

TO Guelph City Council

SERVICE AREA Planning & Building, Engineering and Environment
DATE January 30, 2012

SUBJECT **Envision Guelph: Official Plan Update Phase 3 Revised Draft Policies (OPA 48)**

REPORT NUMBER 12-11

SUMMARY

Purpose of Report:

To provide information related to Phase 3 of Envision Guelph – The Official Plan Update (OPA 48) and to release the Revised Draft Official Plan policies for public review.

Council Action:

To receive Report 12-11 in advance of the public consultation process related to Phase 3 of Envision Guelph.

RECOMMENDATION

“THAT report 12-11 dated January 30, 2012 from Planning & Building, Engineering and Environment regarding Envision Guelph: Official Plan Update Phase 3 Revised Draft Policies be received.”

BACKGROUND

Envision Guelph, the five year update to the Official Plan, has been undertaken in three phases. The first phase consisted of OPA 39 which established a growth management framework for the City in conformity with the Provincial Growth Plan for the Greater Golden Horseshoe. OPA 39 was adopted by City Council on June 10, 2009 and was approved by the Ministry of Municipal Affairs and Housing on November 20, 2009. One modification was made by the Ontario Municipal Board on March 17, 2010 as an administrative change. OPA 39 is in full force and effect.

In the spring of 2010, staff released a draft of the balance of the Official Plan update to the public for review and comment. In May 2010, Council directed staff to proceed with the Natural Heritage System components of the Draft Official Plan amendment. Council further directed that the remainder of the Draft Official Plan Amendment be deferred to provide more time for the public to review and provide comments. Therefore, a second phase of the Official Plan update (OPA 42) which consisted of the Natural Heritage System components was adopted by Council in

July 2010 and approved by the Ministry of Municipal Affairs and Housing in February 2011. OPA 42 is currently under appeal to the Ontario Municipal Board.

Phase 3 consists of the balance of the Official Plan update and when taken together with OPA 39 and OPA 42 will constitute a complete updated Official Plan for the City.

Consistent with the City's overall growth management framework established through OPA 39, the Official Plan Update takes a more directive approach to shaping the type, form and location of future growth in Guelph than the current Official Plan. The proposed Plan directs a significant amount of growth to the urban growth centre (Downtown), identified intensification corridors and mixed-use nodes as established by OPA 39. These areas can be well-served by transit and are designed to evolve into more pedestrian-oriented places. This Plan, as a result of directing growth to specific areas, identifies those areas of the City that will experience less intensification and change. This is not to mean that these areas will not evolve over the horizon of this Plan; it is meant to indicate that change will be modest in nature and must be compatible with its immediate surrounding area. Policies in the draft Official Plan are generally more restrictive than the existing OP for these areas while still enabling the City to meet its intensification and density targets. This Plan also anticipates continued development in the Greenfield Areas, although in a denser and more mixed-use form in order to support the achievement of the City's density targets, local growth management strategy and urban design directions.

Further background information is contained within Community Design and Development Services Report 10-59 "Envision Guelph - Official Plan Update (Proposed Official Plan Amendment 42 to Address the Natural Heritage System and Comprehensive Update to the Official Plan)". This report is Attachment 1.

REPORT

PURPOSE OF THIS REPORT

This report provides a summary of the comments received since the release of the Draft Official Plan in April 2010, provides staff response to the comments and provides a summary of the proposed revisions to the policies and schedules of the draft Official Plan. Attachment 2 provides a summary of the revisions to the draft Official Plan.

PURPOSE OF REVISED DRAFT OF THE OFFICIAL PLAN UPDATE

Phase 3 finalizes the Five Year Review of the Official Plan and ensures that the Plan is in conformity with provincial legislation and plans and is consistent with the 2005 Provincial Policy Statement (PPS).

Phase 3 of the Official Plan Review:

- modifies the structure of the Official Plan;
- incorporates recommendations from City plans and studies;
- completes the municipal comprehensive review of employment lands (see Attachment 3 for details);

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- enhances Urban Design policies to ensure high quality urban design consistent with the directions approved in the City's Urban Design Action Plan;
 - establishes a policy direction for energy conservation, alternative and renewable energy systems, climate change and mitigation and sustainable design supportive of the City's Community Energy Plan;
 - introduces an affordable housing target and associated implementation measures;
 - provides greater certainty for infill and intensification within the Built-up Area of the City;
 - establishes detailed policies for achieving the City's growth management framework established by OPA 39 including directing new growth at transit supportive densities within the Downtown, along Intensification Corridors and Mixed-use Nodes as conceptually identified in Official Plan Amendment 39;
 - updates transportation policies to provide a greater focus on transit, walking, cycling and transportation demand management measures while continuing to ensure that the City is served by an efficient road network; and
 - includes policies to enable the City to use planning tools associated with height and density bonusing, the regulation of exterior building design through site plan control and the introduction of a development permit system.

Since the fall of 2010, staff have completed an internal review of the 2010 draft, reviewed comments submitted by the public and stakeholders, met with stakeholders and property owners, conducted additional research and prepared the second draft of the proposed policies. The review included ensuring consistency with provincial legislation, policy and plans and consistency with the City's strategic directions. Discussions with stakeholders and property owners have generally been productive and the revised draft contains proposed revisions that respond to comments and concerns while continuing to be consistent with provincial requirements and City objectives. In some instances, staff have proposed to revert back to policies contained within the current Official Plan. Staff determined that the policies remain relevant, are supportive of City approved plans and studies and are consistent with provincial policy and legislation and should therefore be carried forward in the updated OP. In some cases, staff determined that the proposed direction would either create undue hardship to property owners (e.g., removal of land use designations or requirements for secondary plans prior to development) or there was insufficient background study conducted to support the proposed direction at this time.

The revised Phase 3 policies are included as Attachment 4 which, in order to provide the necessary context for the proposed policies, is presented in the form of a working consolidation of the entire OP Update including Phase 1 policies (OPA 39 - Growth Plan conformity), Phase 2 policies (OPA 42 - Natural Heritage System) and existing Official Plan policies that are proposed to be carried forward. The draft indicates which policies are carried forward from the current Official Plan (identified by comment boxes) and indicates which policies are not part of Phase 3 of the Official Plan but are included for context. The policies that are not part of Phase 3 are those OPAs that have previously been adopted by Council such as OPA 39 and OPA 42.

OVERVIEW OF KEY ISSUES AND STAFF RESPONSES

Following the release of the April 2010 draft of the Official Plan, approximately 40 comments were received related to the sections of the Official Plan that are being addressed in Phase 3. Staff met with stakeholders to obtain a better understanding of the issues and attempt to resolve issues through revisions to policies where appropriate.

A more detailed summary of the comments with a brief staff response is included in Attachment 5. Attachment 6 contains the comment letters.

The following general themes were identified in the review of the comments:

- Affordable Housing Target
- Urban Design Policies
- Prohibition of Drive-Throughs
- Community Mixed-use Area Policies

Other Issues:

- Religious establishments – Council resolution to provide a definition of small scale religious establishments within the upcoming Official Plan
- Lack of service stations in new development areas especially the south end
- High volume water users

Affordable Housing

Comment Summary: Generally, the comments related to the affordable housing strategies dealt with concerns about the proposed target and the implementation measures. The Guelph Wellington Development Association (GWDA) and the Guelph and District Homebuilders Association submitted comments on the proposed affordable housing policies. Both organizations have expressed that the proposed targets are inappropriate and that the existing housing stock should be included in the calculation of the target. The GWDA further stated that applying a Holding Zone on lands to require affordable housing would result in lands being sterilized from development and would result in housing becoming more expensive and unattainable while the affordable housing blocks remain vacant. Both organizations stressed that incentives are needed to support the construction of affordable housing.

Staff Response: The PPS requires municipalities to establish and implement minimum targets for the provision of housing which is affordable to low and moderate income households. In 2009, staff prepared an Affordable Housing Discussion Paper which outlined the method used to establish the target for Guelph. The approach uses the average price of resale homes as the benchmark for determining affordability and set the target at 36% of which 6% was for social housing and 30% was for new housing to be provided at a price 10% below the average resale price.

The approach focuses on new housing as the supply for affordable housing because the City does not have influence or control over the existing housing stock either rental or owned and cannot control the resale market. The approach of focusing on the new housing market maintains consistency with the policy in the current Official Plan that requires affordable housing to be provided in new subdivision

developments at a minimum of 25% of the units and is consistent with the practice and policies of other municipalities.

Staff have revised the affordable housing target to address only affordable ownership and affordable rental housing. The target has been revised to a total of 30% with 27% being affordable ownership housing and 3% being affordable rental housing. The target for the provision of social housing has been removed because this form of housing is not provided by the City and the City does not control nor cannot direct the amount of social housing provided in any given year. The reference to a target for accessory apartments has been revised to be clear that the City encourages the creation of accessory apartments at a rate of 90 per year but does not require this as part of the affordable housing target.

The policies in the 2010 draft of the OP proposed holding lands out of development through the use of a Holding Zone as part of a development application until they were developed for affordable housing. This policy was premised on an approach that was considered as part of proposed Bill 198 which sought to amend the Planning Act to introduce inclusionary zoning. Inclusionary zoning could regulate the required percentage of affordable housing units in all new housing developments in a municipality. Bill 198 was referred to a standing committee of parliament in 2009 and as of yet has not been passed. In response to the concerns raised by the GWDA and Homebuilders and based on staff's review of the issue, the proposed policies that would place holding zones on property or in any way hold lands out of development unless developed for affordable housing have been removed from the draft Official Plan. Instead, the revised policies indicate that detailed implementation strategies will be reviewed and developed through the preparation of a Housing Strategy and other appropriate mechanisms.

Urban Design

Comment Summary: Many of the concerns about the urban design policies related to site and building design for commercial properties and a concern that the policies are too prescriptive. Specifically, concern was expressed about policies that:

- seek to avoid blank facades;
- require enhanced building designs rather than basic corporate/franchise design;
- promote pedestrian oriented streetscapes;
- provide direction for the placement of buildings such as large buildings, multi-storey buildings and mixed-use buildings;
- seek to establish main street type development; and
- direct where parking should be located.

Other urban design comments related to residential developments included concerns about policies that:

- avoid reverse lotting on arterial and collector roads;
- discourage entrance features such as ornamental walls and signs for new subdivisions; and
- limit the width of garage doors for houses.

Staff Response: The City's urban design vision for future development was derived from the Urban Design Action Plan which was adopted by Council on May 4, 2009. The proposed policies contained within the April 2010 OP Update are intended to implement the policy direction and principles set out in the Urban Design Action Plan. Many of the policies are more detailed than those contained within the existing Official Plan. This was done intentionally to provide clarity to the preferred form of development in the City.

Staff have made minor changes to policies to improve readability, clarify intent and provide examples where appropriate. Some of the language used in the policies has been revised to provide positive direction related to the City's desired site or building design. The urban design policies are intended to guide development in a manner that reflects and supports the City's vision. The policies have been revised to provide flexibility where possible and to allow for dialogue between staff and development proponents on opportunities for enhancing urban design. The City will provide additional clarity to the City's vision and the proposed policies through the preparation of urban design concept plans for key locations such as nodes and corridors. These concept plans will provide specific examples of development scenarios that satisfy the design and land use policies in an integrated manner.

Drive-Throughs as a prohibited use

Comment Summary: Generally, the comments were opposed to the proposed prohibition of drive-throughs. The 2010 draft OP specifically prohibits drive-throughs in all land use designations other than Service Commercial. The respondents stated that policies to prohibit drive-through facilities in areas that would otherwise permit service retail commercial uses, large format retail uses, plazas and supermarkets is not a common or appropriate form of regulation applied to drive through facilities in Ontario. One respondent, Victor Labreche of Labreche Patterson and Associates Inc, provided extensive background information related to Ontario Municipal Board decisions on the subject.

One common concern was that the Official Plan is not the appropriate way to regulate drive-throughs and that the zoning by-law and urban design guidelines would be an acceptable approach.

Staff Response: City staff have met with Victor Labreche and members of the Ontario Restaurant Hotel and Motel Association (ORHMA) and reviewed the materials provided by them relating to drive-throughs. Language has been removed from the Official Plan that specifically prohibits drive-throughs as a use. Rather, policies in the Urban Design section of the Official Plan are proposed to provide direction as to design and site matters for drive-throughs to ensure compatibility with adjacent land uses and consistency with other relevant policies and objectives. A review of drive-throughs and associated regulations could be conducted as background to the Comprehensive Zoning By-law Review with the intent to regulate drive-throughs and where they may be permitted through the Zoning By-law while still including direction in the OP for their location and siting. This would allow careful consideration of the issue and allow Council, the public and stakeholders input into the process and any proposed regulations.

Community Mixed-use Centre Policies

Comment Summary: Concern with Community Mixed-use Centre policies related to:

- residential unit targets;
- requirement for a secondary plan;
- minimum building height;
- minimum total floor space index; and
- underground or structured parking.

The main concerns with the proposed policies for the Community Mixed-use Centres (CMUC) dealt with residential targets and the requirement for secondary plans. Respondents felt that the residential targets would be difficult to achieve since the majority of lands within the CMUC have development approvals already and that lands surrounding the CMUC are already designated for medium and high density housing. The addition of a residential target would take the focus away from the commercial function of the designation. The concern about secondary plans related to the need for the plan considering that many of the nodes already have development approvals and would unnecessarily delay development.

The comments also include a suggestion that there should be wording to provide for flexibility or recognition that Community Mixed-use policies will be implemented and transitioned over the long term.

Staff Response: Staff met with owners of properties designated Community Mixed-use Centre to review their concerns. As a result, staff propose a number of changes to the CMUC policies. First, the residential targets have been removed. These targets were added with the intent to encourage residential buildings in the CMUCs. However, there was no corresponding support in the policy to maintain the commercial function of the Centres. Upon review, staff determined that strict adherence to the residential targets is not needed to achieve population projections and are not needed to achieve the intensification target. Staff are supportive of the CMUC's transitioning over the long term to support a full range of uses however, at this time the support is provided through encouraging and allowing residential uses rather than requiring them. Staff have revised policies in Chapter 3 of the Plan for Community Mixed-use Nodes to make it clear that residential development is required within the overall Node as identified on Schedule 1 of the draft Official Plan, which includes the CMUC, and that concept plans for future development within the area are required to demonstrate how the uses would be integrated and would support the urban design policies of the Plan.

Second, the policy related to secondary plans for CMUCs has been deleted and replaced by a new policy that requires urban design concept plans for the Community Mixed-use Node. This achieves the same objective but allows for the planning work to be led by staff or a development proponent. This direction is more responsive to the short term planning needs for these areas while providing guidance to their long term evolution. Further, the proposed policies provide direction as to what the concept plan should include.

In terms of the concerns with the two storey minimum building height, staff have proposed revisions to the policy to state that the minimum height would be required for buildings fronting on or adjacent to arterials, collectors or identified main streets. This change maintains the City's design vision for these commercial sites while recognizing that large format retail uses are also directed to this designation.

Policies related to floor space index, both minimum and maximum, have been deleted from the Plan. Staff are of the opinion that it is premature to establish minimum and maximum floor space indexes for these sites without having conducted detailed design work for the sites. Staff now propose that where a concept plan is required and through a development application, regulations for floor space index would be addressed. This may result in these regulations being applied in the implementing zoning by-law.

The policies related to the preference for underground or structured parking are maintained in the Official Plan. These policies support the reduction of surface parking and encourage developers to consider alternatives such as underground or structured parking.

OTHER ISSUES

Council and staff have identified some issues that were to be considered through this draft of the OP Update. These include concerns about the definition of "small-scale" as it applies to religious establishments, concerns raised about the lack of service stations in the south end of the City and concerns about potential new industrial developments that have high volumes of water use and wastewater discharge.

Religious Establishments

As part of a Council decision in June 2010 related to a zoning by-law amendment application for a religious establishment, Council directed staff to provide a definition of small scale religious establishments through the Official Plan update. Staff have reviewed the matter and propose that the approach used in the current Official Plan be carried forward into the draft Official Plan. The policies for non-residential uses in residential areas would continue to refer to small-scale institutional uses without a specific definition of size. The current and draft Official Plan both contain criteria for determining if a location is appropriate for a non-residential use. These criteria are designed to ensure that inappropriate uses are not being located within residential areas. The Zoning By-law is the appropriate place for regulating specific uses, their size and site characteristics. A review of regulations for religious establishments could be conducted as part of a future Zoning By-law Update.

Religious establishments are community facilities that contribute to the creation of a complete community and add to the diversity of our neighbourhoods. These uses should continue to be permitted in areas in proximity to residents provided that they are of an appropriate scale to ensure compatibility and they are located in areas that are easily accessible by various modes of transportation.

Service Stations

The April 2010 draft of the Official Plan update restricted the location of service stations by prohibiting them as a use in many of the commercial and mixed-use designations of the Plan. Staff review concluded that this would result in areas of the City being underserved or not serviced at all by this type of use. Staff understand that the concern about service stations is related to urban design considerations and to community energy policies related to the reduction of greenhouse gas emissions. In terms of urban design, there are specific policies related to service stations proposed in the Plan that deal with these issues and the Zoning By-law can provide further support through enhanced regulations related to site design. In terms of community energy policies, the prohibition of this type of use in areas of the City would require residents to drive longer distances to obtain the service thus negating the intended energy policy benefit. A general shift in transportation modes from automobile use to other modes is better pursued through various strategies related to encouraging and supporting those alternative modes. Making it less convenient to service vehicles is not seen as an effective strategy in this regard.

Prohibitions on service stations as a permitted use in the commercial and mixed-use designations have been removed from the Official Plan. Additionally, urban design policies have been added and refined to provide direction to zoning by-law regulations and site plan review. In recognition of the preferred policy and design direction for Community Mixed-use Centres, service stations are proposed to only be permitted as an accessory use.

High Volume Water Users

The revised draft of the Official Plan proposes to add policies to discourage non-residential development that requires high volumes of water use and/or wastewater discharge from locating within the City. This policy is being introduced to provide a greater degree of protection to the City's finite water supply and to address limits on the assimilative capacity of the Speed River.

The primary constraint to long term development in the City is the assimilative capacity of the Speed River. As such, this policy is proposed to address the allocation of wastewater treatment capacity in a manner that supports reasonable growth and provides protection to our limited water resources. The City is committed to ensuring that future development is environmentally, fiscally and socially sustainable. This approach is supported by the direction from the Provincial Growth Plan that requires municipalities to ensure that there is "sustainable water and wastewater services available to support future growth".

OVERVIEW OF REVISIONS TO THE DRAFT OFFICIAL PLAN SINCE MAY 2010

Staff have conducted an extensive review of the draft Official Plan that was released in 2010. Staff have considered all comments received along with Council directions on issues and made revisions as appropriate. Staff have also incorporated recommendations for revisions from the Ministry of Municipal Affairs and Housing and from the Grand River Conservation Authority. The Plan has also been edited for grammar, structure, flow, format and consistency. As a result,

some chapters have had major revisions whereas others have been modified slightly. Details about the revisions are contained in Attachment 2.

CONSULTATION AND NEXT STEPS

The consultation process for this phase of the Official Plan update will include a statutory open house, two public open houses and a statutory public meeting of Council. Notice of the statutory open house and public open houses will be provided in the Guelph Tribune. The open houses will be held in the month of February and the public meeting of Council is planned for March 2012. The public are asked to submit written comments on this draft of the Official Plan update on or before March 9, 2012 for consideration in a final draft that is to be presented for adoption by Council this spring.

The open houses will allow the public the opportunity to learn more about the proposed policies, review display boards and speak with staff about the Official Plan. The statutory public meeting provides a formal opportunity for the public to address Council with their comments on the draft Official Plan. Following the public meeting, staff will review any comments and prepare a final draft of the Official Plan for adoption by Council.

January 2012: Revised Draft Official Plan Phase 3 released for public review
February 2012: Statutory Open House and Informal Open Houses
March 2012: Statutory Public Meeting
May 2012: Council meeting re: decision on adoption of Official Plan Update

CORPORATE STRATEGIC PLAN

Goal 1: An attractive, well functioning and sustainable city
Goal 2: A healthy and safe community where life can be lived to the fullest
Goal 3: A diverse and prosperous local economy
Goal 4: A vibrant and valued arts, culture and heritage identity
Goal 5: A community-focused, responsive and accountable government
Goal 6: A leader in conservation and resource protection/enhancement

FINANCIAL IMPLICATIONS

There is sufficient funding in the Official Plan Update budget to complete Phase 3 including additional public open houses, the preparation of materials for consultation and reproduction of the Plan.

DEPARTMENTAL CONSULTATION

Planning & Building, Engineering and Environment (Engineering)
Planning & Building, Engineering and Environment (Building)
Planning & Building, Engineering and Environment (Water Services)
Planning & Building, Engineering and Environment (Wastewater Services)
Community and Social Services (Arts, Culture and Entertainment)
Operations and Transit (Park Maintenance and Development)

COMMUNICATIONS

Since the draft OP Update was released in April 2010, the City has met with stakeholders and individuals who have submitted comments to further clarify their concerns.

The next steps of the process include opportunities for the public to review the document with staff at public open houses, and provides the opportunity for the public to make formal presentations to Council through the statutory public meeting. Written comments are invited and encouraged.

Notice of upcoming open houses and the public meeting will be provided in the Guelph Tribune and directly mailed to anyone who requests or has previously requested notification.

ATTACHMENTS

The attachments are available on the City's website at guelph.ca/opupdate. Click on the link for the January 30, 2012 OP Update Report (with attachments).

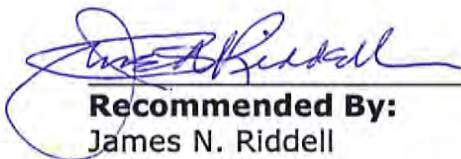
- Attachment 1: Report 10-59 "Envision Guelph - Official Plan Update (Proposed Official Plan Amendment 42 to Address the Natural Heritage System and Comprehensive Update to the Official Plan)"
- Attachment 2: Summary of Draft Official Plan Changes since April 2010
- Attachment 3: Municipal Comprehensive Review of Employment Lands
- Attachment 4: Working Consolidation of Envision Guelph: Official Plan Update including the Revised Draft Phase 3 Policies
- Attachment 5: Policy Specific and Property Specific Comments and Staff Response Summary
- Attachment 6: Comment Letters received since April 2010

Prepared By:

Melissa Aldunate
Senior Policy Planner
519.822.1260 ext. 2099
melissa.aldunate@guelph.ca

Reviewed By:

Todd Salter
Manager of Policy Planning and Urban Design
519.822.1260 ext. 2395
todd.salter@guelph.ca



Recommended By:

James N. Riddell
General Manager
Planning & Building Services
519.837.5616 ext. 2361
jim.riddell@guelph.ca



Recommended By:

Janet L. Laird, Ph. D.
Executive Director
Planning & Building, Engineering and
Environment
519.822.1260 ext. 2237
janet.laird@guelph.ca