



DEVELOPMENT SERVICES

Staff Report

REPORT NO: DS 2022-001

TO: Council

SUBMITTED BY: Harold O'Krafka, MCIP RPP
Director of Development Services

PREPARED BY: Harold O'Krafka, MCIP RPP
Director of Development Services

REVIEWED BY: Sharon Chambers, CAO

DATE: January 4, 2022

SUBJECT: Request for Municipal Support
Proposed Minister's Zoning Order (MZO)
Cachet Developments (NH) INC. /
Cachet Developments (NH WEST) INC.
1265 and 1299 Waterloo Street

RECOMMENDATION:

THAT Report DS 2022-001 be received for information;

THAT Council, if deemed required, set a date of January 10, 2021 for an education session with the Township Solicitor respecting Minister's Zoning Order's (MZO); and,

THAT Council set a date of January 17, 2021 for consideration of the MZO request in Open Session of Council.

SUMMARY:

Cachet Developments (NH) INC. and Cachet Developments (NH WEST) INC. have requested that the Township of Wilmot Council issue a resolution of support for their proposed Minister's Zoning Order. The order would impose zoning on their lands to facilitate the future development of those lands by means of a plan of subdivision in accordance with the minimum requirements of the Minister's Zoning Order. The request is included as Attachment 1 and the proposed zoning order is included as Attachment 2.

The proposed zoning order proposes a mixed-use development with a minimum density of 65 persons and jobs per hectare. It includes a minimum of 1200 residential units, commercial space, employment space, park space, trails and active transportation corridors, a community Agri-Hub and a site for a transit hub which would be implemented through a future draft plan of subdivision.

The Residential units would comprise of a minimum of 150 senior's apartments of which a minimum of 15 units would be affordable ($\leq 80\%$ of average market rent), 200 rental apartments of which a minimum of 50 units would be affordable ($\leq 80\%$ of average market rent), 150 condominium apartments, and 350 condominium units in mixed use buildings with a minimum of 50% of the ground floor space dedicated to commercial space. The remaining residential units would be a minimum of 250 street fronting townhomes and 50 rear lane townhomes together with a minimum of 100 single family dwellings.

BACKGROUND:

Cachet Developments (NH) INC. and Cachet Developments (NH WEST) INC. have requested that the Township of Wilmot Council issue a resolution of support for their proposed Minister's Zoning Order. The order would impose zoning on their lands to facilitate the future development of those lands by means of a plan of subdivision in accordance with the requirements of the Minister's Zoning Order.

In support of their request they have submitted a draft Minister's Zoning Order (MZO) and a number of technical reports and memo's addressing matters that would be typically addressed in a traditional zoning application. The formal request and supporting documentation are included in this report as Attachments 1-6.

A Minister's Zoning Order (MZO) can be issued by the Minister of Municipal Affairs and Housing (MMAH) under the powers of Section 47 of the Planning Act to exercise any of the powers granted to Councils by Sections 34 (zoning), 38 (interim control), or 39 (temporary use) without the requirement to carry out public consultation. An MZO is not subject to appeal to the Ontario Land Tribunal.

MMAH describes the MZO as a critical tool that can be used to support and expedite the delivery of government priorities, including transit-oriented communities, affordable housing, long-term care homes and strategic economic recovery projects by removing potential barriers and delays.

MZO's have drawn significant attention in recent years due to the significantly increased volume being issued. MZO's are often cast in a negative light as they are not required to follow the traditional planning processes, do not require public consultation and are not subject to appeal to the Ontario Land Tribunal. While not technically required, recently the Minister of Municipal Affairs and Housing has sought/required an indication of support or opposition from local Council's prior to making a decision on requests.

The intent of this report therefore is to provide Council with a general analysis of the MZO proposal to determine if it aligns with the long range community planning in Wilmot Township.

It is acknowledged that the timing for consideration of an MZO proposal over the holiday season is not ideal. Therefore, staff is recommending that Council receive the information at the January 4th Special Meeting and hear presentations from the Developer and members of the public before making a decision on whether or not to provide a resolution of support. Council may also choose to schedule a training session with the Township's solicitor regarding the MZO process.

REPORT:

The proposed MZO would impose zoning on lands owned by Cachet Developments (NH) INC and Cachet Developments (NH West) INC.

The lands are identified by their former municipal addresses, but technically front Nafziger Road due to the previous conveyance of trail lands to the Township of Wilmot.



The lands are located inside the Countryside Line as a result of the Rationalization of Settlement Boundaries and the Countryside Line exercise that the Township undertook between 2017 and 2019 to implement Regional Official Plan policies.

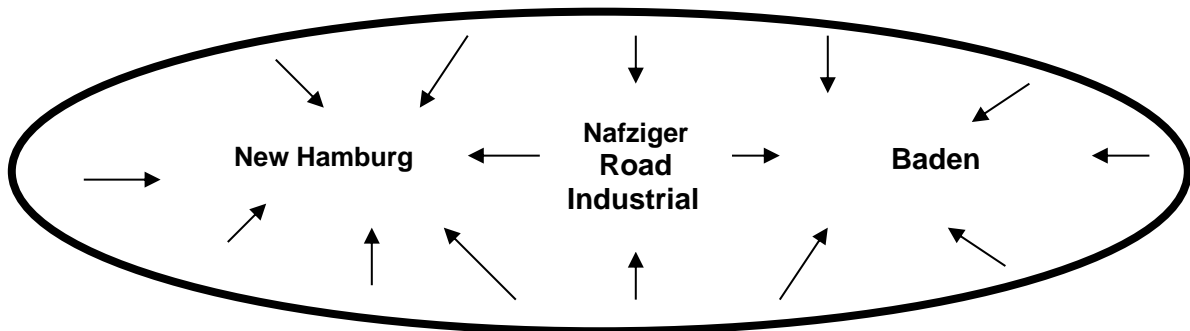
Those policies were included in the Regional Official Plan to allow the Township to implement its Concentrated Model of Growth which was first discussed in the early 2000's as part of the Regional Growth Management Strategy (RGMS) and the preparation of the 2003 Township Official Plan. The plan envisioned that, over time, residential growth would be directed to the corridor between Baden and New Hamburg north of the railway and south of Snyder's Road / Waterloo Street at higher densities to minimize the long term use of agricultural lands and to maximize the value of existing infrastructure assets.

As such, the long term plan to concentrate future growth in the New Hamburg / Baden corridor has been subject to public scrutiny at several intervals over the last 20 years in an open and transparent process.

An excerpt from Report PB 2003-07,

The Wilmot Concentrated Growth Model

Concentrated growth on full services in and between Baden and New Hamburg to concentrate growth with minimal infrastructure requirements and maximum use of existing infrastructure as opposed to widespread growth throughout the Township on private services.



The Township has made significant efforts over the last 20 years to establish this corridor as an intensification zone, notwithstanding its technical status as a greenfield growth area.

A significant community investment has been made in locating the Wilmot Recreation Complex as a southerly anchor to the future development corridor. This investment will continue to be enhanced with the planned addition of a third ice pad in coming years to service the needs of the growing community in a location that maximizes accessibility for existing and future residents.

Efforts between 2007 and 2009 to identify and secure access to higher order transit were also subject to a full public vetting as part of the Metrolinx EA process. In 2009 the Metrolinx EA concluded that a future overnight facility and station should be located in the corridor to support the extension of all day two way GO service to the Region of Waterloo.

While over time the need for the overnight facility in Baden to support GO service extension to Kitchener has apparently diminished, Metrolinx recently initiated a two-year pilot project extending GO service to Stratford, St. Mary's and London. With daily trains now running through Wilmot Township, a recent direction from Township Council was given to staff to engage Metrolinx on opportunities in the short term and long term for Wilmot residents to access the service.

Supporting Documentation

In support of the proposed MZO request the proponents have submitted a number of supporting analysis and technical briefs and memo's including,

Attached to this report are a Planning & Urban Design Rationale Report & Wilmot Village Master Plan (Attachment 3), Wilmot Land Needs Assessment (Attachment 4), Engineering Technical Memo (Attachment 5), and a Transportation Brief (Attachment 6).

This documentation provides the applicants justification for the need for additional greenfield lands to accommodate population growth in Wilmot to 2051 and highlights the applicant's opinions that the proposed development can be accommodated within the existing servicing capacity of the community.

In addition, it introduces a number of design components which would not necessarily be available to the Township under a traditional rezoning process.

Density of Development and Affordability

Density of development and affordability are a common theme across Ontario as communities struggle to find solutions to the housing crisis.

The common goal of minimizing sprawl and preserving agricultural lands requires rural communities to envision how to integrate significantly higher density future growth into predominantly low-density communities.

In Wilmot Township the current Official Plan requires a minimum density for greenfield development of 45 persons and jobs per hectare (pj/ha) which is significantly greater than traditional existing neighbourhoods. Proposals to integrate higher densities in new neighbourhoods abutting existing neighbourhoods often creates friction in the planning process. While the public understands the need in general to grow differently it is rarely accepted by existing residents that it should occur next door.

The Region of Waterloo is currently completing a Municipal Comprehensive Review (MCR) which will allocate population growth, intensification rates and greenfield density requirements to area municipalities to the year 2051.

Intensification rates and density requirements will be established as Regional targets recognizing that each municipality within the Region has different roles to play within the growth spectrum. Waterloo for example has fully built to its boundaries, for all practical purposes, and so the significant majority of its future growth will be through intensification. Rural communities such as the four Townships will all reasonably have much lower rates of potential intensification due to the limited opportunities and lower traditional density of growth.

That is not to say that intensification is not a desirable goal, but rather to recognize the limited opportunities that exist and to acknowledge the implementation reality of public opposition to applications proposing to introduce significantly higher density development into established neighbourhoods. This is not unique to rural communities.

Wilmot's historic rate of intensification was approximately 17% at the time of the 2019 update to the Official Plan. Through that review Council set a new target within that document of 30% intensification moving forward.

Recent applications for intensification projects in Baden and New Hamburg have highlighted many of the community concerns with the impacts of intensification projects large or small within existing neighbourhoods and the difficult reality of implementing density through intensification.

The obvious benefit of intensification is that it typically introduces new forms of housing (other than single family detached dwellings) at higher density's and at increased affordability/attainability.

In the absence of significant opportunities for intensification to accommodate growth, and to provide greater affordability/attainability, the municipality must look to opportunities to significantly increase the density of greenfield growth to provide for the housing needs of the community while maintaining its commitment to minimize the impact of growth on agriculture.

Within the Region's ongoing MCR exercise consideration has been expressed by Regional staff to a preferred density target of 60 pj/ha. This is a significant increase beyond Wilmot's current target of 45 pj/ha and the minimum requirement of the Province's Growth Plan for the Greater Golden Horseshoe which sets a minimum requirement of 50pj/ha. On the surface it would seem like a target that would be wholly unrealistic for a rural community, in particular adjoining a traditional existing low density subdivision.

The Cachet proposal does not abut an existing low density subdivision, rather it abuts an anticipated development (Wilmot Woods) that will realistically be designed to conform to the Township current standard of 45pj/ha and which would, through its design, be expected to transition from the low density Laschinger Boulevard neighbourhood to medium densities abutting the Cachet lands.

By considering the proposed MZO at this time it allows and secures the expectation and understanding of future residents of what will be developed in the years to come while ensuring that the amenities, infrastructure and design of the two developments will integrate seamlessly.

The Cachet proposal establishes a minimum required density of 65 pj/ha which exceeds even the anticipated Regional target. It accomplishes this through the introduction of multi-storey residential buildings along Nafziger Road which include a full range of housing options and affordability's.

Affordability is a key component to the proposal and one that the Minister has the authority to impose through the use of the MZO. The draft MZO commits to a minimum of 50 affordable rental units and an additional minimum of 15 affordable senior's rental units which would be of significant benefit to the community.

The draft MZO provides for a minimum total of 850 apartments (150 seniors, 200 rental, 150 condominium, and 350 mixed use) which is something that reasonably the Township in the absence of an MZO would struggle to provide either through traditional greenfield or intensification processes.

One of the concerns of building residential on the fringes of any community is the distance from the traditional core and access to commercial and other supportive amenities. Indeed the concept of the complete community or a '15 minute neighbourhood' is often raised as a consideration in greenfield development. The 15 minute neighbourhood is predicated on the belief that the majority of amenities would be within a 15 minute (1.2km) walk of ones residence.

The Cachet proposal integrates both commercial and employment space within the development to address those concerns and to ensure that the development can function as a complete community while enhancing the larger urban communities by providing the necessary density and range of housing to provide options for all segments of the population.

This is particularly important as the density of development is certainly at a transit supportive level which will support the Route 77 service of GRT and enhance the attractiveness of the community for other higher order transit access. Indeed the inclusion of lands dedicated to a transit hub and accessory uses along the railway would seem to have the potential to significantly increase the potential future access to higher order transit for all residents, in time, beyond Route 77 service.

The proposal is a significant plan which will would not be implemented over the short-term planning horizon. It is a long-term plan which will be developed through the traditional process of a draft plan of subdivision and which will be guided through a staging plan that will set in place by Council to achieve the goals and expectations of the community.

The draft plan of subdivision is also a public process which allows for public input into the design of the development which would ultimately be informed by additional detailed design

analysis. Most importantly it is an approval that would still require a complete vetting by the Region of Waterloo who would be the approval authority for the plan of subdivision.

The Cachet proposal may be an opportunity to provide for the broad range of housing needs in the community with a focus on providing more affordable and more attainable housing options than the traditional single family dwellings that dominate our landscape.

The last significant approval of higher density housing in Wilmot was the Hallman Apartments (now Skyline) on Hincks Street in the early 1970's. Those apartments have been a critical component of the community for decades and this proposed MZO has the potential to create a similar level of critical housing infrastructure for decades to come.

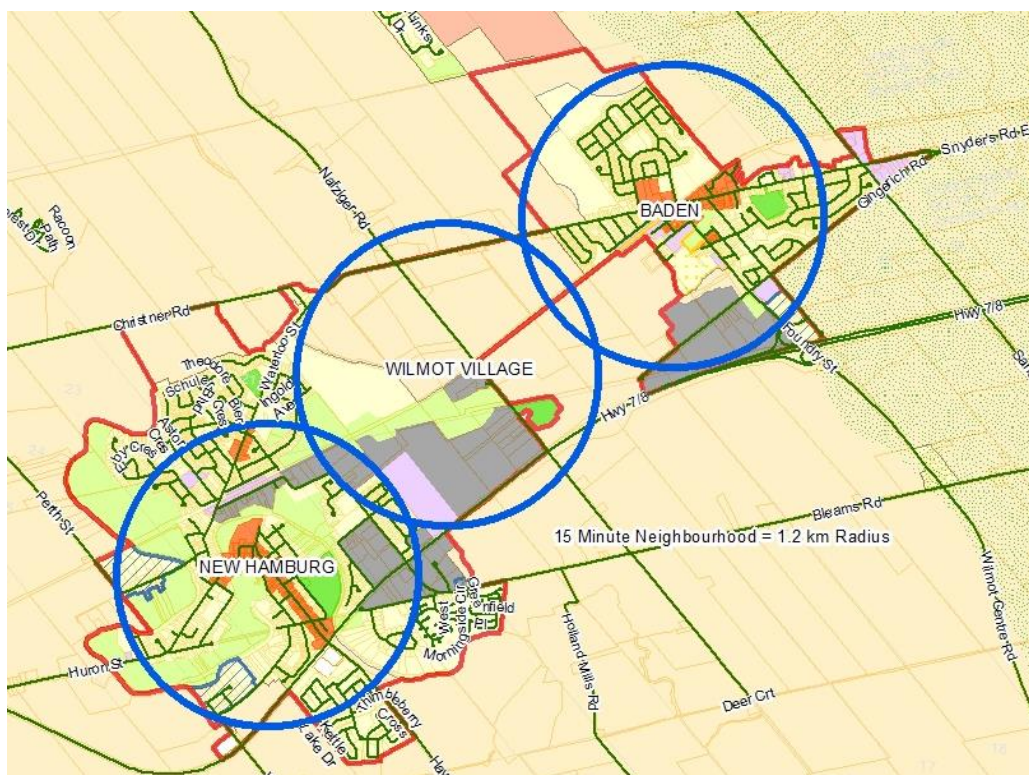
In consideration of the proposal and background materials it is the opinion of staff that the proposed MZO aligns with the Township Official Plan and with the intended powers of the Minister in issuing an MZO.

“a critical tool that can be used to support and expedite the delivery of government priorities, including transit-oriented communities, affordable housing, long-term care homes and strategic economic recovery projects by removing potential barriers and delays.”

Implementing this level of density expectation and complete community requirement prior to considering the Wilmot Woods plan of subdivision, and the long-term expansion of New Hamburg to Nafziger Road, may represent a logical and orderly development plan for the community. Ultimately it has the potential to implement a component of the longstanding plan of a Wilmot Concentrated Growth Model.

While not specifically expressed in the early visioning of the Wilmot Concentrated Growth Model in the early 2000's, in today's planning terminology it would have the effect of creating three integrated 15-minute urban communities in Wilmot being New Hamburg, Baden and the proposed “Wilmot Village”.

The communities would overlap and maximize the value of existing infrastructure and minimize the need for new infrastructure at densities that support transit, minimize the reliance on automobiles and that provide a high quality of life with housing opportunities and affordability for the entire community which aligns with the Wilmot Concentrated Growth Model.



Potential 15 Minute Community Visualization

It should be noted that a decision of Council to support the proposal does not necessarily guarantee that the Minister will approve the request.

Should the Minister decide to approve the Wilmot Village MZO it would assist in implementing a long-term vision for Wilmot of building towards an inclusive community and achieving local, Regional and Provincial complete community housing goals.

Should the Minister decide to not approve the Wilmot Village MZO the short-term impact on growth is unchanged. The Region's ongoing MCR process will continue and ultimately determine the long-term allocation of greenfield growth and intensification allocation to Wilmot. Based on discussions to date, it is highly possible that the MCR process will not allocate greenfield growth to the Township of Wilmot. This process is not appealable.

As such the issue before Council is ultimately whether to support a proposal that appears to align with Wilmot's long range planning goals, but does not provide for the standard public engagement processes as legislated for development applications under the Planning Act, or to rely on the Regions' MCR process, which may limit Wilmot's long-term growth to intensification only.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

The proposed MZO complies with most aspects of the Wilmot Strategic Plan

The proposed MZO achieves and supports the potential for long term community *Quality of Life* through by utilizing transit supportive densities while providing enhanced recreational amenities through parks and trails. In addition, it requires a full range of housing forms and attainability's including affordable rental housing opportunities for both seniors and non-seniors alike.

The process of the Minister using an MZO does not support *Community Engagement* as it excludes public notice and rights of appeal. The exclusion of appeal rights within the MCR process is a similar troubling concern. While recent requirements that Municipal Councils indicate support or opposition to an MZO proposal appear on the surface to introduce some measure of community engagement, they fall short of the standards the public typically expects in local Council planning processes.

The inclusion of employment and commercial opportunities supports the potential for *Economic Prosperity* in a compact built form that reflects smart growth principles.

The proposed MZO imposes a minimum density of development of 65 people and jobs per hectare which exceeds the Township Official Plan minimum requirement of 45, the Provincial Growth Plan minimum requirement of 50 and the anticipated Region of Waterloo target of 60 and in so doing minimizes the amount of agricultural land required to accommodate future growth within the Township and the Region which enhances the potential for *Environmental Protection*.

The high density and compact form create a complete community that is walkable and with the inclusion of a space dedicated to a future transit hub provides the opportunity for a community expansion which is not dependent on vehicle ownership.

The proposed MZO demonstrates the potential for *Responsible Governance* by concentrating growth in a location that maximizes existing infrastructure investments in roads, sewers, watermains, recreational facilities and educational facilities.

Providing an opportunity for public review of the proposed MZO prior to considering the matter highlights the important linkage between *Responsible Governance* and *Community Engagement*.

ACTIONS TOWARDS UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The intention of the 17 sustainable development goals (SDGs) is to transform our world. The proposed MZO may help to achieve this in Wilmot in a number of ways,

GOAL 3: Good Health and Well-being – creates a complete, compact and walkable community with open space far exceeding the minimum standards of the Planning Act that will benefit not only the planned community but also the existing communities of Baden and New Hamburg.

GOAL 6: Clean Water and Sanitation – appropriately serviced to allow compact form.

GOAL 8: Decent Work and Economic Growth – provides employment opportunities within the development in a location within walking distance to others.

GOAL 9: Industry, Innovation and Infrastructure – maximizes the value of existing infrastructure and minimizes the need for new infrastructure to be constructed.

GOAL 10: Reduced Inequality – provides housing for all including the full range from single family dwellings through townhomes, condominiums and rental accommodations including affordable housing requirements for both seniors and non-seniors alike embracing a ‘housing for all’ mentality and an ‘inclusive’ rather than ‘exclusive’ design

GOAL 11: Sustainable Cities and Communities – reflects a sustainable 15min neighbourhood design in a compact and desirable form.

GOAL 13: Climate Action – minimizes the footprint of growth by introducing height and density in a walkable community design that is transit supportive reducing reliance on personal automobiles.

FINANCIAL CONSIDERATIONS:

No zoning amendment application fees (\$5000) were payable due to the use of the MZO process.

Legal fees and staff time reviewing the request are therefore accommodated within the Development Services Operating Budget.

ATTACHMENTS:

- Attachment 1: Cachet Developments Request Letter
- Attachment 2: Draft Minister’s Zoning Order and Schedule
- Attachment 3: Planning & Urban Design Rationale Report (Bousfields)
- Attachment 4: Wilmot Land Needs Assessment (urbanMetrics)
- Attachment 5: Engineering Technical Memo (Walter Fedy)
- Attachment 6: Transportation Brief (Paradigm)