Agenda – Council – December 15, 2022

Report – Standing Policy Committee on Property and Development – November 30, 2022

Item No. 7 Complete Communities Land Monitoring Report 2022

STANDING COMMITTEE RECOMMENDATION:

On December 7, 2022, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That this report be received as information.

Report – Standing Policy Committee on Property and Development – November 30, 2022

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 7, 2022, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On November 30, 2022, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Complete Communities Land Monitoring Report 2022

Critical Path: Standing Policy Committee on Property and Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Veitch	J. Kiernan	N/A	M. Jack

EXECUTIVE SUMMARY

The *Complete Communities Land Monitoring Report 2022* (attached as Appendix A) seeks to provide an accurate picture of recent residential and non-residential development activity and estimated land supplies to support better policy and decision-making, and is a reporting requirement of the *Complete Communities Direction Strategy 2.0* (CCDS).

Its main findings include the following:

- In 2021, 61% of all permits issued for the construction of new residential dwelling units were located in the intensification target area[1]. In fact, the City has exceeded CCDS's 50% target in each of the last four years.
- As of January 1, 2022, the City currently has a healthy supply of vacant greenfield residential land, with estimated supplies of 12.5 years of vacant planned land and 8.5 years of vacant serviced land exceeding CCDS targets of 10 and five-to-seven years respectively. Council will need to continue to invest in planning and servicing as appropriate in order to maintain this healthy supply.
- As of January 1, 2022, the City has an estimated 7.3 years of unencumbered, shovel-ready vacant industrial-zoned land. While this may seem reasonable at first glance, its ability to accommodate growth is limited by the site preferences of potential users and the limited extent to which these sites are being actively marketed.
- As of January 1, 2022, the City has an estimated 21 years of vacant commercial land, marking the continued persistence of an oversupply first identified in the 2018 *Employment and Commercial Lands Study*. This study warned that this oversupply may limit market-related incentive to retail intensification and could result in existing commercial uses being "cannibalized" and relocating from existing commercial areas, vacating these areas and negatively impacting their vitality.

[1] Defined in *Complete Communities 2.0*, this is the portion of the urban area of the city that is considered to be built out (on a neighbourhood basis). Development that occurs within the intensification target area is generally considered infill development, while outside is either greenfield or rural development. It includes a range of Urban Structure designations, including Downtown and Mature Communities, as well as most Corridors and Recent Communities.

This report's findings were developed in consultation with industry stakeholders, including close collaboration with the Urban Development Institute (UDI Manitoba) in quantifying Winnipeg's greenfield residential land supply.

It also reports on City initiatives that are recently completed, currently underway, or planned that will help it achieve its intensification targets, as well as minor updates/changes to the Greenfield Development Opportunities and Constraints table found in the Appendix of *Complete Communities 2.0*.

RECOMMENDATIONS

1. That this report be received as information.

REASON FOR THE REPORT

On May 26, 2022, the *Complete Communities Direction Strategy 2.0 By-law* no. 119/2020 came into effect as a city-wide secondary plan covering the entire city after receiving third reading from Council. It is intended to guide growth, development, and land use in support of the City's development plan, *OurWinnipeg 2045*.

Policy B1.5.2 (General Growth) of Complete Communities 2.0 directs the Public Service as follows:

5.2 Report annually to Council on:

a. *Residential development patterns and the City's progress towards achieving the intensification target;*
b. *Actions undertaken by the City in the previous year aimed at achieving the intensification target;*
c. *The supply of vacant serviced and planned greenfield land;*
d. *Changes to conditions described in the table of greenfield development opportunities and constraints contained in Appendix A; and*
e. *Other contextual economic measures as appropriate.*

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications to receiving this report as information.

DISCUSSION

Introduction

The *Complete Communities Land Monitoring Report 2022* (Appendix A) seeks to provide an accurate picture of recent residential and non-residential development activity and estimated land supplies to support better policy and decision-making. As per *Complete Communities 2.0* (CCDS) policy, it is required to be updated annually as a critical tool to monitor and inform the CCDS's implementation. In particular, it will help implement its policies, including:

- Prioritizing growth in areas that best support Complete Communities principles;
- Accommodating market demand for new housing;
- Providing for predictable development through the timely delivery of City-funded growth-enabling and growth-supportive infrastructure; and
- Optimizing existing infrastructure and services (Policy B1.1.1, General Growth).

The report's findings were developed in consultation with industry stakeholders, including close collaboration with the Urban Development Institute (UDI Manitoba) in quantifying its greenfield residential land supply.

The report provides extensive methodological detail on how it arrived at its conclusions. It does so to promote transparency and to establish a baseline for future annual reporting and continued discussions with stakeholders.

While this report is the first of its kind being presented to Council, the origins of this work go back years, as it builds off previous work such as the recent OurWinnipeg and Complete Communities review, the *OurWinnipeg Residential Growth Study*, and the 2018 *Employment and Commercial Lands Study*.

Intensification target

In 2021, 61% of all permits issued for the construction of new residential dwelling units were located in the intensification target area, an area corresponding to the built-up area of the city.

In each of the last four years, the City has exceeded *Complete Communities'* 50% target, with an annual average of 59%. This can be largely attributed to the increase in multifamily units relative to the forecast upon which the target was based. This is a notable shift in the residential market in that, prior to 2018, the City had exceeded 50% intensification only once.

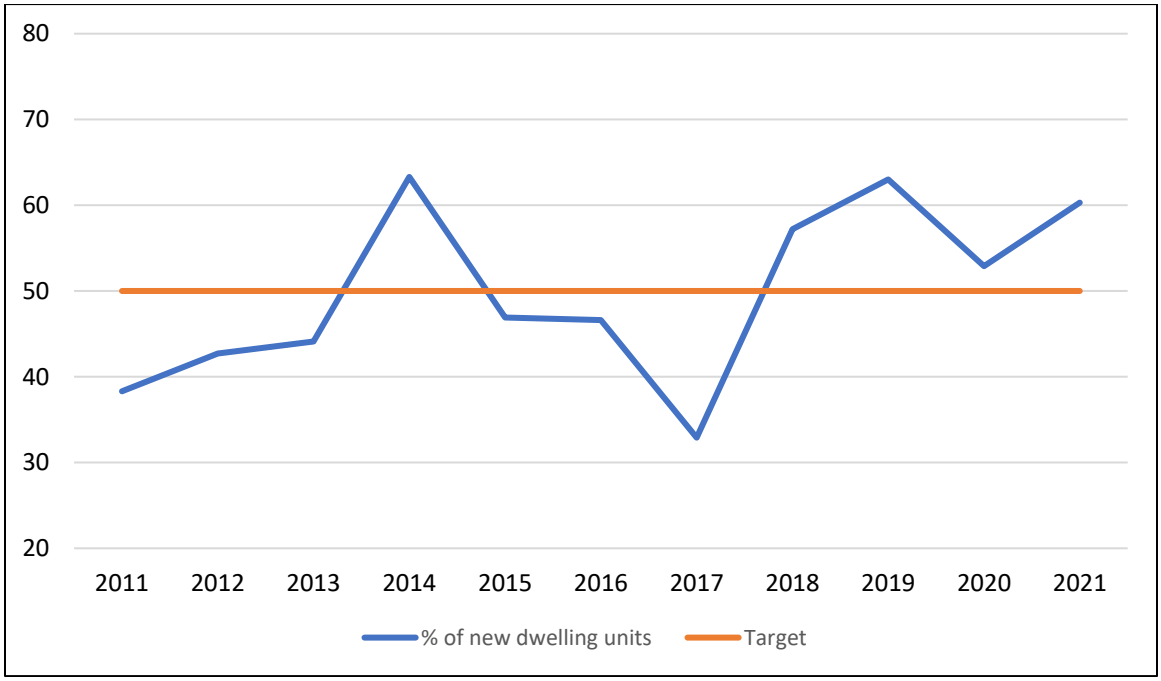


Figure 1: Percent of new residential dwelling units as intensification, by year

For Downtown, *Complete Communities 2.0* establishes a minimum target of 350 new dwelling units per year to 2030, and 500 units per year after that. In 2021, permits were issued for 352 new dwelling units, while the five-year annual average has been 454.

Other residential development trends

In 2021, 66% of new residential units were accommodated in apartment dwelling types, as opposed to 25% in single-detached dwellings ("singles") and 5% each in both rowhouse ("rows") and semi-detached ("semis") dwellings. This is comparable to the five-year average of 59% apartments, 28% singles, 8% rows, and 5% semis. The intensification target area accommodated 80% of all new apartment units, 20% of all singles, 19% of all semis, and 38% of all rows, while greenfield areas accommodated 20% of apartments, 79% of singles, 81% of semis, and 62% of rows.

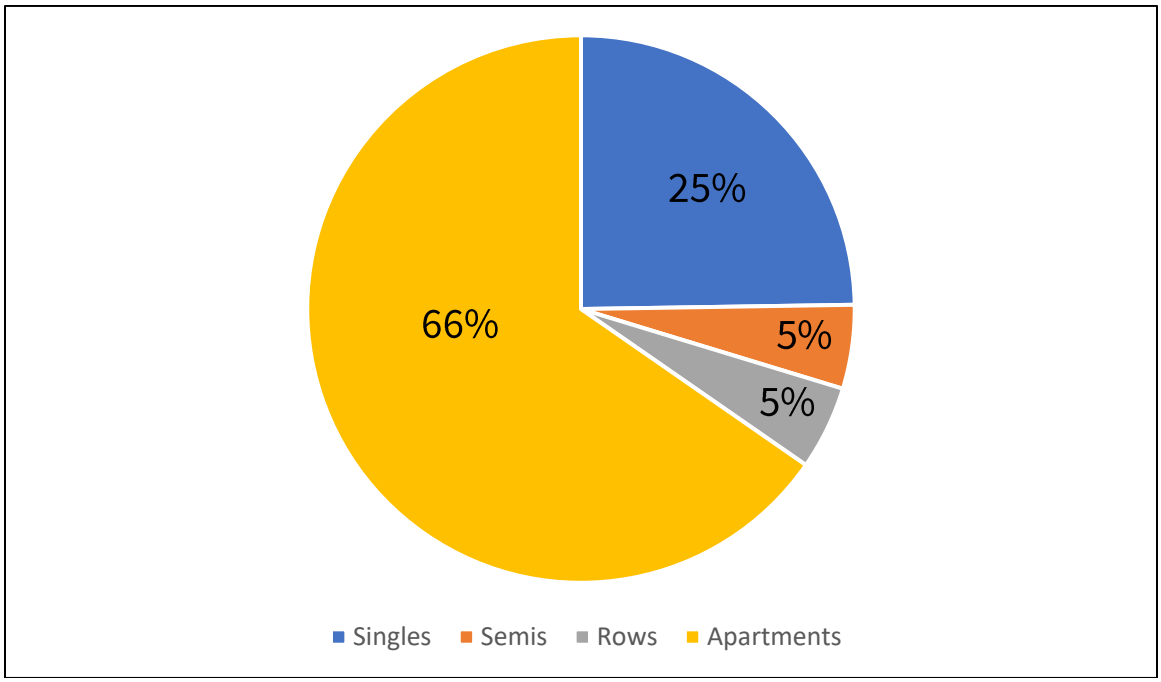


Figure 2: Share of new residential units by dwelling type, 2021

Among Mature Communities, the Kildonan Crossing neighbourhood (Elmwood-East Kildonan ward) accommodated the largest number of new dwelling units from 2018 to 2021, with 419, the sum of which occurred on two properties. The River-Osborne neighbourhood was second with 408 units, while West Broadway (both Fort Rouge-East Fort Garry ward) was third with 316. The Glenwood neighbourhood (St. Vital ward) saw the highest rates of single-detached development in this time period with 124, followed by King Edward (St. James ward) with 82 and Brooklands (Point Douglas ward) with 64.

Among Recent Communities, the Eaglemere neighbourhood (Elmwood-East Kildonan ward) accommodated 483 new dwelling units from 2018 to 2021, most of which were located on the east side of Molson Street north of Grassie Boulevard. It was followed by Tuxedo Industrial (Charleswood-Tuxedo-Westwood ward) with 218 and River Park South (St. Norbert-Seine River ward) with 198 dwelling units, respectively.

In 2021, permits were issued for the construction of 180 secondary suites. Secondary suite activity has been on a steady increase over the last decade since City regulations were relaxed. Previous years have seen 90 in 2020, 117 in 2019, 91 in 2018, and 79 in 2017.

Greenfield residential land supply summary

Greenfield land refers to urban development that occurs on previously-undeveloped land, and is needed to reliably and predictably accommodate demand for housing, particularly ground-oriented dwelling units. The City of Winnipeg currently has a healthy supply of vacant greenfield land, with its supplies exceeding all *Complete Communities'* targets (see below). But while the timing of precinct planning processes and growth-enabling infrastructure is not immediately urgent, Council will need to continue to appropriately invest in these items in order to maintain this healthy supply.

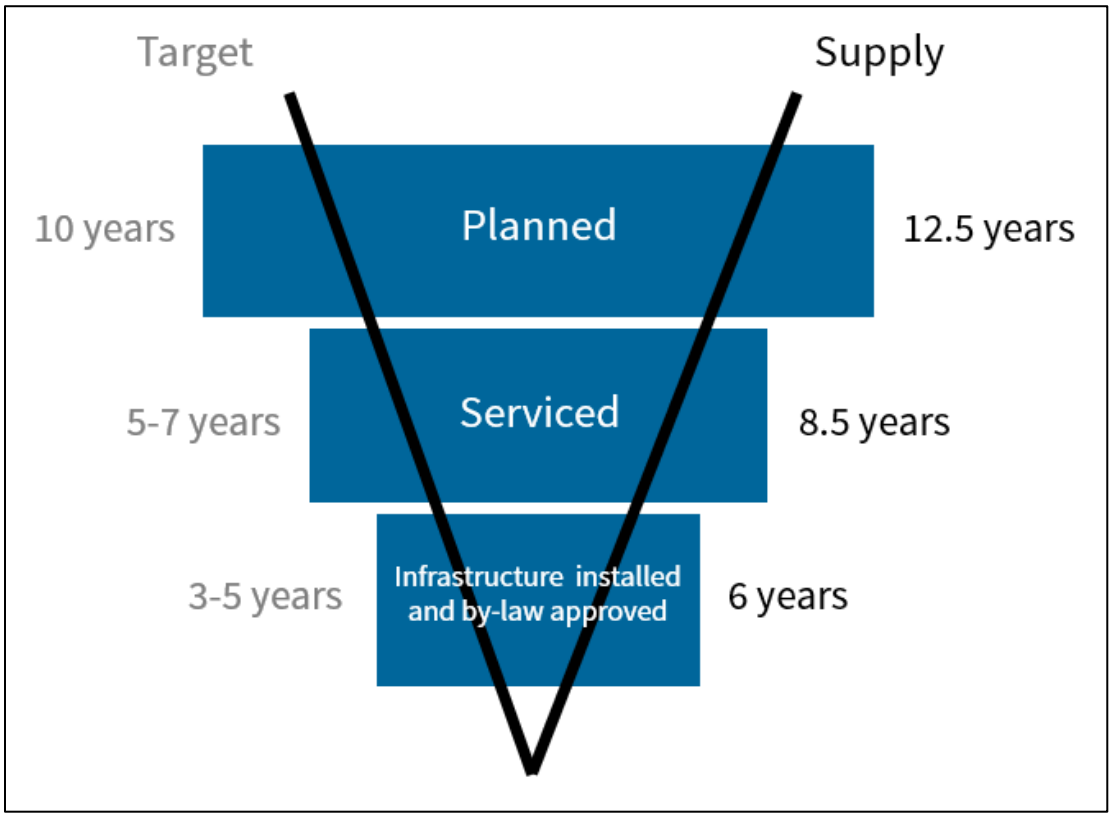


Figure 3: Greenfield land supplies in relation to Complete Communities 2.0 targets, as of January 1, 2022

These estimates are based on existing rates of greenfield development in alignment with the City's 50% intensification target; increased or decreased rates of greenfield development would influence its supply, as would changes in greenfield density.

Non-residential land supplies and development trends

This analysis identified 469 acres of unencumbered, shovel-ready, vacant industrial zoned land in the City of Winnipeg as of January 1, 2022, which translates to an estimated 7.3-year supply. Additional supply exists where sites may be regionally serviced but locally unserviced, where

they may be designated but not zoned for employment uses, and where a reasonable amount of intensification could occur on existing occupied sites. While this supply may appear reasonable at first glance, its ability to accommodate growth is limited by the site preferences of the potential user and the limited extent to which these vacant sites are being actively marketed or available at a given time. This caveat was strongly stressed by stakeholders over the course of consultation.

In 2021, 38 acres of vacant industrial-zoned land were absorbed in the City of Winnipeg, compared to a five-year average of 60 acres (in this context, a property is considered absorbed if a new building is erected on previously-vacant land). From 2017 to 2020, 264 total acres of vacant industrial land were absorbed in the City, compared to 41 acres in the RM of Rosser, 25 acres in Headingley, and nine acres in both Macdonald and Springfield; the City of Winnipeg accounted for 44% of all vacant land absorbed in these areas.

This analysis also identified a vacant commercial land supply of 601 acres, which is estimated to translate to a 21-year supply. These results affirm the continued persistence of an oversupply of commercial land first identified in the 2018 *Employment and Commercial Lands Study*, which warned that, "The City may wish to be cautious about making additional commercial lands available for development at this time, as an oversupply of developable land may result in existing commercial uses being 'cannibalized' and relocating from existing commercial areas" (i.e. there is a risk of existing commercial uses vacating existing areas, negatively impacting their vitality).

In 2021, permits were issued for the construction of approximately 1.6 million square feet of non-residential floor area. This is consistent with the five-year average of 1.6 million. It is estimated that this is equivalent to 1,600 jobs. The Northwest quadrant captured 78% of this new 2021 floor area, followed by 19% in the East and 4% in the Southwest. Notable non-residential projects include:

- A 174,440 sq. ft. multi-tenant industrial/commercial building at 175 Haggart Ave in the North Inkster Industrial neighbourhood;
- A 115,540 sq. ft. high school in the Waverley West B neighbourhood;
- An 84,615 sq. ft. hotel at 460 Madison St in the St James Industrial neighbourhood; and
- A 10 storey, 98-unit, 93,000 sq. ft. assisted living facility[2] at 691 Wolseley Ave in the West Broadway neighbourhood.

Achieving the intensification target

The report describes a range of City initiatives, recently completed, currently underway, or planned, that will help achieve its intensification targets. These initiatives were classified under the following categories – development regulations, financial incentives, infrastructure, planning, and streetscaping – and include items such as the repeal of the *Airport Vicinity Protection Area* secondary plan and amendment of PDO, water main renewals, and a review of the Downtown and Winnipeg zoning by-laws.

Changes to the Greenfield Development Opportunities and Constraints table

[2] Institutional residences such as assisted living facilities are considered non-residential uses as per standard practice.

The Greenfield Development Opportunities and Constraints table is included in the Appendix of *Complete Communities 2.0* and is intended to help communicate and implement its greenfield phasing policies by highlighting vital information, including anticipated growth-enabling and -supportive infrastructure investments. Sites included in this table have been identified as having at least one planning and/or infrastructure constraint to development which the City will be responsible for overcoming. The table is intended to inform City decision-making on these investments.

Complete Communities 2.0 requires that this table is updated annually to reflect changing conditions. In the case of discrepancies between the version of the table found in *Complete Communities 2.0* and those found in annual land monitoring reports, the most recent report should be referenced as the most accurate source of this information.

Minimal changes were made to the table. In addition to updating planned potential units, the 2022 Land Monitoring Report removes “Share of Mission combined sewer relief” as growth-supportive infrastructure under South Transcona, as the need for this project is being driven by Combined Sewer Overflow regulations, not growth. It also replaces references to “community centres” with “community/recreation centres” to better reflect their existing and planned function. This section also makes note of items that are being monitored that may result in changes to future versions of the table.

Summary

In sum, the City has a healthy supply of vacant greenfield residential land, a very constrained supply of unencumbered, shovel-ready vacant industrial-zoned land, and continues to maintain an oversupply of vacant commercial-zoned land. It has also achieved its intensification target in each of the last four years.

As per Policy B1.5.2 (General Growth) of *Complete Communities 2.0*, these items will be continually monitored and reported upon annually; the *Complete Communities Land Monitoring Report 2022* is the inaugural edition. In regularly providing Council with this information, these annual reports will support better policy and decision-making.

FINANCIAL IMPACT

Financial Impact Statement Date: November 9, 2022

Project Name:

Complete Communities Land Monitoring Report 2022

COMMENTS:

There are no direct financial implications associated with this report.

Mike McGinn Nov. 9, 2022
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg 2045 policies related to land monitoring activities include the following:

LEADERSHIP AND GOOD GOVERNANCE

1.4 **Integrated Knowledge and Resources**. Coordinate inter-departmental systems, projects, and resources, making the best use of internal and external expertise to better understand service needs, find the most appropriate solutions, optimize resources, and maximize community outcomes.

1.5 **Evidence-Informed Decisions**. Invest in data and technology in order to support objective, evidence-informed decision-making; support open government and open data principles for collection and sharing; help coordinate records and information management; and improve process efficiency, results-based service delivery, and accountability.

ECONOMIC PROSPERITY

3.5 **Strategic Enterprise Supports**. Invest in employment lands servicing based on an analysis of municipal and regional supply, municipal return on investment, and future land requirements in industry sectors that are integral to achieving sustainable, local economic growth.

CITY BUILDING

6.6 **Intensification Target**. Achieve the intensification target by making development in intensification target areas easier and more desirable and predictable, as directed in Complete Communities.

6.8 **Plan for and Accommodate Forecasted Growth**. Provide for predictable development, through the timely delivery of City-funded growth-enabling and growth-supportive infrastructure, within the City's financial capacity.

6.14 **Greenfield Phasing**. Provide for timely capital infrastructure and local area plans to enable and support the full build out of greenfield lands in accordance with Complete Communities greenfield phasing policies.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

The *Winnipeg Climate Action Plan* prescribes key directions and actions to implement the City's climate change mitigation efforts. The following plan directions relate to growth management:

- Direction 1.4 Encourage Sustainable Transportation Options.

- Direction 1.8 Ensure that City Land Use, Transportation, and Built Environment Policy, Bylaw, and Regulation Recognize Climate Mitigation and Climate Protection Priorities.
- Direction 3.1 Increase Use and Efficiency of Public Transit Systems
- Direction 3.2 Increase the Density of Urban Development Along Key Transit Corridors.
- Direction 3.3 Design New Suburban Communities to Enable Enhanced Transit Services and Access to Transit Corridors.
- Direction 4.1 Increase Strategic Infill Development that Provides Access to and Capitalizes on Existing and Planned Corridors with Frequent Transit Service.
- Direction 4.2 Ensure New Areas of Growth are Designed According to the Principles of Complete Communities.
- Direction 4.3 Pursue Transit-Oriented Development.
- Direction 4.4 Support Redevelopment of Former Commercial and Industrial Lands into Active Use.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The *Winnipeg Poverty Reduction Strategy* (2021-2031) is framed around 10-year goals and objectives intended to implement the plan's mission to demonstrate leadership in poverty reduction and to provide City services using a poverty reduction lens. The following goals and objectives relate to growth management:

Goal 2, The City Actively Plans for and Partners in Affordable Housing. 10-year objectives include:

C. Municipal tools, resources, and partnerships are developed and used to encourage and facilitate affordable housing development.

Goal 5, Transportation System Equity is Enhanced. 10-year objectives include:

A. The affordability and accessibility of transportation and transit service is increased.

SUBMITTED BY

Department: Planning, Property, and Development
Division: Urban Planning and Design
Prepared by: Michael Pyl, RPP, MCIP
Date: November 15, 2022

Appendix A: *Complete Communities Land Monitoring Report 2022*