

February 28, 2018

Honourable Minister Bill Mauro
Ministry of Municipal Affairs
777 Bay Street, 17th Floor
Toronto, ON M5G 2E5

Attention: Aidan Grove-White, Manager, Ministry of Municipal Affairs

**RE: Ontario Home Builders Association
Feedback on proposed methodology for land needs assessment
for the Greater Golden Horseshoe**

Malone Given Parsons Ltd (“MGP”) are planning consultants for the Ontario Home Builders’ Association (“OHBA”) regarding the Proposed Methodology for Land Needs Assessment for the Greater Golden Horseshoe (Environmental Registry 013-2016). The OHBA represents over 4,000 member companies, organized through a network of 29 local associations across the Province, with 11 of those local associations being located in the Greater Golden Horseshoe (“GGH”) and therefore directly impacted by the proposed methodology. To implement the Growth Plan for the Greater Golden Horseshoe, 2017 (the “Growth Plan”), upper- and single-tier municipalities subject to the Growth Plan are required to use a standard provincially-developed process, known as a land needs assessment, to calculate the amount of land they will need for development until 2041. We are writing to provide our clients’ comments regarding the proposal prior to the Province establishing a final land needs assessment methodology that will be used by municipalities to determine the amount of land needed to accommodate future growth. On behalf of our client, OHBA, we appreciate the opportunity to provide comments regarding the proposed methodology and we would welcome further opportunity to meet with staff to discuss the concerns raised in this submission.

Since the Growth Plan’s introduction in 2006, extensive investment of intellectual capital from the private and public sectors has resulted in a more or less standard methodology for implementing the Growth Plan in the GGH. This ‘best practice’ methodology was adapted from the Projection Methodology Guideline Report released by the Province, and was honed by the collective minds of the professional planners and land economists in implementing the first round of Growth Plan implementation. This report was taken down in 2012, however, the Provincial direction provided in this report is a good starting point to further refine a standard methodology for future land needs assessment, which in many respects.

As a general comment, the OHBA believes the Province should refine the proposed Land Needs Assessment (“LNA”) methodology overall to more closely reflect best practices and lessons learned from implementation in the last 10 years. The following summarizes key modifications that can bring the proposed LNA closer to the current industry standard for Growth Plan implementation in determining land needs for a municipality, and if necessary a Settlement Area boundary expansion.

1. Preserve flexibility to respond to Growth Plan targets in the housing mix by **NOT** establishing a fixed unit total based on 2016 household propensities at the beginning of the analysis. Rather, specify that municipalities are to prepare demographic assumptions on a go forward basis. This must include a unit mix analysis, without generalizing and equating all units into a homogenized total.

Every single and upper-tier municipality will have different demographics. It is essential that the methodology first allow municipalities to determine the forward looking demographic considerations (such as the age-cohort structure and the PPU by unit type at the horizon years). The Growth Plan intensification and Greenfield density targets seek to change the housing mix of growth in new communities. This will result in a unit mix more weighted to apartment and townhouses that will consequently house a different demographic than would otherwise be expected in these communities based on historic assumptions that have shaped those communities to what they are today. Under Policy 1.4.3 of the Provincial Policy Statement, 2014 (PPS, 2014),

“Planning authorities shall provide an appropriate range and mix of housing types and densities to meet projected requirements of current and future residents...”

The household totals cannot be fixed at the beginning of the analysis, particularly when no unit mix has been taken into account.

Based on past experience implementing the Growth Plan, there will be a variance of total housing units required to house the population and conform to the targets from that would have been dictated by the 2016 household formation propensities alone. This is logical in recognizing that a unit is not a unit in that housing units are not interchangeable for a number of factors such as bedroom size and affordability.

The appropriate mix of housing will further be determined by accounting for other trends such as aging in place, affordability, and availability of suitable housing forms relative to changing demographics that may not be captured in the 2016 household formations comparative to a forward looking demographic model.

It is essential that the mix of housing be incorporated into the analysis. Housing mix must be considered to ensure that the output of land required to achieve the forecasted growth will both house the population properly and achieve the ‘policy-led’ targets of the Growth Plan.

2. Undelineated Built-Up Areas should not be included in the Designated Greenfield Area and should be accounted for in the Rural Policy Area to conform to Growth Plan policies that limit growth in these areas.

The policy intent of the Growth Plan is to direct limited growth to the Undelineated Built-up Areas, and to only include growth from Delineated Built-up Areas in calculating the achievement of the minimum intensification targets. This is logical when considering that most of the undelineated built up area is rural, largely built-out, and what little growth potential remains will likely proceed on private services far from public transit.

It is therefore contrary to the policies of the Growth Plan to persist with the reclassification of Undelineated Built-up Areas in the LNA as Designated Greenfield areas. This would inappropriately require urban, transit-supportive growth (at 60 people and jobs per hectare) in these primarily small rural settlements. Moreover, these settlements would have to have a built-boundary defined for them by the Province first, prior to identifying the community area Greenfields within them. This would be an extensive exercise (there are hundreds of these small hamlets and four-corner settlement areas in the GGH) that would require a disproportionate allocation of resources for very little gain. The more appropriate approach is to require municipalities to quantify the limited growth that could come from these areas and account for this growth in the rural policy area. In this manner the potential limited growth is properly accounted in overall supply without driving more growth than warranted into these areas.

We understand the Province has recently released a proposed transition regulation modification that would exempt Undelineated Built-up Areas in the Inner Ring within Provincial Plans from being counted as part of the Designated Greenfield Area land area. The concern with the remaining Undelineated Built-Up Areas persists for the above reasons; no Undelineated Built-Up Areas should be reclassified as Designated Greenfield Area.

3. Including a step that adjusts for the committed DGA as of 2016.

There is a significant amount of Greenfield growth that has occurred as of 2016 (measured in the GTHA, this ranges from 30% to upwards of 50% in the community area Greenfields). This growth will be captured in the 2016 baseline population of the LNA. The population, land, and density of this growth should be accounted for, and a step added to the methodology to adjust for this when estimating the Greenfield growth estimate.

We understand the LNA directs municipalities to perform a capacity analysis on the existing Designated Greenfield Areas, however, there needs to be a step in the methodology that specifically accounts for the impacts of what the vacant greenfields need to achieve in order to meet the overall Growth Plan target of 60 people and jobs per hectare for existing Designated Greenfield Areas.

4. Provide additional supporting analysis and risk management tools to municipalities in requiring them to implement 'policy-led' targets that require communities to significantly deviate from market preferences and to address persistent delays in delivering growth.

The preliminary results of applying the LNA illustrate some of the risks inherent in implementation of the new targets of the Growth Plan. The increased intensification and Designated Greenfield targets will require municipalities to assume a very different reality in housing population than current practices including a shift to higher density units. It is essential to understand that the 'policy-led' increased intensification and Greenfield density targets of the Growth Plan were not supported by any planning, transportation, financial, or community building analysis or technical studies. This stance is in contrast to the 2006 Growth Plan Schedule 3 targets that had supporting transportation analysis and planning analysis for the Greenfield density target of 50 people and jobs per hectare.

It remains unknown as to what implications result from implementing the targets, such as mismatches in providing the type of housing that the population requires. Accordingly, there is a risk that municipalities will be unable to reliably predict the composition and pace of development and population growth. Based on a rudimentary implementation of the LNA there appears to be a high level of risk in adopting a community building model that is 'policy-led' (to be clear the policy formation itself was not evidence-based and represents an aspiration of the government versus an opinion from professionals) particularly where the those policies are not evidence-based. The stated intent of the LNA and the Growth Plan is to proceed with community building under altered market realities and housing preferences that do not exist today. Significant deviation in unit mixes that are required to conform to the Growth Plan policies will vary significantly from market preferences and from what many planners and land economists would consider an appropriate unit mix to house current and future populations.

Challenges are also inherent with persistent demographic and housing trends such as continued aging-in-place and difficulties in delivering affordable family-oriented apartments. A unit mix more heavily 'policy-led' away from ground-related units to apartments, without a solution to delivering affordable family-oriented apartments, will result in a lack of housing choice and more limited opportunity for new home buyers and young families to find appropriate housing as the Plan continues to be implemented. This undermines the achievement of other principles of the Growth Plan, particularly the guiding principles contained in sections 1.2.1 and 2.2.6 quoted below.

Section 1.2.1

"Support the achievement of complete communities that are designed to support healthy and active living and meet people's needs for daily living throughout an entire lifetime. "

"Prioritize intensification and higher densities to make efficient use of land and infrastructure and support transit viability. "

"Support a range and mix of housing options, including second units and affordable housing, to serve all sizes, incomes, and ages of households. "

"Provide for different approaches to manage growth that recognize the diversity of communities in the GGH. "

"2.2.6 Housing

1. *Upper- and single-tier municipalities, in consultation with lower-tier municipalities, the Province, and other appropriate stakeholders, will each develop a housing strategy that:*
 - a. *supports the achievement of the minimum intensification and density targets in this Plan, as well as the other policies of this Plan by:*
 - i. *identifying a diverse range and mix of housing options and densities, including second units and affordable housing to meet projected needs of current and future residents; and"*

The approach of the LNA limits Greenfield land to only what is mathematically required to accommodate the growth targets, with an underlying assumption that every square hectare of Greenfield must develop within the plan's horizon years to accommodate the forecasted population. It is clearly evident that many Greenfields have been significantly delayed from development and will not develop within the horizon of the plan. This is in large part a result of a historic lack of guidance on implementing the Growth Plan and longer than expected conformity exercises largely related to the ever more complicated development approval system. The delay in developing Greenfields is also a result of ongoing impediments to development such as the lack of physical servicing capacity, lack of transportation (particularly transit

infrastructure), and the related public and political aversion to traffic congestion associated with more growth, market factors, lot configuration, and portions of the greenfields being held by private residents who have no interest in development. Taken as a whole there are predictable shortfalls in producing the Greenfield portion of residential land and units required to achieve the Growth Plan population targets within the horizon years of 2031, 2036 and 2041 on the assumption that all Greenfield areas are fully developed. A shortfall on the delivery of Greenfield growth can only be made up by additional intensification within the planning horizon timeframes, which will further shift the housing mix away from current market preferences than already mandated by the Growth Plan, making provision of an appropriate mix of housing more difficult.

This problem is not addressed in the LNA, which provides no guidance with regard to municipal approaches to 2.2.6.2 a), which is quoted below, and requires municipalities to plan to accommodate forecasted growth to the horizon of this Plan.

“2.2.6.2. Notwithstanding policy 1.4.1 of the PPS, 2014, in preparing a housing strategy in accordance with policy 2.2.6.1, municipalities will support the achievement of complete communities by:

- a) Planning to accommodate forecasted growth to the horizon of this Plan;*
- b) Planning to achieve the minimum intensification and density targets in this Plan;*
- c) Considering the range and mix of housing options and densities of the existing housing stock;*
and,
- d) planning to diversify their overall housing stock across the municipality.”*

To address these concerns, it is recommended that the Province acknowledge the challenges and significant risk inherent with embarking down a ‘policy-led’ path by completing evidence-based supporting studies and proposing risk mitigation or elimination strategies for municipalities as they proceed to implement this Plan.

Respectfully submitted,

MALONE GIVEN PARSONS LTD.



Matthew James Cory, MCIP, RPP, PLE, PMP
Principal, Planner, Land Economist, Project Manager

cc. The Ontario Home Builders Association