



Report: PDL-CPL-19-11

Region of Waterloo
Planning, Development and Legislative Services
Community Planning

To: Chair Tom Galloway and Members of the Planning and Works Committee

Date: March 19, 2019 **File Code:** D10-20

Subject: Monitoring Change in the Central Transit Corridor – 2017 Annual Report

Recommendation:

For information

Summary:

The “Monitoring Change in the Central Transit Corridor – 2017 Report” (attached) provides information about progress on the two goals of the ION rapid transit system: moving people and shaping the community. This report is the most recent in the series of annual monitoring reports, and covers the period to year-end 2017. It is intended that annual reports be produced until 2021 at which point it will have been ten years since the announcement of ION, and the system will be in its early operation phase. The annual monitoring indicators show that, in 2017:

- Transit ridership in the CTC was stable, while walking and cycling increased. Vehicle emissions across Waterloo Region increased as car ownership grew.
- Vibrancy continued to improve, with more people and restaurants, and perception of safety stabilized.
- Investment continued, as total building activity since 2011 climbed to \$2.3 billion, and assessment grew to \$14.7 billion. Heritage retention was under pressure.

Each year, the report provides a further examination of a different theme within the Central Transit Corridor (CTC.) This year’s report focuses on housing affordability. Key messages from this research are:

- The amount of housing that was considered affordable for owners and renters remained stable in the corridor until 2016, when average housing prices began to increase, both in the CTC and across the region. On-going monitoring is required to determine whether the cost of housing re-stabilizes in the upcoming years.
- The number of community housing units within the corridor has remained stable to 2017. Similarly the percent of renters within the CTC under the 'housing allowance with supports' program is stable.
- There are early signs of gentrification in the corridor. Residents are being attracted to the corridor as new housing is coming on-stream. Displacement of current residents is not seen in the results of the monitoring.

Affordability is a complex issue. While this report provides average affordability along the Central Transit Corridor, there are many different situations and trends happening within the corridor.

While this report measures affordability indicators in the CTC, it should be recognized that affordability of housing is of broad concern across the region. Work is on-going at the Region of Waterloo through the Community Services Department and through Wellbeing Waterloo Region's emerging initiatives.

Report:

About the Central Transit Corridor Monitoring Program:

The goals of the CTC monitoring program are to measure and report on changes happening in the ION corridor, to provide an indication of the influence of ION, and to encourage discussion about the nature of the changes. Through the CTC monitoring program, a set of key indicators was established to measure the base state of the CTC prior to the establishment of ION, and annual reports are produced to publish the results of the monitoring.

ION was approved by the Council of the Region of Waterloo to achieve two goals: to move people, and to build community. The indicators provide a lens for monitoring the achievement of ION's dual goals. Monitoring will continue until at least 2021, after ION has been constructed, opened for service, and is functioning within the community.

Results: Change in the Central Transit Corridor in 2017

This report covers the period of January to December 2017. During 2017, the construction of the ION tracks was completed in stage 1 through the cities of Waterloo

and Kitchener, and testing of the trains began. Planning for stage 2 ION continued in Cambridge in 2017, with consultation on the proposed route.

The indicators that measured change in “moving people” were consistent, given the stage of ION implementation in 2017:

- Transit ridership across the Grand River Transit system was stable, at 19.7 million trips, and bus boardings/alightings grew faster outside the corridor than inside. It is anticipated that ridership will increase moderately until the light rail transit system and the related bus route improvements are implemented in 2019.
- ‘Active transportation’ increased in the corridor: pedestrian and cyclist mode share (the proportion of trips made using these ways of travelling) increased, and the percentage of people living in the most walkable areas of the corridor continued to climb.

The indicators that measured change in “building community” were generally positive.

- The percent of population living in the CTC increased, with 11,000 more people living in the CTC since 2011; the percent of restaurants also increased, and the percent of land uses remained stable.
- With increasing population and vibrancy in the corridor, the percent of calls for police service in the CTC which had been increasing, stabilized in 2016, the last year for which data was available.
- The assessed value of properties in the CTC continued to climb, sitting at \$14.7 billion in 2017. While building permit activity was not as high as previous years, the total amount of new building permit activity since 2011 had climbed to \$2.3 billion.
- Heritage retention was under pressure from increased building activity, and vehicle emissions climbed as private vehicle use continued to increase.

Housing Affordability:

Each year the monitoring report examines one aspect of the corridor in greater detail. This year’s report looks at affordability of housing in the CTC. In 2017, the cost of housing spiked across the Greater Toronto and Hamilton Area, as well as in Waterloo Region, making the topic particularly relevant.

Several indicators were developed to illustrate housing affordability specifically within the corridor. This report finds:

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- 61 per cent of renters were paying 'affordable' rents (with less than 30 per cent of their income going to rent).
- 33 per cent of housing transactions were 'affordable' to low and moderate income households (below the affordability threshold of about \$350,000 in 2017).
- The number of Region-funded community housing units in the corridor has remained stable, sitting at about 2,645 units in the CTC in 2017, indicating that there has not been a loss of these affordable housing units in the corridor.
- The percentage of people who receive housing allowances to rent at market rates has not declined in the CTC. The significance of this indicator is that these people, who are considered to be vulnerable in their ability to afford housing, are seemingly able to find housing in the CTC and they are not 'getting pushed out'.

Evidence collected in this monitoring work indicates that affordable housing options continue to exist in the corridor for buyers, renters, those in Region-funded community housing, and those receiving financial assistance to find market units. For example, although 67 per cent of housing transactions were 'unaffordable' to low and medium income households in the corridor, the absolute number of 'affordable' transactions remained stable until 2016. In other words, the same number of transactions below \$350,000 were occurring in the corridor albeit likely in smaller units such as apartments.

However, starting in 2016, market forces changed the dynamics of housing, both in the corridor as well as broadly in the Region and Greater Golden Horseshoe. New housing is coming on-stream at a higher price, often targeted to new, higher income residents. The per cent increase in rents in the corridor was 23 per cent from 2011 to 2016, similar to the Region-wide increase of 21 percent. However, in one specific area of the corridor, average rents were 42 per cent higher in 2016 than they were in 2011.

Concerns have been expressed about potential effects of gentrification as a result of the amount of investment in the corridor in the years since ION was announced. The concern with gentrification is that it could 'push people out' of the corridor if low and medium income residents are not able to afford housing in the area. While the monitoring of the CTC does not indicate displacement, on-going monitoring is required.

The topic area of housing affordability across Waterloo Region and specifically within the Central Transit Corridor is complex and will be the subject of further reporting and analysis. Related work includes: the 10-Year Housing and Homelessness Plan update and the New Affordable Housing Strategy for 2020. Furthermore, Wellbeing Waterloo Region has identified Affordable Housing as a priority area for the next several years. Initial work in this area targets ending chronic homelessness. Future work will

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focus on transformative change in affordable housing.

The Region of Waterloo entered into a partnership with the University of Waterloo's "Urban Growth and Change" research group to explore the causal dynamics between ION, intensification and socio-economic changes in the CTC. The project, called "Light Rail Transit and Core Area Intensification: Unpacking Causal Relationships" is led by Dr. Dawn Parker, with Dr. Jennifer Dean serving as co-investigator, and graduate and undergraduate students. Dr. Markus Moos and Dr. Jeff Casello participated in stages of the project. Although the grant will conclude in March 2019, work on monitoring the consequences of intensification around ION is anticipated to continue.

For a more detailed discussion of these findings and the factors that may influence change in the corridor, please refer to the full Monitoring Change in the Central Transit Corridor – 2017 Annual Report which is available from Planning, Development and Legislative Services or on the Region's website. Additionally, a dashboard of the indicators is available to the public.

Area Municipal Consultation/Coordination:

This report will be circulated to the Area Municipalities in order to share the results.

Corporate Strategic Plan:

Monitoring of the Central Transit Corridor directly addresses Focus Area 2: Growth Management and Prosperity (Manage growth to foster thriving and productive urban and rural communities) including Strategic Objective 2.1. Encourage compact, livable urban and rural settlement form.

Financial Implications:

Nil

Other Department Consultations/Concurrence:

Departments across the Region of Waterloo, as well as the Waterloo Regional Police Services, participated in the creation of this annual report. A list of contributors is included in the report. Staff from Community Services (Housing Services) co-authored the housing affordability indicators.

Attachments

Summary of Indicators for the Central Transit Corridor (CTC) Monitoring Program.

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Approved By: Rod Regier, Commissioner, Planning, Development and Legislative Services

Goal	Dimension	Indicator	Metric	2011	2012	2013	2014	2015	2016	2017
Moving People	Mobility	Transit Ridership	Number of trips made using Grand River Transit (million)	19.7	21.3	22.0	21.6	20.3	19.7	19.7
		Daily Transit Activity	Per cent of daily average transit activity in the CTC	67%	65%	67%	64%	63%	63%	61%
	Sustainable Modes of Transportation	Transit Mode Share	Per cent of mode of travel share on transit across the CTC	-	-	-	-	5%	-	-
		Active Transportation	Per cent of mode of travel share which was pedestrian and cyclist in the CTC	5%	-	-	-	-	8.6%	-
		Walkability	Per cent of population living in "high" or "very high" walkable areas in the CTC	55%	55%	56%	56%	56%	57%	57%
Building Community	Vibrant Communities	Land Use Mix	Per cent of all regional land uses found in the CTC	69%	69%	69%	70%	69%	70%	70%
		Population	Per cent of Region's residents who live in the CTC	17.5%	17.6%	17.7%	17.8%	17.9%	17.8%	18.1%
	Art and Culture	Cultural Vibrancy	Number of arts and culture establishments in the CTC	192	-	-	-	-	271	-
		Restaurants	Per cent of the Region's restaurants in the CTC	50%	51%	52%	52%	52%	52%	54%

Goal	Dimension	Indicator	Metric	2011	2012	2013	2014	2015	2016	2017	
	Heritage	Heritage Resource Retention	Number of demolition permits on pre-1920 and designated built heritage resources in the CTC	13	36	11	9	12	17	20	
	Investment	Building Activity	Dollar value of building permits in the CTC for new construction (million, adjusted)	\$491	\$262	\$227	\$548	\$259	\$308	\$222	
		Assessment Value	Assessed value of properties in the CTC (billion)	\$10.0	-	-	\$12.0	\$12.8	\$13.6	\$14.7	
	Environment	Emissions	Tonnes of net air emissions per capita in Cambridge, Kitchener and Waterloo	2.52	2.42	2.40	2.57	2.61	2.54	2.66	
	Crime and Safety	Perception of Safety	Per cent of people in the Tri-Cities who perceive that their downtowns are safe at night	65%	-	-	-	-			64%
		Calls for Service	Per cent of police calls for service related to potential public perception in the CTC	40%	41%	43%	43%	43%	43%		-
	Inclusive Community	Affordability	See indicators below								

Dimension	Indicator	Metric	2011	2012	2013	2014	2015	2016	2017
Inclusive Community	Affordability of Home Ownership Transactions	Per cent of housing transactions which were affordable to low and moderate income households in the CTC	55%	56%	53%	54%	57%	57%	33%
	Renter Affordability	Per cent of renters spending less than 30% of their household income on shelter related costs in the CTC	64%					61%	
	Supply of Community Housing	Number of community housing units in the CTC	2,687	2,610	2,631	2,631	2,633	2,645	2,645
	Location of Households Receiving Rent Assistance	Per cent of Housing Allowances with Supports (HAWS) in the CTC					50%	60%	56%