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Re: Planning Justification Letter – Zoning By-law Amendment
251 Hazel Street, Waterloo

Introduction

This Planning Justification Letter has been prepared by The Planning Partnership ("TPP") on behalf of the Owner, 251 Hazel Inc., in support of a Zoning By-law Amendment ("ZBA") application for the property known municipally as 247-251 Hazel Street ("Subject Site"). A Site Plan Application was submitted for the Subject Site in July 2025, proposing to redevelop the Site for a 12-storey mixed-use building containing 94 one-bedroom rental apartment units, and three commercial units totaling approximately 174 square metres in gross floor area ("Initial Proposal"). The Initial Proposal also included approximately 545 square metres of amenity space for residents and provided for a total building gross floor area of approximately 7,480 square metres and a residential density of 598 bedrooms per hectare.

A number of resubmissions of the Site Plan application were subsequently made in order to address various technical comments provided by the City and other agencies. As a result of these resubmissions, the Site Plan application has now been endorsed by City staff, pending final implementation of noise mitigation measures.

In addition to the Site Plan application, a Minor Variance application was approved by the City's Committee of Adjustment in August 2026, permitting the following three variances to the City's Zoning By-law:

1. 7.13.10.2 – Increase the maximum proportion of the ground floor that can be used as common and mechanical areas from 30% to 31%;
2. Table 7S – Permit portions of the front and rear facades of the building to omit a tower stepback above the podium; and,
3. Table 7S – Increase the maximum podium height from 20 metres to 22.5 metres, inclusive of a 1.8 metre tall acoustic barrier.

Aside from the minor zoning deficiencies that were addressed through this Minor Variance application, the Initial Proposal was compliant with all other Zoning By-law provisions.

In addition to advancing planning applications with the City, the Owner has also actively engaged with the Canada Mortgage and Housing Corporation ("CMHC") in order to advance an application for financing under the Apartment Construction Loan Program (ACLP). In the course of this engagement and consultation with CMHC, the Owner was advised that the Initial Proposal did not achieve critical financial

performance requirements of CMHC as a result of the currently challenging market conditions and the modest development density that is provided. In order to improve the financial performance to better address CMHC requirements and expectations, the Owner was recommended to investigate converting a portion of the one-bedroom units into two-bedroom units, which would diversify the unit mix, appealing to a broader market demographic, and increase rental revenue as a result of the modestly increased rents that could be charged for two-bedroom units.

For reference, CMHC reported that the average market rent in October 2025 for one-bedroom units in the Kitchener-Cambridge-Waterloo market area was $1,545, whereas the average market rent for two-bedroom units was $1,832. CMHC also reported an average household size of 2.6 persons in the market area, with households comprised of two or more people making up 75% of the overall household demographic. While the Owner has also undertaken a much more thorough analysis and market sounding that further supports this strategy, the above summary confirms both the need for multi-bedroom unit types and the improved financial performance that can result from converting some one-bedroom units into two-bedroom units, provided such conversion makes efficient use of building floor area.

Based on this direction from CMHC and analysis undertaken by the Owner, an Updated Proposal is now proposed for the Subject Site, which would convert 30 of the previously proposed one-bedroom units into two-bedroom units, resulting in an updated unit mix of 64 one-bedroom units (68%) and 30 two-bedroom units (32%). With this updated unit mix, the total unit count will remain unchanged at 94, but the calculated residential density using the bedrooms per hectare methodology will increase to approximately 800 bedrooms per hectare. Extensive revisions were required to the previously proposed unit layouts and floor plan designs in order to accommodate this updated unit mix, but no changes are proposed to the overall building massing or site layout. In addition, the Updated Proposal is expected to remain compliant with all other zoning provisions. As such, the ZBA application is solely required to increase the maximum permitted density from 600 to 800 bedrooms per hectare.

As evident by the Owner's engagement with CMHC, the Owner intends to move forward with construction of the Updated Proposal in the short-term, with the construction start tentatively targeted for March 2027. In order to enable this, we hope and intend that the enclosed ZBA application will be advanced expeditiously, recognizing its very narrow scope and obvious benefits, in order to allow preliminary approval of the Site Plan application in early 2027, and to support applications for water allocation and building permit also in early 2027.

The City's Official Plan strongly promotes the provision of multi-bedroom apartment units to support a range of household compositions and the creation of complete communities. CMHC financing has also clearly been targeted as a key focus of the City to both support project viability and obligate enhanced community benefits related to Affordability and/or energy efficiency, which are key evaluation requirements of applications for CMHC financing. By enabling efforts to address CMHC requirements and advance financing, this ZBA application will directly support the financial feasibility of the Updated Proposal, even under the currently challenging market conditions, and will also support key City policy objectives and priorities.

Proposal

Updated Unit Mix

As noted above, the core elements of the development proposal have remained unchanged, including the proposed 12 storey mixed-use building featuring 174 square metres of commercial gross floor area activating the ground floor, as well as a total of 94 rental units, over 540 m^2 of amenity area, 8 car parking spaces, a compliant supply of bicycle parking spaces, and a Type "A" loading space, contained within a built form that complements and fits into the evolving Northdale Neighbourhood context.

While maintaining the core elements noted above, the Initial Proposal is proposed to be updated to introduce 2-bedroom units into a unit mix that previously comprised only 1-bedroom units. Specifically, all building floor plans are proposed to be updated to enable 30 1-bedroom units to be redesigned and converted into 2-bedroom units, equating to 32% of the total unit count. While this update can be accommodated without any changes to the endorsed built form and site layout, introducing the new multi-bedroom units results in a greater density using the bedrooms per hectare methodology. As depicted in the table below, the updated unit mix supports a total residential density of 124 bedrooms, resulting in a density of 789 bedrooms per hectare.

Table 1: Updated Unit Mix

Updated Unit Mix		
	Initial Proposal	**Updated Proposal**
1 BD Units	94	(68%) 64
2 BD Units	0	(32%) 30
Total Units	94	94
# Bedrooms	94	124
Density (bedrooms per ha)	598	789

The major catalyst for the updated unit mix was CMHC's review of the Initial Proposal and the feasibility considerations for the advancement of the project for construction financing. Market feasibility considerations suggested that a modestly higher density through the conversion of a portion (32%) of 1-bedroom units into 2-bedroom units would significantly improve the project's market viability. This updated unit mix would also have the added benefit of addressing numerous other City policies that promote the delivery of multi-bedroom units.

Updated Proposal

This updated unit mix has been incorporated into the Updated Proposal. While the building massing and the site layout, which have already been endorsed by City staff, remain unchanged, the interior design requires substantial changes to accommodate the conversion. The addition of a second bedroom into 32% of the units has its challenges to fit within an established floor plate while ensuring area considerations are equitable for all units in order to foster a higher quality of life and wellness over all unit types.

After extensive internal review, it was determined that an additional bedroom could be accommodated by re-designing the unit demising in order to strategically locate 2-bedroom units with increased exterior wall

frontage and design them as larger units with wider orientations that are more supportive of 2 bedrooms. Specifically, 30 2-bedroom units are proposed, with a generously large average unit size of 795 square feet. The remaining 64 1-bedroom units will also maintain an attractive average unit size of 678 square feet.

In addition to changes to the unit demising and layout themselves, the building core was also realigned to support the unit changes. Whereas the elevator and stairs were previously separated by a corridor, the Updated Proposal relocates the elevators to abut the scissor-stair and shifts the corridor slightly towards Hazel Street. As a result, were the elevator accesses on levels 2 to 6 were previously on the west side, they are now provided on the east side.

Aside from some other minor changes made to the ground level layout to reconfigure the elevators and other utility areas, the remainder of the project remains unchanged, including the endorsed site layout and building massing. Moreover, aside from the maximum density limit, the Updated Proposal continues to remain compliant with all other applicable zoning requirements in spite of the updated unit mix and resulting density increase. Zoning provisions related to setbacks, building and podium heights, tower footprint, tower dimension, entrances along Active Frontages, landscaped open space, amenity space, bicycle parking and others continue to be satisfied.

Other zoning regulations that are tied to the residential density, in terms of the quantity of bedrooms, have been a particular focus and have been carefully reviewed for compliance to ensure that the additional density is sufficiently addressed in terms of amenity space, bicycle parking, and loading needs. Even with the density increase, the proposed amount of amenity area continues to surpass the minimum amount required under the applicable zone provisions. Likewise, the Updated Proposal continues to comply with and in fact provides over double the minimum amount of common amenity area. In terms of the minimum number of loading spaces required for residential and non-residential uses, the proposed Type A loading space continues to be sufficient. In addition, the initially proposed supply of bicycle parking has been expanded to accommodate the increased number of bedrooms, increasing the overall supply from 26 to 36 bicycle parking spaces, recognizing that the Proposed Development continues to be subject to the former minimum bicycle parking rate for the RN-12 Zone (0.25 bedrooms per hectare).

Proposed Zoning By-law Amendment

The Subject Site is zoned Residential Northdale Twelve (RN-12) Zone and subject to a Holding Symbol and the approval of a Minor Variance application (Submission No. A-08/26). The Minor Variance application was recently approved at a Committee of Adjustment Meeting held on August 18, 2026, where three variances were approved through the sound application of the four-part test under The Planning Act. Relief was provided for three provisions as described in the introduction.

Although all other zoning provisions continue to be complied with even with the unit mix change, there is one zone provision that inevitably is non-complaint: the maximum residential density limit. In order to address this, the enclosed ZBA application proposes to increase the maximum permitted density to 800 bedrooms per hectare, which will allow for the conversion of 32% of the 1-bedroom units into 2-bedroom units (see Table 2 below).

Table 2: Request Zoning By-law Amendment

Zone Provision	Requirement	Updated Proposal	Proposed Zoning Amendment
Maximum Density (regulations under Table 7S)	600 Bedrooms per hectare (94 bedrooms based on area of subject site)	789 bedrooms per hectare (124 bedrooms)	Maximum Density of **800 bedrooms per hectare**

The proposed density increase is solely the result of the conversion of 30 1-bedroom units into 2-bedroom units, which ultimately results in an increased number of bedrooms even while retaining the initially proposed unit count. To reiterate, the Updated Proposal is not proposing to revise the site layout, building height, nor proposed building setbacks or stepbacks. While the residential density technically increases by the addition of 30 bedrooms, the overall building massing and volume remains the same. As such, the built form and site layout as endorsed by staff through the ongoing Site Plan application will be maintained.

While the Updated Proposal also complies with the previously approved Minor Variances, the proposed ZBA proposes to incorporate these Variances into one planning instrument, for ease of zoning interpretation and implementation by way of an all-encompassing site-specific exception. As such, the enclosed ZBA incorporates the approved Minor Variances into the proposed new site-specific exception zone. Considering that the three variances already received approval, the assembly of site-specific zone provisions into one exception is simply intended to simplify the application of regulations.

The proposed ZBA also intends to finalize the ongoing Holding Symbol removal application and remove the existing “H” in the final by-law. The Holding Symbol applied to the Subject Site is meant to protect for the verification of sufficient servicing capacity and other technical considerations that were previously addressed. With the recent initiation of a separate application process to confirm and allocate water supply capacity, a Holding Symbol is no longer required in order to ensure water allocation capacity. The water allocation process is a separate process which entails City review and approval separate from the ZBA application process. The Updated Proposal will pursue water allocation through this new process in short order.

In summary, the proposed ZBA will permit an increased density up to 800 bedrooms per hectare to allow for an additional 30 bedrooms through the conversion of 30 1-bedroom units into 2-bedroom units, compile the approved variances (Submission No. A-08/26), and remove the H symbol from the applicable zone. The Updated Proposal continues to comply with all other applicable zone provisions for the Residential Northdale Twelve (RN-12) Zone and implements a greater range of units within an already staff-endorsed mixed-use and rental housing development in the evolving Northdale neighbourhood.

Planning Analysis

Waterloo Official Plan

The City of Waterloo’s Official Plan (“OP”), including changes made as part of the City’s Official Plan Review (Phase 1) through Official Plan Amendment 58, establishes a comprehensive set of City-wide and Site or Area-Specific objectives and policies which are applicable to the Subject Site and Updated Proposal. The policy framework established by the City OP addresses a range of considerations, including the City’s growth framework to accommodate population and employment growth forecasts, a number of general

policies which encourage a range of housing types and sizes, and Area Specific policies for the Northdale Neighbourhood.

The City's OP has been previously evaluated in its entirety as part of the Site Plan Application through the previously submitted Planning & Urban Design Brief. This analysis is scoped to evaluate policies that are particularly relevant to the proposed ZBA, and specifically the proposal to increase the maximum permitted density.

Growth Framework

The City OP links population and employment growth to strategic growth areas as a means to efficiently use land and accommodate future projected growth predominantly through intensification of the urban area and specific priority areas. The priority areas are comprised of Nodes, Corridors, and MTSAs. The Subject Site is located within an area that is a designated as a "Minor Corridor" and is also within an MTSA, both of which are strategic growth areas where forecasted growth will be accommodated through intensification.

In particular, section 3.2 of the OP, "Population and Employment Growth", notes that population and employment growth forecasts are intended to support planning for housing, employment, and the necessary infrastructure, amenities and services needed to support the "transition to complete communities." The permanent residential population and employment bases within Waterloo are anticipated to grow significantly by the 2051 planning horizon. In addition, the OP also identifies an objective to retain post-secondary students, who are not counted within the residential population forecast. To accommodate the significant forecasted growth, specific population and growth targets are identified for some of the different strategic growth areas.

Figure 1: Excerpt of Official Plan Table 3-1

Table 3-1: Population and Growth Targets

Target Type	Minimum Target	Area Subject to Target
Uptown Waterloo Primary Node Density	• 200 residents and jobs per hectare by 2031 or earlier	Uptown Waterloo Primary Node (See Schedule 'B')
Major Transit Station Areas (MTSA) Density	• 95 residents and jobs per hectare for the Laurier-Waterloo Park MTSA • 160 residents and jobs per hectare for all other MTSAs except for MTSAs located within of the Uptown Primary Node	Major Transit Station Areas (See Schedule B)
Urban Area Intensification	• 83% of residential development to occur within Urban Area annually	Urban Area
Designated Growth Areas	• 55 persons and jobs per hectare (measured over the entirety of the designated growth area)	*Designated Growth Areas*
New Housing Units	• 15,232 units by 2031 • 23,755 units by 2051	City-wide

As illustrated in Figure 1, the University of Waterloo MTSA in which the Subject Site is located is subject to a minimum density target of 160 residents and jobs per hectare. This is a gross target that is applied across the entire MTSA boundary.

The Updated Proposal will accommodate 30 additional bedrooms, resulting in an overall density of 789 bedrooms per hectare. As such, the Updated Proposal continues to exceed the minimum density target. It should be noted that this is a minimum target, with an overarching goal of MTSA planning being to optimize the use of land, services and infrastructure by accommodating intensification and high-density development. By modestly increasing the residential density on the Subject Site, the Updated Proposal will better optimize the Site itself as well as existing services and amenities, while remaining compliant with all other applicable zoning provisions.

Among other matters, OPA 58 removed maximum density limits from the general policies of the City OP, in part to allow additional flexibility for new development and to encourage the provision of more multi-bedroom units. While the Built Form policies under section 3.4 no longer establish density limits as a result, the policies do establish a maximum height limit of 12 storeys for the Subject Site. The Updated Proposal continues to comply with this maximum height limit.

Minor Corridors & MTSAs

The City's long-term forecasted growth is directed into "specified urban structural components", including Strategic Growth Areas, which are established under section 3.5, City Structure. Both the MTSA and Minor Corridor in which the Subject Site is located are considered part of the urban structure components that will accommodate the majority of the City's new growth and development. Policies under section 3.5.4, "Intensification within Nodes, Corridors and Major Transit Station Areas", establish how intensification will be applied within the urban structural components. Generally speaking, mixed-use development is "strongly encouraged", while low rise uses are discouraged within the aforementioned Strategic Growth Areas.

The OP intends for Corridors support connectivity, with Minor Corridors specifically intended to support connections between concentrations of high density "Nodes". As also specifically planned and affirmed by the applicable land use designation (Medium High Rise Residential), Minor Corridors support medium to medium high rise residential or employment uses, with limited commercial uses permitted. This overarching City Structure is intended to support the function of major streets, transit, and active transportation, to foster connectivity throughout the City.

The Updated Proposal continues to support the planned function of Minor Corridors. It retains the endorsed site layout, which has been continually assessed and affirmed as part of the Site Plan application, especially in the relationship and integration with the public realm and connectivity to adjacent networks and travel routes. The Updated Proposal also continues to provide for a mix of uses, supporting an activated public realm through the strategic location of commercial uses along the front of the building with direct pedestrian access from Hazel Street.

The Subject Site, while located within the University of Waterloo MTSA, is also in proximity to other MTSAs on the ION Light Rail Transit line – including the Laurier-Waterloo Park Station MTSA. Although the MTSA delineations do not intersect, it is relevant to consider the proximity of transit availability on the rapid transit line and the ensuing planned intensification along the line, specifically within the delineated MTSAs.

The proposed density increase has been met with a proportional increase in the proposed bicycle parking, furthering the convenience for residents, patrons of commercial uses, and visitors, to travel to the site using active transportation methods. As such, the Updated Proposal continues to foster use of multi-modal forms of transportation to and from the Subject Site. The ongoing commitment to support connectivity, essential to the function of Minor Corridors and MTSAs, remains a major consideration of the project. Overall, the Updated Proposal continues to encourage and exhibit uses and planned functions that support the ongoing advancement of a complete community and support planned functions of the applicable City Structure.

General Policies

Generally speaking, there are a number of OP policies that not only advocate for intensification in Strategic Growth Areas, but direct the form and manner of intensification in order to support the ongoing creation and evolution of complete communities where access to housing, employment, education, goods and services, transit and active transportation networks, and recreation is available and locally accessible. A number of policies and objectives outline the importance of creating complete communities, and ensuring development is accommodating of all people in all stages of life.

Intensification, where appropriately allotted and planned for, supports the creation of complete communities that are intended to be compact and support ridership of transit and active transportation networks. The Updated Proposal is seeking approval of a modest density increase under the Zoning By-law, to ultimately attain and further contribute to the achievement of the OP's objectives for City Form, residential intensification, built form, creation of complete communities, urban design, and land use.

Numerous OP policies establish direction pertaining to equity and access to housing, and specifically different options and forms of housing. As noted under section 3.1(1)(b) Objectives, the creation of complete communities involves providing "a diverse range and mix of housing options," which also includes a range of unit types. Residential intensification (section 3.3 preamble) and Built Form (section 3.4(6)(c)(i)) policies likewise refer to the importance of providing multi-bedroom units and a range of housing options more generally. Recommendations for the Station Area Plans also urge the City to encourage 2- and 3-bedroom dwellings through policy.

Residential land use policies delve into this in greater detail under section 10.1.2, Supporting a Range of Housing, which encourage development to be more compact within Strategic Growth Areas and highlights that diverse housing options include a "number of bedrooms to accommodate the [household] needs of all…".

Overall, the OP strongly supports the provision of multi-bedroom units, as they are part of the "range" of housing types that are crucial to achieving a diverse housing mix. As explained by policy 10.1.2(1), "access to a range of housing contributes to the quality of life within a City."

As noted above, a key component of OPA 58 was the removal of the general maximum density limits from the City OP. The inclusion of maximum density limits by way of the bedrooms per hectare methodology, in the 2012 Official Plan, was intended to help the City better plan for infrastructure requirements, due to the lack of clarity of former density metrics to plan for infrastructure needs given the high student population context of Waterloo. Notwithstanding the intention of the bedrooms per hectare methodology, there is a notable oscillating effect of introducing the much more specific bedrooms per hectare density methodology, the result being to incentivize developments containing solely 1-bedroom units. Finding the balance to support a greater range of unit types is one of the prime directives of OPA 58, and removing the general density limits is one action taken to this effect.

The Updated Proposal broadens the type of housing being offered not just in comparison to the Initial Proposal, but also throughout the neighbourhood and City at large, recognizing the tendency of recent development projects to include large proportions of 1-bedroom units. The Initial Proposal was efficient in utilizing the Subject Site to meet a number of OP objectives through strategic site plan considerations and built form design, while the Updated Proposal introduces a diversity of unit types and better supports a number of key City objectives.

Area Specific Policy 45 - Northdale

The Subject Site falls within the Area Specific Policy ("**ASP**") for the Northdale Neighbourhood, also known as ASP 45. The intent of this ASP is to support the neighbourhood as it undergoes reurbanization, given its location within an MTSA and applicable urban structural components – the Nodes and Corridors. The neighbourhood structure policies foresee transition from low-density built forms to more intensive and mixed-use development that is inclusive and accessible for a range of activities and "diversity of people".

Population and employment growth policies under 11.1.45(5) identify that while growth forecasts don't account for the temporary post-secondary student population, the Northdale Neighbourhood is anticipated to accommodate students and the anticipated growth of the student demographic given its location at multiple campuses. Land use policies (11.1.45(9)) likewise recognize the needs of this population segment, especially for viable and well-planned housing.

ASP 45 provides guiding policies for buildings and development, public realm, and a number of other considerations. The Updated Proposal continues to successfully integrate into the urban fabric and foster connections to the transportation, cycling, and pedestrian networks adjacent to and in proximity of the Subject Site. The site layout is designed to facilitate pedestrian safety and enhance the public realm. The proposed density increase will further support the vision and objectives for the neighbourhood by supporting greater diversity through the provision of a greater variety of housing options as a mix of unit types.

Beyond the more general policies that apply to the Northdale Neighbourhood at large, ASP 45 also provides more specific policies for the different land use designations, including the Medium High Rise Residential designation that applies to the Subject Site. These land use policies establish minimum and maximum building height requirements, which the Updated Proposal continues to comply with. ASP 45 also sets out a maximum density limit of 600 bedrooms per hectare, which was not removed through OPA 58. Notwithstanding this, Policy 11.1.45.16(b) permits increases to the maximum density limit by way of a ZBA (i.e. without requiring an Official Plan Amendment), provided that applicable policy criteria are addressed. As noted above, with the conversion of 32% of the residential units into 2-bedroom units, the proposed density has been increased to approximately 800 bedrooms per hectare. The Updated Proposal clearly satisfies criteria under policy 11.1.45.16(b) to permit this density increase, as follows:

(i) *The maximum height of any building shall not exceed 12 storeys.*

The Updated Proposal continues to maintain a 12-storey building height. The proposed building massing has already been approved by the Committee of Adjustment and endorsed by City planning and urban design staff. No revisions are proposed to the building height or building massing.

(ii) *The site does not require significant relief from standard regulations including parking, landscaping, amenity space and other site-specific requirements.*

The Updated Proposal continues to comply with all applicable zoning regulations, except for the maximum density limit, which is proposed to be increased.

(iii) *There is a mix of unit types and the inclusion of multi-bedroom units.*

The entire purpose of this ZBA application is to enable a mix of 1 and 2-bedroom units by converting 30 1-bedroom units into 2-bedroom units. This will create a mix of unit types, directly addressing this criterion and other more general OP policies noted above.

(iv) *The provision of active transportation connections, consisting of pedestrian/cycling paths/walkways in accordance with policies of this Plan and the City's Urban Design Manual (including the Northdale Urban Design Guidelines), if applicable.*

No changes are proposed to the site layout, including proposed active transportation connections. This site layout has been endorsed by City staff through the Site Plan application,

and a detailed urban design analysis was provided as part of the previously submitted Planning & Urban Design Brief. Overall, the siting of the building and location of vehicular parking and loading area at the rear of the site, combined with numerous direct pedestrian connections to the sidewalk along Hazel Street and positioning of active uses along the front building facade, supports a pedestrian oriented environment and a safe and vibrant public realm. The inclusion of two-bedroom units within the Updated Proposal will further optimize these active transportation connections and support the ground floor commercial uses.

(v) The property shall be zoned a site-specific zone through the implementing Zoning By-law Amendment.

The proposed ZBA will create a site-specific exception zone to implement the proposed density increase and consolidate the previously approved Minor Variances.

Overall, the proposed density increase will allow for far greater utility of the Subject Site while also achieving broader OP objectives pertaining to diversity of housing supply and the delivery of multi-bedroom apartment units. The OP specifically contemplates density increase proposals and establishes a clear policy framework to consider such proposals by way of a ZBA application. The proposed ZBA specifically addresses the applicable criteria and is the required planning implementation tool.

Zoning By-law Amendment

As noted, the ZBA proposes to create a new site-specific exception zone that includes the following components:

- Maximum density limit increased from 600 Bedrooms per Hectare (Table 7S) to 800 Bedrooms per Hectare;
- Previously approved Minor Variances consolidated into site-specific exception zone:
    - Increasing maximum first floor building floor area for non-active uses (Section 7.13.10.2) from 30% to 31%;
    - Permitting a podium stepback of 0 metres for portions of the front and rear façades; and,
    - Permitting a maximum podium height of 22.5 metres, inclusive of a 1.8 metre-tall acoustic barrier; and
- Holding (H) symbol removed.

A Draft ZBA is included as part of the enclosed application.

Conclusion

The Subject Site is planned for mixed-use intensification within an important Strategic Growth Area, being within the Northdale Neighbourhood, University of Waterloo Station MTSA, and a Minor Corridor. The Initial Proposal has proceeded through a robust planning application process that has resulted in staff endorsement of the Site Plan application, and Committee of Adjustment approval of three Minor Variances in order to achieve full zoning compliance.

In the course of advancing financing for the Initial Proposal with CMHC, the Owner was advised that current market conditions and the modest density of development do not attain key CMHC financial feasibility

requirements. In order to address this concern and successfully position the project for CMHC financing while avoiding any fundamental changes that could lead to further delay, the Owner was recommended to consider converting a portion of the 1-bedroom units into 2-bedroom units. This would create additional rental revenue and better position the project to respond to current market needs, while also addressing a number of key City objectives that promote the delivery of multi-bedroom units in order to provide a diverse housing mix in the City. While this change can be accommodated within the endorsed and zoning-approved building massing and site layout without any revisions, it will necessarily result in a density increase under the bedrooms per hectare methodology, and so will require zoning relief in order to permit the density increase.

In reviewing this proposed change with City staff, we were directed to policy 11.1.45.16(b) that applies to the Northdale Neighbourhood Area-Specific Policy (45), which specifically contemplates and permits consideration of density increases through a ZBA process, subject to consideration of a series of policy criteria. As outlined throughout this Letter, the Updated Proposal, which would convert 30 1-bedroom units into 2-bedroom units, corresponding to 32% of the total unit count, clearly satisfies these criteria and responds to many other key policy directions of the City OP.

The proposed ZBA application will permit this unit mix adjustment by increasing the maximum permitted density from 600 to 800 bedrooms per hectare, while also consolidating the previous Minor Variance approval to simplify future administration. It is expected that the existing application to remove the Holding Symbol can also be consolidated or occur concurrently with this application.

This application will enable the delivery of a more diverse unit mix, while maintaining compliance with all other zoning provisions and contributing to the ongoing evolution of the Northdale Neighbourhood into a complete community and key Strategic Growth Area. The modest increase in density will further optimize the Subject Site itself and important infrastructure and services that exist in the area, including the ION LRT system. It will also better position the project to support a broader range of household demographics, appealing to young professionals, students, empty nesters and families, and support the project's application for CMHC financing, with an intended construction start date in March 2027.

Please contact the undersigned at bsimon@planpart.ca if you have any questions or require any additional information or documentation to support this application.

Sincerely,

The Planning Partnership

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