375	195			

Source: Hemson GGH Technical Report, June 2020, City of Guelph, Growth Scenario Planning - Shaping Guelph, Growth Management Strategy, (March 2021)

There are numerous implications of the City’s housing forecasts deviating so significantly from the recent forecasted housing market demand, including planning for lower population than Schedule 3 of the



Growth Plan requires, relying on increased mobility of senior households to ‘free-up’ ground-related housing supply as a means to address the shortfall in planned supply of singles, semis and rows, reducing housing options for young families, and expecting households to increasingly choose larger apartment units that are less desirable from a market perspective than dense ground-related housing forms such as townhouses.

The mechanisms and assumptions being relied upon by the City to make-up for the relative lack of ground-related housing compared to market demand, such as expecting seniors to be less likely to desire aging-in-place, expecting young families to increasingly choose apartments over ground-related housing, do not take into account many of the reasons why the counter-vailing trends have persisted in the City and elsewhere in the Province for some time.

### Different Unit Mixes in the City’s Growth Scenarios Are Unlikely to Generate Forecasted Population

The three growth scenarios are based on 31,195 new housing units, of differing unit mixes, producing the same 66,700 net population growth over the 2016-2051 period. However, when the average household size assumptions for future units (otherwise known as persons per unit / PPU factors), as forecast in the City’s 2018 Development Charges Background Study, are applied to the unit mixes from each of the three growth scenarios, Scenario 1 and Scenario 2 each result in substantial shortfalls in projected population growth relative to forecast, of approximately 3,500 persons and 2,220 persons, respectively.

Figure 2

<b>Population Generation by Growth Scenario, City of Guelph, 2016-2051</b>					
	Low - Density	Medium-Density	High-Density	Accessory Apartments	Total
<b>Housing by Scenario</b>					
	<i>Units</i>				
Scenario 1	3,270	7,000	17,570	3,355	31,195
Scenario 2	3,475	8,240	16,125	3,355	31,195
Scenario 3	4,420	8,400	15,020	3,355	31,195
<b>Persons per Unit Factors</b>					
	<i>Persons per Unit</i>				
Persons per Unit Factors	3.332	2.455	1.677	1.677	
<b>Population Generated by Scenario</b>					
	<i>Persons</i>				
Scenario 1	10,896	17,185	29,465	5,626	63,172
Scenario 2	11,579	20,229	27,042	5,626	64,476
Scenario 3	14,727	20,622	25,189	5,626	66,164
Total Growth Forecast					66,700
<b>Estimated Shortfall by Scenario</b>					
			Additional Units Required	Average Household Size	Population
			<i>Units</i>	<i>Persons / Unit</i>	<i>Persons</i>
Scenario 1			1,742	2.03	(3,528)
Scenario 2			1,076	2.07	(2,224)
Scenario 3			253	2.12	(536)

Source: Altus Group Economic Consulting based on City of Guelph Shaping Guelph (April 9, 2021), City of Guelph 2018 Development Charges Background Study

If the City is to continue the evaluation of the three growth scenarios, additional housing units will be required to offset the increased emphasis on medium and high-density housing forms compared to estimated housing market demand and still achieve the population forecast allocated to the City. Based on our estimates, and average household sizes within the three growth scenarios, to correct for this issue alone (and in isolation from other issues raised here), between 250 and 1,740 additional housing units need to be incorporated into the City's housing forecasts to meet the City's growth forecasts to 2051.

### Relying on Mobility of Aging Households is Unlikely to Address Shortfall in Forecast Housing Demand of Young Families

The housing forecasts used in the three growth scenarios all present a significant deviation from the City's estimated housing market demand in the August 2020 Technical Report prepared by Hemson Consulting, which was used as the basis for the 2051 population forecasts in the 2020 Growth Plan.

The significant shortfall in ground-related housing forms (singles, semis, rows) equates to between 5,980 units (Scenario 3) and 8,530 units (Scenario 1), which is offset by a surplus of high-density and accessory apartments ranging from 4,275 units (Scenario 3) to 6,825 units (Scenario 1).

If the City is to meet housing demand as estimated by Hemson Consulting, the implication is that seniors currently occupying ground-related housing will vacate their homes, freeing up that housing stock for young families, and will either a) move to an apartment unit within the City, or b) move to a unit outside of the City.

If the anticipated moving of senior households out of ground-related housing does not materialize to the degree implied (5,980 to 8,530 units to 2051), this will mean that families seeking ground-related housing will be forced to locate in another municipality or pay increased housing prices for ground-related housing in the City to secure their desired housing form. If ground-related housing supply falls short of demand for ground-related housing, it will put upward pressure on prices for those ground-related homes that are available in the City.

**Figure 3 Shortfall / Surplus Relative to Estimated Housing Market Demand, by Growth Scenario, City of Guelph, 2016-2051**

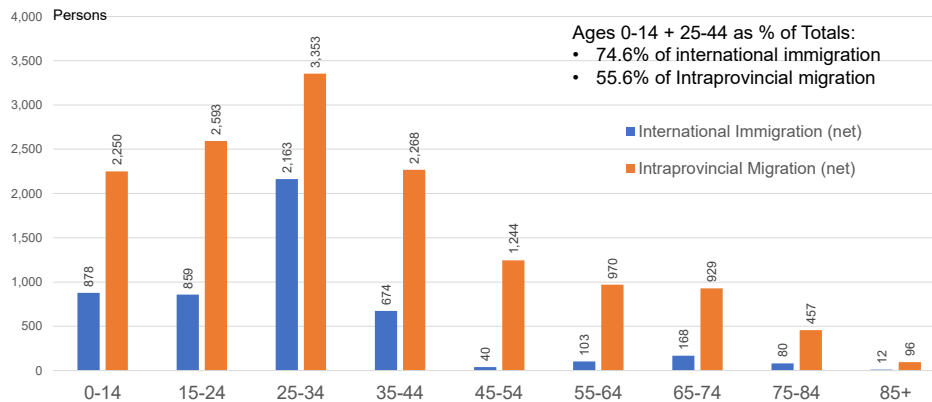
Housing by Scenario	Low - Density	Medium-Density	High-Density	Accessory Apartments	Total
			<i>Units</i>		
Scenario 1	3,270	7,000	17,570	3,355	31,195
Scenario 2	3,475	8,240	16,125	3,355	31,195
Scenario 3	4,420	8,400	15,020	3,355	31,195
Housing Market Demand	10,200	8,600	12,900	1,200	32,900
Surplus / (Shortfall) by Scenario					
Scenario 1	(6,930)	(1,600)	4,670	2,155	
Scenario 2	(6,725)	(360)	3,225	2,155	
Scenario 3	(5,780)	(200)	2,120	2,155	

Source: Altus Group Economic Consulting based on City of Guelph Shaping Guelph (April 9, 2021), Hemson Technical Report, (August 26, 2020)

Over the past 10 years, nearly 75% of net international immigration and 56% of Intraprovincial migration to the Wellington County/Guelph area has been from the 0-14 and 25-44 age groups, showing that the primary source of population growth and influx of labour force talent into the City from other parts of the world and Ontario are new and young families.

Based on the significant disconnect between the housing market demand in the City and the housing forecasts in the City's growth scenarios, it is likely that a significant proportion of prospective newcomers to the City will find apartment units or accessory apartments unsuitable for their needs and will instead find desired housing forms that suit their budget and lifestyle in municipalities outside the City.

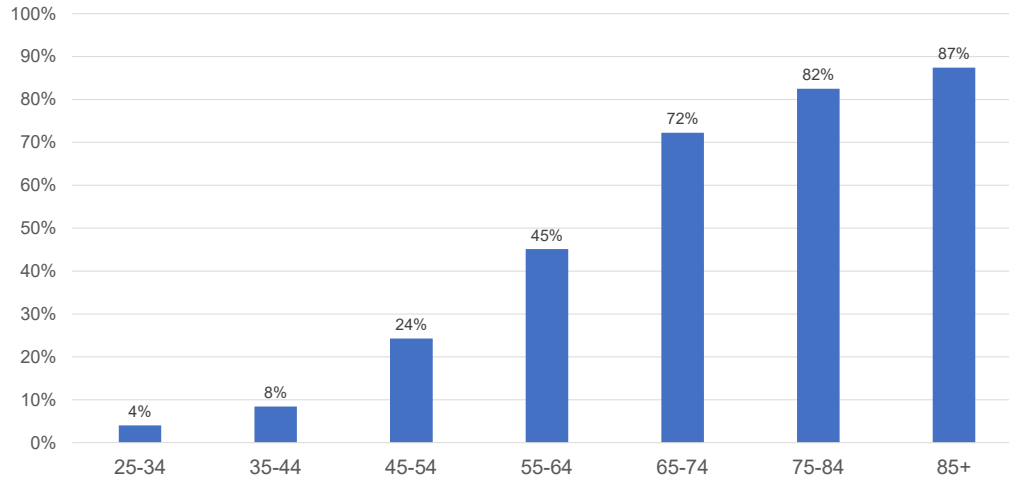
**Figure 4** Net International Migration and Intraprovincial Migration to Wellington County by Age Group, 2010-2019



Source: Statistics Canada

There is often little financial incentive for older households to move from their family home – according to the 2016 Census, the share of owner-occupied housing units that have mortgages declines significantly for households older than 65 years of age. Over 80% of households with persons aged 75+ have no mortgage on their property. This implies that there is typically little financial motivation for older households to leave their family homes earlier than desired, as in most cases, beyond ongoing maintenance costs and annual property taxes, the costs of owning a property decline as households exit their income-earning years.

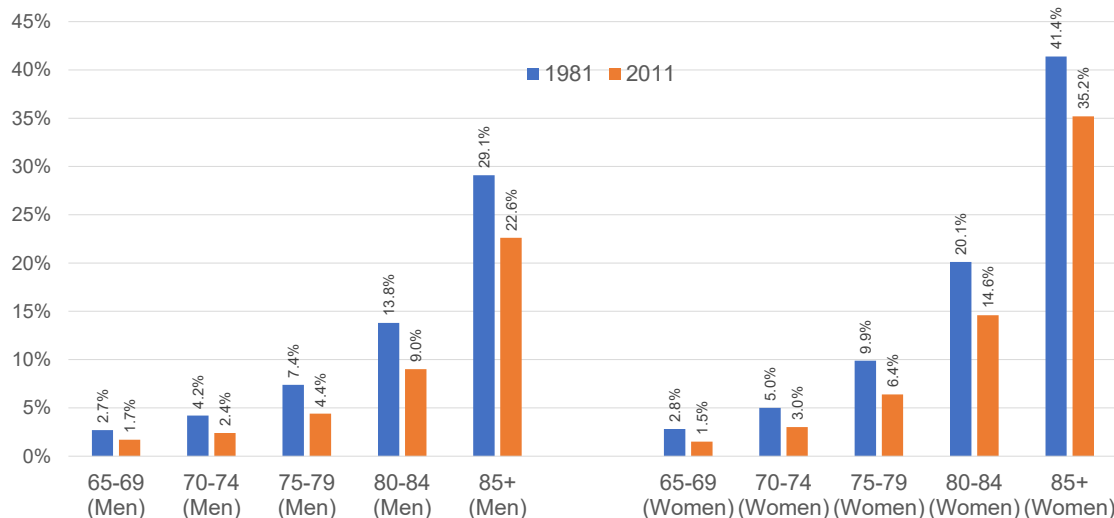
**Figure 5 Share of Owner-Occupied Households without Mortgage Payments, City of Guelph, 2016**



Source: Statistics Canada, 2016 Census

Compared to 1981, as of 2011 the share of seniors living in collective dwellings has fallen significantly, for every age group of seniors. It is increasingly unlikely for seniors to vacate their family homes for collective dwellings such as senior residences, nursing homes, long-term care, special care facilities, etc. The expectation that seniors will increasingly choose to vacate their homes to 'make room' for younger households seeking ground-related housing is not grounded in recent trends seen in the choices being made by older households.

**Figure 6 Share of Persons by Age Group Living in Collective Dwellings, Canada, 1981 & 2011**



Source: Statistics Canada, Census of Population, 1981 and 2011

## Large Apartment Units are Not a Suitable Substitute for Many Families

Based on data from Altus Group on prices and sizes of actively marketed units within the City, a typical 2-bedroom apartment ranges from \$529,400 to \$580,500, and would provide 1,080 to 1,200 sf of space, while a typical townhouse unit being sold in the City is priced at approximately \$615,100, and in many cases would have three bedrooms within the unit, and would provide an average of over 1,600 sf of space. It is unlikely that many young families will choose an equally priced, but smaller condominium apartment unit over a larger ground-related townhouse.

Figure 7

### Average Unit Size and Selling Price, Actively Marketed Developments, City of Guelph

	Apartment	
	Average Unit Size	Average Selling Price
<b>Condominium Apartments</b>	<i>Sq. Ft.</i>	<i>\$ / Sq. Ft.</i>
1 Bedroom	690	336,000
1 Bedroom + Den	764	372,000
2 Bedroom	1,087	529,400
2 Bedroom + Den	1,192	580,500
3 Bedroom & Up	1,264	615,600
<b>Townhouses</b>	1,616	615,140

Source: Altus RealNet

## How Much Low-Density Housing is Already Approved?

Based on the total housing forecast over the 2016-2051 period, and the existing supply of housing units on existing designated greenfield lands, the three growth scenarios presented by the City add just 3,872 to 4,452 additional low-density and medium-density units in the DGA over the 2016-2051 period, which equates to just 111 to 127 units per year of additional low-density and medium-density units in the City's DGA.

This means that the City's 30-year housing forecast and land needs exercise is only roughly doubling the supply of low- and medium-density units DGA areas. If the market demand for low- and medium-density housing is not met, the housing that is available within the City (existing and new homes) will be subject to increased competition and the City's existing and new supply of low- and medium-density housing will become even less and less affordable over time.

**Figure 8 Additional Low- and Medium-Density Housing Forecast Over and Above Existing Supply, Guelph 2016-2051**

Housing by Scenario	Low - Density	Medium-Density	Total Low & Medium-Density
<i>Units</i>			
Scenario 1	3,270	7,000	10,270
Scenario 2	3,475	8,240	11,715
Scenario 3	4,420	8,400	12,820
<hr/>			
DGA Housing by Scenario			
Scenario 1	2,895	5,390	8,285
Scenario 2	2,895	5,390	8,285
Scenario 3	3,320	5,545	8,865
<hr/>			
Existing DGA Supply			
Short-Term Supply	451	318	769
Designated Supply	902	2,742	3,644
Total	1,353	3,060	4,413
<hr/>			
Net New DGA Supply by Scenario			
Scenario 1	1,542	2,330	3,872
Scenario 2	1,542	2,330	3,872
Scenario 3	1,967	2,485	4,452

Source: Altus Group Economic Consulting based on City of Guelph Shaping Guelph (April 9, 2021), Growth Management and Affordable Housing Monitoring Report, 2020

## ACCESSORY APARTMENTS

### 11% of City's Housing Forecast Is in Accessory Apartments

Each growth scenario projects a total of 3,355 accessory apartments, which equates to roughly 11% of the 31,195 net new housing units to be constructed in the City between 2016 and 2051. According to the April 9 Staff Report from the City, accessory apartments are defined as follows:

*Accessory apartments (accessory dwelling unit) is a dwelling unit that is self-contained, subordinate to and located within the same building or on the same lot as a primary dwelling unit. These are often referred to as secondary dwelling units, granny flats, or basement apartments with separate kitchen areas.*

Of the 3,355 accessory apartments in the City's housing forecast, 2,670 of these are planned to be located within the existing built-up area (BUA), and the remaining 685 will be planned to be located within the designated greenfield area (DGA).

### **City's Forecast Share of Accessory Apartments is 5-7 Times Higher Than Forecasts of Surrounding Municipalities**

By comparison, other municipalities undertaking their LNA exercises are forecasting significantly lower proportions of new housing in the form of accessory apartments. The City of Hamilton is forecasting just

2,760 accessory apartments (2.4% of all new housing forecast), while Halton Region is forecasting 2,400 accessory apartments (1.4% of all new housing forecast), well below the City of Guelph’s rate of 10.8%. Similar to the City of Guelph, the City of Hamilton also has a significant student population, but there have been numerous student residence buildings constructed in that City<sup>1</sup> that appears to mitigate the need for relying on accessory apartments throughout the City.

**Figure 9 Comparison of Proportion of Housing Unit Forecast as Accessory Apartments, City of Guelph**

Municipality	Housing Forecast		
	Total Housing Units	Accessory Apartments	Accessory Apartments as % of Total
	Units	Units	Percent
City of Guelph	31,195	3,355	10.8%
City of Hamilton	110,320	2,760	2.5%
Halton Region	173,500	2,400	1.4%

Source: City of Guelph Shaping Guelph Growth Scenarios (April 9, 2021), Halton Integrated Growth Management Strategy Growth Concepts Discussion Paper (February 2021), City of Hamilton Land Needs Assessment to 2051 (December 2020)

The 3,355 accessory apartments amount to an annual average of approximately 96 accessory apartments per year. While the City has averaged 147 accessory apartment building permits per year over the 2008-2020 period (or 1,122 in total), basing a forecast of future accessory apartment completions on historic trends is problematic for two key reasons – 1) the supply of units within which accessory apartments can be incorporated is not limitless, but fixed, and each year the number of opportunities dwindles, and 2) much of the demand for accessory apartments was driven by the lack of new on-campus student housing.

Additionally, to the extent accessory apartments are occupied by students, as the Census does not count these persons towards the City’s population, a significant proportion of future accessory units will not satisfy demand for population growth in the City. It is also unlikely that accessory apartment units would be a suitable substitute for the housing that most young families would be seeking. According to research undertaken by CMHC, in the City of Guelph, 74% of secondary dwelling units are basement apartments, with the average floor of basement apartments being 771 square feet.<sup>2</sup>

**Forecast Being Based on Historic Trends Ignores Finite Supply of Opportunities for Accessory Apartments**

According to research undertaken by CMHC into secondary dwelling units, as of 2019, roughly 9.2% of the City’s ground-oriented housing units had secondary units, behind only the City of Toronto (15.4%) and the City of Brampton (9.6%) among Ontario municipalities. The forecasted growth of 3,335 accessory

<sup>1</sup> Les Prince Hall was constructed in 2006, and had 389 beds, and the Peter George Centre for Living and Learning was opened in 2019, and includes a 500-bed residence.

<sup>2</sup> CMHC, <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2021/secondary-housing-units-across-city-toronto>

units and 10,270 low- and medium-density units to 2051 would mean that by 2051 roughly 14.5% of the City’s ground-oriented dwellings would have a secondary dwelling unit (or just over 1 in 7 units), with the amount of growth estimated (3,335 units) more than doubling the current number of accessory units in the City.

**Figure 10 Estimates of Current and Future Accessory Apartment Units as Share of Ground-Oriented Housing, City of Guelph**

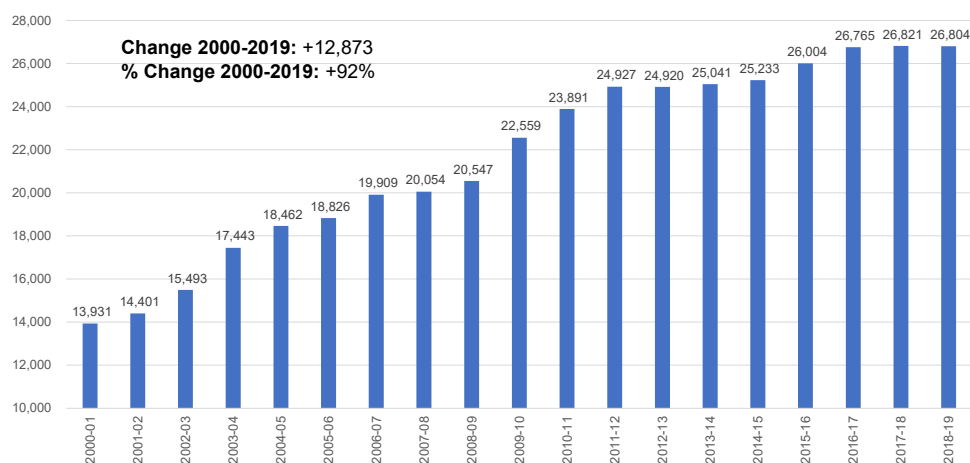
	City (Current)	Grow th (Sc. 1)	Total
Estimated Number of Secondary Units	3,206	3,335	6,541
Estimated Percentage of Ground-Oriented Properties with Secondary Unit	9.2%		14.5%
Total Ground-Oriented Units	34,848	10,270 <sup>1</sup>	45,118

<sup>1</sup> Based on total forecasted low -density (3,270) and medium-density (7,000) units in Growth Scenario 1  
Source: City of Guelph OP Review , Growth Scenario Planning Technical Brief, CMHC

**City’s Forecast of Accessory Apartments Ignore Student-Based Demand, Which Does Not Contribute to Achievement of Population Forecasts**

Full-time enrolment at the University of Guelph (“the University”) has increased substantially over the past 20 years, with overall enrolment among full-time students increasing by 92% since 2000, or an increase of 12,873 students, most of which would be associated with the main campus in Guelph (in recent years, roughly 82% of full-time students were based on the main Guelph campus).

**Figure 11 Historic Full-Time Enrolment, University of Guelph, 2000-2019**



Source: Ministry of Colleges and Universities, Common University Data Ontario



***There Has Been No New On-Campus Housing Built Since 2001, Forcing Increased Student Demand Off-Campus***

Despite the significant growth in enrolment at the University, there has been no new on-campus residence beds made available – there have been no new on-campus housing built since 2001, which has placed increased emphasis on off-campus housing, such as private student housing, but also accessory apartments throughout the City.

**Figure 12 Inventory of Student Residences, University of Guelph**

Building(s)	Year	Capacity
	Opened	Beds
East Village	2001	651
78 College Avenue	1993	200
East Residence	1973	611
Wellington Woods (family)	1972	139
Lennox-Addington Hall	1971	574
South Residence	1969	1,821
Lambton Hall	1967	425
Johnston Hall	1932	320
Watson Hall	1931	51
Mills Hall	1921	195
Maids Hall	1913	50
Macdonald Hall	1904	149
University Houses	misc.	39
Total		5,225

Source: University of Guelph

Part of the reason why accessory apartments in the City have seen substantial unit growth over the past 20 years is that there has been considerable demand for student housing that has not been met on-campus, with the growing gap between enrolment and on-campus housing made up by the private student housing developments and accessory apartments. As the previously unmet demand is fulfilled, it is likely that the recent pace of accessory apartment unit growth will slow.

In addition, the housing units throughout the City that are occupied by students do not count towards population growth that the City’s GMS is seeking to accommodate – instead the growth in students and their housing needs should be accounted for over and above the housing needed to accommodate the City’s forecasted population growth.

**ANALYSIS OF INTENSIFICATION ASSUMPTIONS**

**Growth Capacity within City’s Built-Up Area Appears Overstated**

The City’s Housing Analysis and Strategy report estimates that 70% of the capacity for residential growth within the City’s built-up area is in areas outside of the Downtown Urban Growth Centre, Community Mixed-Use Nodes and Intensification Corridors, and instead is in the “rest of the built-up area” and accessory units within existing dwellings/lots.

The City’s intensification areas have a capacity of just 10,606 units, so even under a liberal assumption that 100% of the potential units in the Downtown, Community Mixed-Use Nodes and Intensification Corridors are constructed by 2051, it would still require 5,000 to 6,250 units built in other areas of the City, which may be challenging to achieve if these sites are in areas without the transit, amenities or other features that the City’s primary intensification areas have.

**Figure 13 Estimated Capacity for Growth within City of Guelph Built-Up Area (BUA)**

Capacity within City BUA by Location	Residential Unit Capacity <i>Units</i>	Population Capacity <i>Persons</i>
Downtown UGC	5,108	11,740
Community Mixed-Use Nodes (MUN)	2,180	5,010
Intensification Corridors (IC)	3,318	7,625
Rest of Built-Up Area	22,822	52,445
Additional Residential Dwelling Units	1,575	3,620
<b>Total</b>	<b>35,003</b>	<b>80,440</b>
<b>Built-Up Area Units by Scenario</b>		
Scenario 1	15,620	
Scenario 2	15,620	
Scenario 3	16,865	
Capacity in UGC, MUN, IC	✔ 10,606	
<b>Required Development in Rest of BUA by Scenario</b>		
Scenario 1	5,014	
Scenario 2	5,014	
Scenario 3	6,259	

Source: Altus Group Economic Consulting based on City of Guelph Housing Analysis and Strategy

While some explanation is provided in Appendix A to the Housing Analysis and Strategy Report, the estimated capacity of 22,822 dwelling units within the Rest of the BUA is based on curious assumptions that would appear to significantly overstate the amount of intensification potential:

- Including ‘unused’ density on ‘underutilized’ lots that are not currently at the maximum permitted residential floor space index (density) or lot coverage – it is unclear whether this ‘maximum permitted’ FSI used is inclusive of permitted height or density allowable through density bonusing, or if this represents base density permissions only;
- Lots with commercial land uses that permit residential, despite the City’s report also stating that “it is important that all commercial lands within the City maintain a commercial function”, which even if residential uses are allowed, any requirement to maintain and/or replace commercial floor space may hinder the feasibility of new residential development;
- Inclusion of ‘reserve lands’ that are expected to accommodate urban uses, but have servicing or access constraints, or “where additional land use planning is required to determine appropriate land uses”;

- Inclusion of lots with frontage on an arterial or collector road, which may run counter to the City’s stated objective to intensify other significant corridors in the City – it is unclear whether these units would overlap with the 3,318 units of intensification potential along the identified Intensification Corridors. We would seek information from the City to confirm whether these units of intensification potential are double counted;
- A secondary consideration, based on the lots identified through above listed criteria (among others), was whether the identified sites had a residential building constructed since 2015 – with those recently seeing construction not considered as an opportunity for residential intensification. However, the City’s GMS states that “sites on which a residential building was constructed between 2005 and 2014 remained as an opportunity for residential intensification” although at a lower priority level than less recently developed sites. At a minimum, the City should discount the potential for redevelopment on lots with residential units constructed since 2005 (and likely significantly further back than that) in estimating intensification potential within the City’s built-up area.

The list of criteria and details regarding the evaluation framework do not appear to have considered the ‘net’ amount of dwelling units on potential intensification sites, if a new intensification development project would require existing dwelling units to be demolished.

### Pace of Apartment Growth Needs to Continue Recent Historic Highs for Next 30 Years

The City’s growth scenarios include apartment forecasts ranging from 18,375 units to 20,925 units over the 2016-2051 period, requiring an annual pace of 525 to 598 units per year.

The pace of growth in apartments in recent years in the City has been 512 units per year, meaning that even at the low-end of the forecasted range of annual apartment units, the City would need to replicate the trends seen in the past five years for every year to 2051.

Rather than comparing future growth to the City’s recent increased apartment development activity, when the future apartment unit forecasts are compared to longer stretches of historic apartment development, the pace of growth assumed for the City appears less and less likely to continue for the entire 30-year period going forward, as in many cases the amount of apartment development required over the next 30 years would need to double or triple the longer-term trends in apartment construction in the City.

Figure 14

	Pace of Annual Apartment Growth by Scenario Compared to Historic Rates		
	Growth Scenario 1	Growth Scenario 2	Growth Scenario 3
Compared to Past Five Years ( <b>512 units/yr</b> )	+2%	+9%	+17%
Compared to Past 10 Years ( <b>395 units/yr</b> )	+33%	+41%	+51%

Compared to Past 15 Years <b>(308 units/yr)</b>	+70%	+80%	+94%
Compared to Past 20 Years <b>(254 units/yr)</b>	+106%	+119%	+135%
Compared to Past 25 Years <b>(217 units/yr)</b>	+142%	+157%	+176%
Compared to Past 30 Years <b>(203 units/yr)</b>	+159%	+175%	+195%

## COMMENTS RE: LAND NEEDS METHODOLOGY

### Land Needs Analysis Does Not Compare Demand by Unit Type with Supply by Unit Type

The City's GMS, when estimating land needs, takes the amount of population to be accommodated in the DGA, adds the community land jobs, and divides the total number of persons and jobs to be accommodated by the assumed DGA density to estimate the number of hectares needed. This estimated land need is compared with the number of hectares of designated greenfield area to assess whether there is sufficient available land in the DGA.

However, the LNAM requires that the City assess whether the housing supply by unit type is sufficient or not to accommodate housing demand by unit type. When the housing forecasts are compared to housing supply by unit type, there is a deficiency of housing of all types within the City's housing supply.

**Figure 15 Comparison of Housing Forecasts in City of Guelph GMS, with Housing Supply by Unit Type**

	Low - Density	Medium-Density	High-Density	Accessory Apts	Total
<b>Scenario 1</b>					
			<i>Units</i>		
Housing Forecast	3,270	7,000	17,570	3,355	31,195
Total Supply	1,581	4,348	8,796	n.a.	14,725
Surplus / (Shortage)	(1,689)	(2,652)	(8,774)		(13,115)
<b>Scenario 2</b>					
Housing Forecast	3,475	8,240	16,125	3,355	31,195
Total Supply	1,581	4,348	8,796	n.a.	14,725
Surplus / (Shortage)	(1,894)	(3,892)	(7,329)		(13,115)
<b>Scenario 3</b>					
Housing Forecast	4,420	8,400	15,020	3,355	31,195
Total Supply	1,581	4,348	8,796	n.a.	14,725
Surplus / (Shortage)	(2,839)	(4,052)	(6,224)		(13,115)

Source: City of Guelph, Growth Scenario Planning - Shaping Guelph, Growth Management Strategy, (March 2021), City of Guelph Growth Management and Affordable Housing Monitoring Report 2020 (April 9, 2021)

### Potential Need for Deductions to Existing DGA Land Area

Policy 2.2.7.3 of the Growth Plan states that the minimum density target will be measured over the entire DGA, but with some exclusions (as listed below). It is unclear whether the 975 hectares of existing DGA land area include any of the following required exclusions:

- Natural heritage features and areas;
- Natural heritage systems and floodplains;
- Electricity transmission lines & associated rights-of-way;
- Energy transmission pipelines & associated rights-of-way;
- Freeways;
- Railways;
- Employment Areas; and
- Cemeteries.

We would request that the City make a full and complete inventory of existing housing developments in the development pipeline, as well as mapping of designated greenfield lands with gross and net land areas identified.

### Growth Plan Requires Minimum Intensification and Density Targets be Used in the MCR and Land Needs Assessment

Policy 2.2.8.2 of the Growth Plan states that:

*2. A settlement area boundary expansion may only occur through a municipal comprehensive review where it is demonstrated that:*

*a) based on the **minimum intensification and density targets** in this Plan and a **land needs assessment** undertaken in accordance with policy 2.2.1.5, sufficient opportunities to accommodate forecasted growth to the horizon of this Plan are not available through intensification and in the designated greenfield area. ...*

According to policy 2.2.7.2 of the Growth Plan, the minimum density target applicable to the DGA of the City of Guelph is 50 residents and jobs per hectare. This minimum density is what should be used to establish whether there are needs for additional land in the settlement area. The City uses the minimum intensification target of 50%, but is not using the minimum DGA density target in the land needs calculations.

Policy 2.2.1.5 of the Growth Plan states that:

*5. The Minister will establish a methodology for assessing land needs to implement this Plan, including relevant assumptions and other direction as required. This methodology will be used by upper- and single-tier municipalities to assess the quantity of land required to accommodate forecasted growth to the horizon of this Plan*

The Guelph GMS uses DGA densities of 64 and 66 persons & jobs per hectare to estimate whether additional DGA land is required. However, if the Growth Plan policy was met requiring that minimum density targets were used in the assessment of land needs under the City's MCR, it is apparent that the City has a substantial shortage of DGA land. Using the approach to calculating DGA land needs in the City presented in the Shaping Guelph report with the minimum density of 50 persons and jobs per hectare instead of 66 persons and jobs per hectare, instead of a small surplus of land, the City has a 250-hectare shortage.

If the City were to complete their assessment using the minimum density targets as required by the Growth Plan, it is apparent that there is a need for additional urban land in the City to allow for the achievement of forecasted population growth to 2051.

Figure 16

**Calculated DGA Land Needs to 2051, City of Guelph GMS**

	Scenario 1 & 2 - Guelph GMS	Scenario 1 & 2 - at Minimum DGA Density, Growth Plan
<i>Persons</i>		
Population	52,520	52,520
Deduct - Pop'n in Accessory Apartments	660	660
Equals: Adjusted Population	51,860	51,860
<i>Jobs</i>		
Community Area Employment	9,390	9,390
<i>Persons &amp; Jobs</i>		
Total Population and Employment	61,250	61,250
<i>Persons &amp; Jobs per Hectare</i>		
Density (p&j per ha)	66	50
<i>Hectares</i>		
Required DGA Community Area	928	1,225
Existing DGA Community Area	975	975
Surplus / (Shortage)	47	(250)

Source: City of Guelph, Growth Scenario Planning - Shaping Guelph, Growth Management Strategy, (March 2021), Growth Plan for the Greater Golden Horseshoe

**Conclusions Regarding City of Guelph Land Needs Analysis**

In summary, there are numerous issues with the methodology, assumptions and inputs the City is relying upon in estimating the need for additional urban land in the City and its ability to accommodate the housing and population forecasts allocated to the City to the year 2051 in the Growth Plan for the Greater Golden Horseshoe:

- The City is not utilizing the minimum density targets for greenfield areas in estimating land needs, as directed by the Growth Plan, and is therefore understating the land needs to meet the projected demand for new housing in the City;
- Additional detail is required to understand what is included and excluded from the City's supply of existing designated greenfield area;

- The City's GMS does not assess the demand and supply of housing by dwelling unit, as required by the Growth Plan and the Land Needs Assessment Methodology, which will lead to a significant mismatch of housing demand with housing supply;
- The City appears to be over estimating the intensification potential in parts of the City outside of its key intensification areas. Assuming 100% build-out of all unit potential in the City's Downtown, its Community Mixed-Use Nodes and Intensification Corridors, the City is requiring roughly one-third of all intensification units to be in other parts of the City's existing communities, and the City needs to properly rationalize and understand the capacity for those areas to take on growth, and what the implications are for community infrastructure, transit accessibility, and other City-building objectives;
- A significant proportion of new housing projected to be built in the City to 2051 is in 'accessory apartments', which the City is basing future projections of on recent historic trends. Not only is the City's forecast share of accessory apartments (11%) roughly 5-7 times higher than the shares assumed by nearby municipalities of Halton Region and the City of Hamilton (1.4% to 2.5%), but the higher proportion used by the City has not been justified. The City's reliance on these accessory apartment units to meet forecasted housing demand ignores that a significant proportion of the demand for these units historically has come from students responding to no new on-campus housing being constructed at the University over the past 20 years, despite enrolment increasing by 92% over that same period;
- The reliance on accessory apartments to meet housing demand also ignores that a significant proportion of the residents of these units will be students who do not count towards the achievement of the City's population forecasts – rather, the demand for these units by out-of-town students, and other non-permanent residents should be added to the quantum of the City's overall housing demand;
- The City's housing forecasts rely heavily on apartment dwellings to meet demands for housing, however for many households and families, apartments will not meet their housing needs and are not and in many cases will not be a suitable substitute for ground-related housing. Further, the reliance on older households to move from their family homes to make room for younger families is not supported by data that shows an increasing propensity to 'age in place' rather than move to a collective dwelling for health or financial reasons.
- Further, the City's housing forecasts, as presented in the three growth scenarios the City's GMS studies, based on the City's assumptions of future household sizes by unit type, would each fall short of the population the City needs to plan to achieve. Beyond the mismatch of housing supply with housing demand by unit type, there is a shortfall of 250 to 1,750 units required in the City's housing forecast to achieve population growth to 2051.

Given all of the foregoing issues, it is likely that the City's estimate of land needs has been significantly understated, and the City's need for additional urban lands should be reassessed.

# Appendix B

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**MDS I**

**General information**

<b>Application date</b> Dec 20, 2022	<b>Municipal file number</b>	<b>Proposed application</b> New or expanding settlement area boundary
<b>Applicant contact information</b>	<b>Location of subject lands</b> County of Wellington Township of Guelph/Eramosa GUELPH Concession 2 DIVISION B , Lot 6 Roll number: 2311230600000111100	

**Calculations**

**Boundary**

<b>Farm contact information</b>	<b>Location of existing livestock facility or anaerobic digester</b> County of Wellington Township of Guelph/Eramosa GUELPH Concession 2 DIVISION B , Lot 6 Roll number: 2311230600000111100	<b>Total lot size</b> 132.55 ac
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**Livestock/manure summary**

Manure Form	Type of livestock/manure	Existing maximum number	Existing maximum number (NU)	Estimated livestock barn area
Solid	Chickens, Broiler breeder growers (males/females transferred out to layer barn)	1085	3.6 NU	1845 ft <sup>2</sup>

**Confirm Livestock/Manure Information (Boundary)**  
The livestock/manure information has not been confirmed with the property owner and/or farm operator.

**Setback summary**

Existing manure storage	V3. Solid, outside, no cover, >= 30% DM		
Design capacity	3.6 NU		
Potential design capacity	3.6 NU		
Factor A (odour potential)	0.7	Factor B (design capacity)	150
Factor D (manure type)	0.7	Factor E (encroaching land use)	2.2
Building base distance 'F' (A x B x D x E) (minimum distance from livestock barn)			162 m (531 ft)
Actual distance from livestock barn			NA
Storage base distance 'S' (minimum distance from manure storage)			162 m (531 ft)
Actual distance from manure storage			NA

**Preparer signoff & disclaimer**

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**Preparer contact information**

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**Signature of preparer**

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Gillian Smith

Date (mmm-dd-yyyy)

**Note to the user**

The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) has developed this software program for distribution and use with the Minimum Distance Separation (MDS) Formulae as a public service to assist farmers, consultants, and the general public. This version of the software distributed by OMAFRA will be considered to be the official version for purposes of calculating MDS. OMAFRA is not responsible for errors due to inaccurate or incorrect data or information; mistakes in calculation; errors arising out of modification of the software, or errors arising out of incorrect inputting of data. All data and calculations should be verified before acting on them.

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# Guelph: More Homes Faster

**\*\*Confidential\*\***

# Who Is Armel?



- Development business for over 65 years with projects in Guelph, Waterloo, Barrie and Toronto
- Armel is focused on complete communities often adjacent to transportation hubs
- West Guelph predominantly developed by Armel including the Mixed Use Community Node
- 1,800 units draft-plan approved in the South Barrie MTSA, with 400 built in 2021



# Bill 23 Objectives Confirmation



Construct 1.5 million new homes over the next 10 years



Reduce bureaucratic costs and delays in construction



Promote housing construction near transit and building more attainable homes



Assign Guelph a housing target of 18,000 units to be constructed by 2031

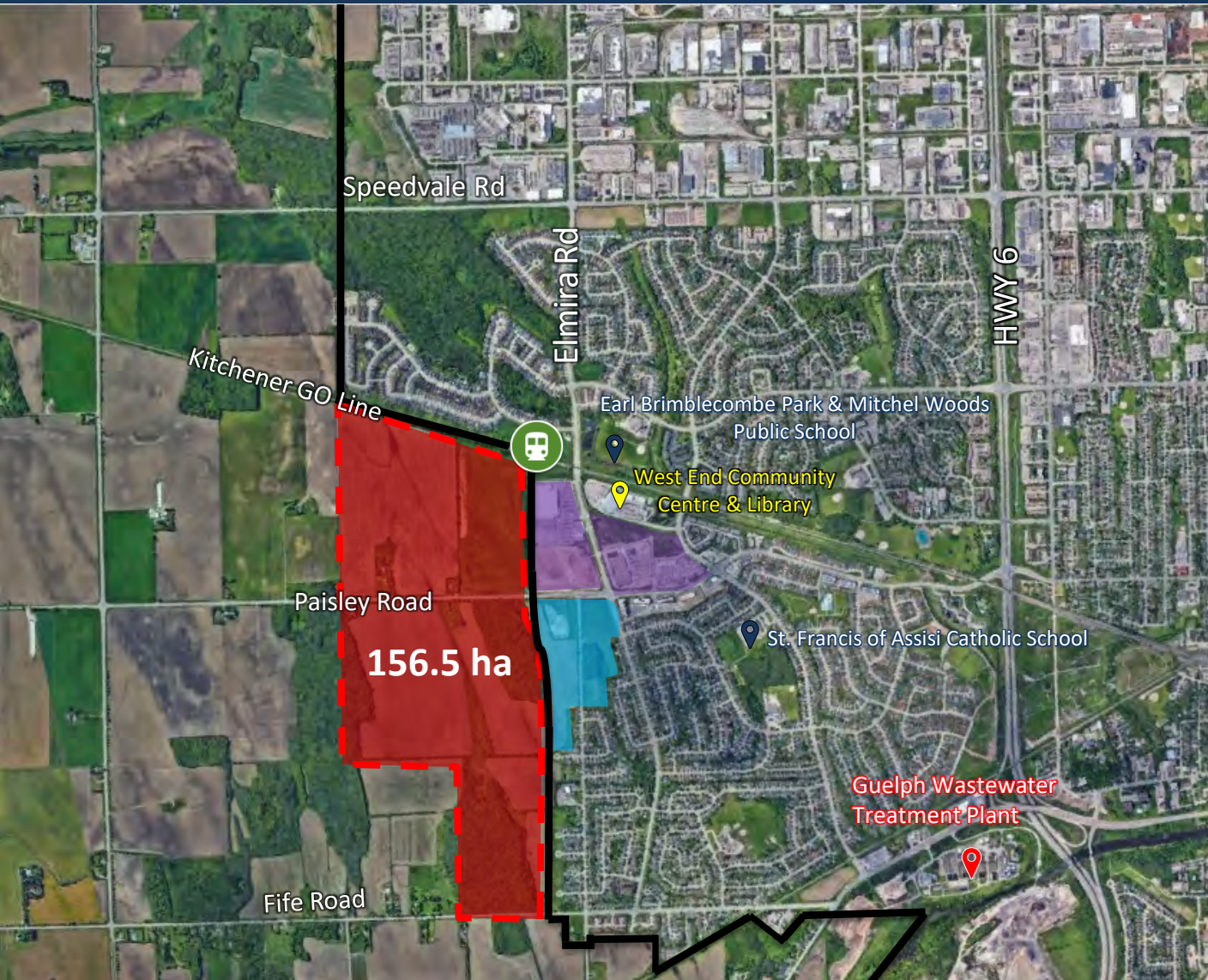
# Guelph Housing Shortfall

Altus' Peer Review Study concluded:

- **The City's Land Needs Assessment missed several fundamental elements of the Province's Land Needs Assessment Methodology resulting in a housing shortfall of 3,113 units, equating to a 189ha land deficiency, as identified by Altus**
- The current growth strategy for Guelph will not supply the ground-related housing required by the Province in Schedule 3 of the Growth Plan
- Shortcomings of Watson and Associates' Analysis:
  - Did not factor in post-secondary student demand for housing
  - Included ancillary (basement/backyard) units as ground related units according to Altus' research
- The current growth strategy would only yield 111 to 127 ground-related units per year



# West Guelph Context



**Armel Lands Outside the Boundary**  
■

**Guelph Urban Boundary** —

**Commercial Lands** ■

**Multi-Family Residential – Partially under construction** ■

**Potential Future GO Station** 🚆



# Potential MTSA/Armel Land

**Armel Residential Land Holdings**  


**Commercial Lands**  

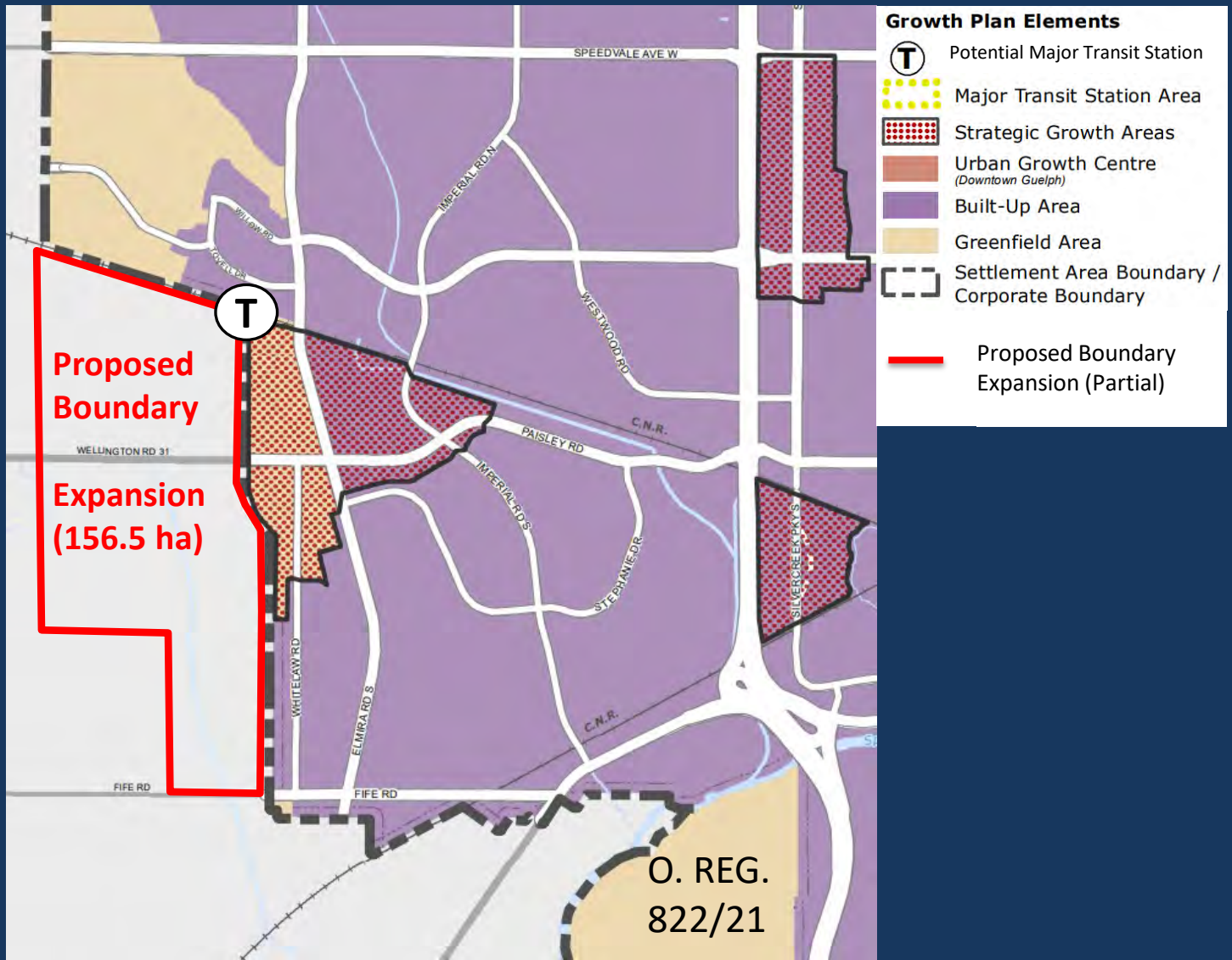

**Guelph Urban Boundary**  


**Residential Apartments – Under Construction**  


**Potential Future GO Station**  




# Proposed Modification to OPA 80 Schedule 1a



Source: July 2022 Council Adopted OPA 80 – Schedule 1a Urban Structure

# Key Takeaways

- Guelph's Growth Management Study and Land Needs Assessment was completed incorrectly and **results in a significant land deficit of 189ha (3,113 units) as identified by Altus**
- Armel lands (**156 ha**) are adjacent to the Built-up Area/Strategic Growth Area/Community Node, and have servicing capacity to cost-effectively deliver a projected 3,000+ units expeditiously
- The proposed boundary expansion can support a future potential GO Station to meet Bill 23 objectives



# Why Bring In Armel Lands?

- Could develop 156 Ha of serviceable land, enabling 3,000+ ground-related homes likely exceeding Guelph's minimum target of people/jobs per ha
- Armel lands closest in proximity to Guelph Wastewater Treatment Plant which has capacity in the system
- Lands are contiguous to existing built-up area and support the development of a complete community
- Lands are walkable to West End Community Centre and Library, local retail and other public facilities and services
- Lands are located on the Kitchener GO Line enabling a potential future GO Station
- The existing Strategic Growth Area/Community Node can become an MTSA
- Armel has a track record of expedient implementation





# Next Steps and Questions

## Thank-You!

**\*\*Confidential\*\***