

Date: 2022-06-23

Subject: **Recommendation Report – Unlimited Height and Density**

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Report Number: Planning, Bld & Ec Dev-2022-701

Recommendations:

1. **THAT** the recommendation report titled, “Unlimited Height and Density” to the Planning and Development Committee Meeting of July 25, 2022, be received.
2. **THAT** an Unlimited Height and Density incentive program be offered in a small geographic area of the Downtown, adjacent to the GO Station, (the geographic limits of which are to be defined through the current Integrated Downtown Plan process) and for all of Uptown, in exchange for a percentage of units above 25 storeys being set aside for affordable housing.
3. **THAT** the set aside rate for affordable housing units associated with the application of unlimited height and density in Downtown and Uptown be determined through the Inclusionary Zoning consultation process, and that staff report back with a recommended rate as part of an Inclusionary Zoning recommendation report to Planning and Development Committee for consideration.
4. **THAT** the Unlimited Height and Density incentive program be applied to Downtown and Uptown for a period of 5 years, after which time its effectiveness will be reviewed by Council and a decision made as to whether or not it should be cancelled, extended for an additional period of time in the Downtown and Uptown, or moved to another area of the city for a specified period of time.
5. **THAT** projects taking advantage of the Unlimited Height and Density incentive program are required to have a building permit issued, and break ground, within three (3) years of site plan approval or the entitlements granted under Unlimited Height and Density may be reconsidered.

Overview:

- **Brampton has been, and is projected to continue to be, one of the fastest growing communities in Canada over the next three decades.**
- **Pipeline development activity in Brampton has increased by 60 percent in Brampton since 2020.**
- **Through Brampton Plan, and work on the new Zoning By-Law and Urban Design Guidelines, the City is in the process of streamlining the development approvals process, and implementing a predictable planning regime, that will include clear identification of areas within the City of Brampton where we wish to direct taller and denser development.**
- **While there are positives that can come from an unlimited height and density planning regime, it can also fuel unpredictable planning environments, land speculation and monocultures of tall towers that can delay community buildout and make it harder and more costly to plan infrastructure.**
- **It is recommended that unlimited height and density, above a base height of 25 storeys, be used as an incentive to secure affordable housing units. By incorporating a sunset clause, it is intended that the program will incent action, rather than potentially translating to increased land values, which can act as a disincentive to achieving affordable housing.**

Background:

At the June 7th meeting of Planning and Development Committee, motion PDC090-2021 was carried as follows:

1. WHEREAS the City of Brampton has consistently been one of the fastest growing communities in Canada;
2. AND WHEREAS access to attainable and affordable housing options is increasingly out of reach to many residents of Brampton;
3. AND WHEREAS the City of Brampton wishes to attract investment, provide more housing options to residents, expand the tax base and build a vibrant and sustainable city;
4. AND WHEREAS the rapidly rising costs of land and building materials is impacting the ability of developers to purchase, develop and make a reasonable return on investment;
5. AND WHEREAS unlimited height and density policies exist in some GTA municipalities;

6. THEREFORE BE IT RESOLVED that Council for the City of Brampton directs staff to evaluate the merits of implementing unlimited height and density policies within the City of Brampton, including an evaluation as to whether staff recommend such policies to be applicable city-wide or scoped to a smaller geographic area.
7. FURTHER RESOLVED THAT staff bring forward any additional policies that could not only complement Council's direction to evaluate unlimited height and density policies, but also recommend alternative policies that could address Council's objectives;
8. AND FURTHER THAT staff report back to a Planning and Development Committee meeting in September, 2021, with recommendations for consideration by Council.

Current Situation:

The 2040 Vision, which is foundational to Brampton Plan, articulates a transition from low density car-oriented subdivisions to more urban, compact, mixed-use, transit-oriented and higher density places, organized around the principle of achieving 15-minute integrated neighbourhoods. The development community appears to be responding well to this shift and the City is receiving significant proposals across the city that are reflective of this approach.

The City of Brampton has been one of the fastest growing communities in Canada over the past few decades and by embracing a more urban approach to intensification, it is anticipated that Brampton will continue to be one of the fastest growing communities in Canada over the next three decades. To illustrate this point, as of June 17, 2022, there are 451 applications in the development pipeline, compared with 213 in 2020. Brampton does not appear to have an issue attracting development, the more important issue for Brampton is to manage growth in a manner that fulfills Term of Council priorities.

Significant Growth Anticipated to 2051

Brampton is transitioning from low density Greenfield development to higher intensity urban development. Over the next three decades it is anticipated that over 60% of development will be high density. Additionally, it is anticipated that approximately 40% of development will be in the form of intensification within the built-up area. It is also anticipated that approximately two thirds of new development will be directed to Strategic Growth Areas (Urban and Town Centres) and along key higher order transit corridors such as Queen Street, Hurontario Street and along future higher order transit corridors such as Steeles Avenue.

Brampton's total population in 2021 was 656,480, up from 593,638 in 2016. This reflects a 10.6 growth rate, more than double the growth rate of the Region of Peel, the Province of Ontario and Canada. Brampton's population is anticipated to grow to approximately 1M+ by 2051. As part of growth forecasting work for Brampton Plan, the city is anticipated to grow to a population range between 985K (Region of Peel's population forecast) and

1.1M (City of Brampton's population forecast). So, Brampton's population is anticipated to grow between 300K to 400K by 2051. To manage this growth, a shift to higher density urban forms will be required. Brampton Plan sets clear policy as to where this higher density development should be directed, and conversely, where it should not.

Market Demand and Land Value

In cities that have implemented unlimited height and density policy regimes, there have been, not only urban design and planning implications, but also real estate market implications. The following discussion will provide an overview of some of the issues that are relevant to the City of Brampton when considering this issue.

The following factors influence land value:

- Market conditions: supply, demand and macro-economic factors such as employment and interest rates;
- Physical aspects of the site;
- Construction costs (both hard and soft); and
- Legal aspects – provincial, regional and City planning regime.

Establishing an unlimited height and density policy regime can artificially distort the factors that influence land values and fuel speculation. Land speculators buy land hoping it will go up in value. Developers take land and obtain necessary entitlements and permits, and builders build buildings. It is important for Brampton to be intentional about what we are trying to encourage and which policies favour which activities. Implementing unlimited height and density has the potential to incent land speculation, while not necessarily leading to getting buildings and communities built. Where it does result in buildings being built, one or two large buildings can absorb much of the market demand for a number of years, thereby extending the timeline for buildout of a community.

Predictable versus Unpredictable Planning Regimes

An unlimited height and density regime can lead to what is referred to as an unpredictable planning regime. Some of the results of such a regime can be as follows:

- Land values increase so buildings need to become taller with little diversity;
- Emphasis becomes height rather than achieving City planning objectives;
- Council loses leverage in negotiating community benefits (although this will change with the anticipated introduction of the Community Benefits Charge);
- Council will need to assume the most expensive infrastructure scenario;
- Build-out can be delayed; and
- A highly speculative market can result.

When there is clarity around height and density and a planning vision for a city, certainty exists. This is referred to as having a predictable planning regime. This reduces speculation and can lead to the following results:

- Land values align with Council's vision;
- A developer knows what next door is likely to build and can move forward accordingly;
- It is easier to plan infrastructure and amenities;
- More innovative and diverse building typologies get built; and
- With more diverse typologies, the development community is less sensitive to market shifts.

Land speculators thrive when there is an unpredictable regime, whereas developers and builders generally prefer predictability.

Urban Design Considerations

While higher density development is desirable, particularly in areas that have requisite hard and soft infrastructure to support more intense development (including higher order transit) there are some negatives that come along with tall towers. Some of these negative attributes are as follows:

- A tendency to create marginal ground floor activation;
- Issues pertaining to microclimate – wind/shadows;
- Scale issues where buildings can overwhelm a place and make pedestrians feel uncomfortable;
- A trend in more suburban places where residents tend to interact with their parking garages, elevators, individual units and indoor amenities, versus interacting with the public realm; and
- Tall towers tend to be more about individual iconic, one-offs, rather than how they contribute to the quality of a larger community.

In contrast with tall towers, midrise typologies tend to deliver the greatest quality of life for residents, business owners and visitors. The scale tends to be better, leading to improved micro-climate issues and an overall more vibrant, walkable and transit supportive place, where people tend to interact more with the public realm. Some examples of recent midrise developments include Regent Park, Port Credit (south of Lakeshore) and along the Avenues in Toronto, where midrise mixed-use development has been implemented. Midrise developments tend to have more flexibility to deliver a variety of housing typologies and unit sizes, which is quite relevant to Brampton. Brampton has one of the highest persons per unit rates (PPU's) in Canada at 3.5 PPU's – meaning we have more families living in higher density housing typologies than do other communities. Tall towers tend to be geared towards the investor market and tend to be smaller units. Midrise is better suited to the needs of the Brampton market by making it more likely that larger, family-oriented units can be delivered.

Infrastructure Planning

To ensure a high quality of life for residents, workers and visitors, higher density areas need to be properly planned with community amenities and hard and soft infrastructure. Often times, when communities have unlimited height and density, it is difficult to properly plan infrastructure as it is difficult to understand what to plan for. As a result, it is incumbent on a municipality (and the Region of Peel in the context of Brampton) to plan for the worst case scenario which can be quite costly and potentially result in overbuilding infrastructure at a significant cost.

Lessons Learned from Other Communities

In communities that have implemented unlimited height and density, some of the issues that have been encountered are as follows:

- Inability to capitalize on Section 37 (density bonusing) to realize community benefits). Section 37 will be replaced with the Community Benefits Charge which will mitigate this issue;
- Tends to lead to a monoculture of buildings – with very tall and very low buildings dominating the landscape and very little in between;
- Makes it difficult to properly plan hard and soft infrastructure as there are no height and density controls;
- Tends to deliver lower quality at-grade and public realm conditions as opposed to midrise development typologies;
- Is leading to the establishment of nodes that are far exceeding their planned growth targets, where there is little relief from the towers and often times underserved with community amenities; and
- Can result in developers seeking development entitlements for tall buildings where no market exists. This can result in stalled development until the market catches up or fuel land speculation.

Understanding some of the negatives that can come along with extremely tall towers will help Brampton mitigate these issues and strive for vibrant and complete communities. Within an overall City Structure, it is quite appropriate to have a mix of housing typologies, including tall buildings. As such, Brampton Plan has included consideration for an overall approach to height and density that includes directing tall building to the Urban Centres and Primary Urban Boulevards.

Brampton Plan – Draft City Structure

A component of Brampton Plan is a new City Structure (see Appendix 1) that will guide and direct growth to key mixed-use nodes and higher order transit corridors. These are areas of the city that can better handle intensification and where both hard and soft infrastructure will exist to support higher density development. To avoid encouraging tall and dense buildings everywhere, the City Structure seeks to direct growth to areas that can support it, with higher order transit and other amenities so that residents and business

owners can enjoy a high quality of life. This also helps to mitigate negative community reactions to infill applications that may be perceived as being out of place with the context of a community.

Brampton Plan – Framework of Building Heights

Brampton Plan intentionally does not establish height limits. Instead, height limits are to be established through Secondary Plans or Precinct Plans. The parent Official Plan (Brampton Plan) provides a general height framework within which to guide the evolution of the city and inform development applications.

There are generally five building typologies referenced in Brampton Plan as follows:

<u>Building Typologies</u>	<u>Height Range</u>
Low-Rise	up to and including 3 full storeys
Low-Rise Plus	up to and including 4 full storeys
Mid-Rise	between 5 and 12 full storeys
High-Rise	between 13 and 25 full storeys
High-Rise Plus	26 full storeys or greater

Generally, High-Rise Plus buildings are intended to be directed to the Urban Centres and Primary Urban Boulevards as noted below. These are mixed-use areas of the city that are intended to have the tallest buildings, supported by hard and soft infrastructure including higher order transit. Of note, the approach in Brampton Plan is to identify that in the Urban Centres and Primary Urban Boulevards, buildings taller than 26 storeys are permitted, but subject to additional planning studies. Should Council wish to enact unlimited height and density in the city, it is recommended that it be directed to these areas – starting with the Downtown and Uptown.

Summary of Building Typologies by Designation and Overlay

Designation	Building Typology	Additional Permissions
Neighbourhoods	Low-Rise	Low-Rise Plus within 400 metres of a Support Corridor
Mixed-Use Areas	Low-Rise Plus	Additional Planning Studies may identify appropriate locations for Low-Rise Plus, Mid-Rise and High-Rise buildings
Overlay (Schedule 2)	Building Typology	Additional Permissions
Urban Centres	Low-Rise Plus, Mid-Rise, High-Rise	High-Rise Plus buildings may be permitted subject to additional planning studies and other applicable policies in this Plan
Town Centres	Low-Rise Plus, Mid-Rise	High-Rise buildings may be permitted subject to additional planning studies and other applicable policies in this Plan

Neighbourhood Centres*	Low-Rise Plus	Mid-rise buildings may be permitted subject to additional planning studies and other applicable policies in this Plan
Primary Urban Boulevards	Low-Rise Plus, Mid-Rise	High-Rise and High-Rise Plus buildings may be permitted subject to additional planning studies and other applicable policies in this Plan, and where located within an MTSA
Secondary Urban Boulevards	Low-Rise Plus, Mid-Rise	High-Rise buildings may be permitted subject to additional planning studies and other applicable policies in this Plan, and where located within an MTSA
Corridors	Up to Mid-Rise	

Inclusionary Zoning + Affordable Housing

Brampton is transitioning to more urban and higher density building typologies. Staff have been testing the viability of Inclusionary Zoning (IZ) and the impact set aside rates for affordable Housing may have on developer proformas in various parts of the city. Viability is determined by three things:

1. Land value (price paid for land);
2. Hard and soft costs; and
3. Developer profit.

With rapidly rising hard and soft costs, developer profit margins are being squeezed. Anything that can precipitate an increase to land value needs to be carefully considered as, combined with hard and soft costs, it can undermine the viability of projects and prove as a disincentive to securing benefits such as affordable housing. A companion report is on the agenda for July 25th, 2022 that details the approach that is being recommended to engage the development community, and relevant stakeholders, in understanding what would be appropriate set aside rates for affordable housing as part of an IZ program within Major Transit Station Areas (including Downtown and Uptown).

Unlimited Height and Density is an incentive. In exchange for offering this incentive, it is recommended that affordable housing units be sought. It is further recommended that it only be applied to a percentage of units above what Brampton Plan articulates as being an appropriate maximum base height, in the absence of further planning studies. This height is 25 storeys in Urban Centres and Primary Urban Boulevards. This means, a percentage of units above 25 storeys in height should be allocated towards affordable housing. It is further recommended that the percentage (or set aside rate) be determined as part of the IZ consultation that will be undertaken this fall so that it is part of a comprehensive IZ program.

Limited Time Period – 5 Years (Sunset Clause)

Urban Centres are priority areas for intensification, which is why the recommendation is to begin with unlimited height and density in the Downtown and in Uptown. Within the downtown, there appears to be a small geographic area in close proximity to the GO Station where tall buildings can be accommodated (see Appendix 2). To ensure that appropriate transition to existing neighbourhoods is thoughtful, it is recommended that the geographic delineation for unlimited height and density in the downtown be determined through the current Integrated Downtown Plan process.

In Uptown, the situation is somewhat different. Uptown can absorb a significant amount of development and there is already a tremendous amount of development that is currently working its way through the development approvals process, despite the fact that unlimited height and density does not currently exist. Appendix 3 offers a conceptual rendering of the build out potential of the Uptown Area. If Council decides to implement unlimited height and density in Uptown, there is a potential that it could undermine existing development approval discussions and potentially drive land values upwards. In an effort to try and mitigate against this, it is recommended that a sunset clause (or defined period of time) for which unlimited height and density is in force be implemented. The goal is to incent action and get buildings built, not fuel land speculation. A five (5) year policy incentive program is recommended. At the end of the five (5) years, Council can examine the success of the program and determine whether or not it wishes to extend it, cancel it or move it elsewhere in the city. The message to the development community is, take advantage of it, or the City may take it away or apply it somewhere else where there may be willing developers/builders.

Recommendations

Brampton is in the process of establishing a strong planning structure that will bring more clarity/predictability for the City, residents and the development community and will enable the City and Region to better plan hard and soft infrastructure. Should Council wish to pursue a policy of Unlimited Height and Density, the following is recommended:

- That it be scoped to a small geographic area of the city – Downtown and Uptown to start;
- That it not be granted as of right, instead, that it be offered as an incentive, in exchange for the provision of affordable housing units above the 25 storey threshold identified in Brampton Plan;
- That the percentage of units (or set aside rate) to be provided be determined through IZ consultation; and
- That to minimize impacts to land values, a sunset clause should be applied that will give Council an opportunity to evaluate the success of the program and take subsequent action to extend, amend or move the program to another location in the city should Council wish to do so.

Corporate Implications:

Financial Implications:

There are no direct financial implications associated with this report.

Other Implications:

There are no other implications associated with this report.

Term of Council Priorities:

This report aligns with the Official Plan Review and is noted as a Term of Council priority under the following:

<u>Council Priority:</u>	A City of Opportunities
<u>Strategic Priority:</u>	1.4 Prioritize Jobs Within Centres
<u>Project Number:</u>	1.4.3 Develop a New Official Plan that aligns all master plans with Brampton 2040.

Conclusion:

Brampton is well positioned to absorb tremendous growth, while at the same time improving the livability of the city and quality of life for residents and business owners. A number of communities in Ontario have implemented unlimited height and density policy regimes with varying degrees of success. The recommendations contained within this report are somewhat unique. By implementing an incentive based approach, combined with a sunset clause, Council would be in a position to extract affordable housing in exchange for granting unlimited height and density. In addition, by not granting it as of right, Council maintains its control and its ability to adjust the program if it is not delivering as Council intended.

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Attachments:

Appendix 1 Brampton Plan - City Structure
Appendix 2 Downtown Tall Building Sites
Appendix 3 Conceptual Build-out for Uptown Area