



Ontario
Home Builders' Association

20 Upjohn Rd., Suite 101 (416) 443-1545
North York, Ontario Toll Free 1-800-387-0109
M3B 2V9 Fax: (416) 443-9982
www.ohba.ca info@ohba.ca

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Cordelia Clarke Julien
Ontario Growth Secretariat
Ministry of Municipal Affairs and Housing
777 Bay St, Toronto, ON M5G 2E5
College Park 23rd Fl Suite 2304

Ontario Growth Secretariat,

On behalf of our 4,000 member companies organized into a network of 29 local associations, the Ontario Home Builders' Association Home (OHBA) is strongly supportive of the *More Homes, More Choice Act, 2019* (Bill 108) and the *Housing Supply Action Plan*. We believe that the visionary plan will remove barriers to providing more housing for the current and future residents of Ontario. OHBA welcomed the amendments to a *Place to Grow, The Growth Plan for the Greater Golden Horseshoe, 2019* released on May 2, 2019. The amendments to the Growth Plan are the right approach to fulfill the government's commitment to increase housing supply, reduce red tape and make it easier to live and do business in Ontario.

OHBA believes that the consideration of market demand and housing choice are fundamental to growth planning. Only through consideration of the market can complete communities move from the planning stage to actually being realized, versus simply being an aspirational, yet unachievable policy goal. Therefore, OHBA recommends that policy and land budgets must plan for, and account for a range of housing choice and locations. OHBA believes that providing housing choice that aligns public interest goals with consumer preferences will ensure all segments of the market are being served.

OHBA has a number of recommendations for the Ministry of Municipal Affairs and Housing's currently proposed approach to the Land Needs Assessment:

- J) **Align the methodology with the Projections Methodology Guidelines.** It should be used as an appropriate starting point for a new LNA, with necessary added language and steps to ensure conformity with the Growth Plan. OHBA suggests that it would be a better process to use the PMG to reflect current provincial planning policy, then to revise the 2018 LNA to reflect the 2019 Growth Plan and draft PPS that is being consulted on. OHBA notes that the PMG provides an evidence-based methodology for the projection of the market demand for housing. The PMG also explains how a housing mix based on market demand may be adjusted to reflect other planning objectives (e.g. affordable housing, minimum intensification and density targets, etc.).
- J) The LNA should provide for a **demand analysis based on population and housing projections that is market-based** at the beginning of the analysis. Municipalities require a market-relevant supply of housing that meets the needs for current and future residents. This approach minimizes the risk of phantom units that may not be achieved as a result of failed policy-led unit shifts.
- J) **Adopt a risk management approach** to policy-led shifts in unit types. OHBA believes that such policy shifts may be justified with a mitigation plan of potential impacts should there be a failure to achieve policy

shifts (e.g. aging in place continuing, high cost of certain housing types, consumer preferences for certain housing types, failure of delivery for intensification units and financing of infrastructure.)

- J Municipalities should set an **intensification target that is based on what is realistically achievable within the Growth Plan horizon**. Such an approach could achieve or exceed the target of the Growth Plan, but where necessary it would provide a basis for considering an alternative target.
- J Municipalities should set a **Designated Greenfield Area density target that ensures the delivery of a housing mix that meets the projected needs of current and future residents**. Such an approach could achieve or exceed the target of the Growth Plan, but where necessary it would provide a basis for considering an alternative target.
- J If municipalities are considering going beyond the minimum intensification and/or DGA density targets in their LNA calculations, they should be required to demonstrate that this will not have a negative impact on any policy in the Growth Plan or the PPS. This is required under Growth Plan policy 5.2.5.1. In particular, municipalities should be required to demonstrate that higher targets would not have a negative impact on:
 - a. PPS policies 1.4.1 and 1.4.2 - provide for an appropriate range and mix of housing types to meet projected requirements of current and future residents; and
 - b. Growth Plan 2.2.1.4.c - provide a diverse range and mix of housing options ...to accommodate people at all stages of life and to accommodate the needs of all household sizes and incomes.
- J **A vacancy factor needs to be built into the LNA methodology**. This would ensure that land supply is developable by removing or providing contingency for lands that cannot or will not develop within the Growth Plan horizon. This should exclude lands with unwilling landowners, with servicing constraints, and other instances where lands should be included within the Settlement Boundary to avoid leapfrogging, but should not be relied upon to achieve the targets within the Growth Plan horizon. Municipalities should be given the flexibility to use contingency factors to deal with future events that may have significant impacts on the supply of or demand for housing.
- J As part of the land needs methodology, municipalities should be required to prepare an inventory of existing land supplies designated for residential development and potential opportunities for residential intensification.
- J The methodology for the assessment of employment land needs should not assume that all land in designated Employment Areas is interchangeable from a market perspective. Municipalities should be encouraged to take into account the qualities of their existing and planned Employment Areas (e.g. servicing, highway access, range of available site sizes, proximity to sensitive uses, etc.) and the changing needs of businesses.
- J The 2019 Growth Plan specifically refers to ensuring sufficient housing supply that reflects market demand and providing local decision makers with flexibility to respond to housing need and market demand. The 2018 Land Needs Assessment Methodology is a rigid, inflexible series of steps which are focused on the achievement of intensification and density targets. There is little or no consideration of current and future housing needs, market demand, or the sufficiency of the housing supply to meet projected housing needs and market demands. Therefore, the methodology for projecting housing requirements should provide flexibility for municipalities to address local housing issues.
- J **Settlement Boundary Expansions should occur in a manner that recognizes logical boundaries**. This means that the LNA must not simply be an exercise in math. Historical land budgets driven solely by numbers has resulted in poor planning outcomes. There are many examples of the land budget setting a maximum limit of new DGA without consideration for logical planning boundaries. The LNA must take good planning into consideration and allow for rounding out to logical features. OHBA suggests that this would typically be a concession/lot limit, or a defined feature such as a road or watercourse. Therefore additional land may be included within the Growth Plan horizon (if necessary), even if beyond the calculated land need, to ensure logical boundaries are created.
- J **The LNA and the municipal land budget that results must be appealable to the LPAT.**

Beyond the Land Needs Assessment methodology, OHBA has a number of other recommendations for the Ontario Growth Secretariat for the implementation of the Growth Plan:

- J A Ryerson Centre for Urban Research paper in June 2019 (*CUR's Top 10 Takeaways from Statistics Canada's Latest Population Estimates for the Greater Golden Horseshoe*) documents that population growth accelerated in the GGH with net immigration being the predominant source of population growth and the percentage of temporary residents (e.g., refugees and international students) also growing rapidly. In the years 2016 to 2018, annual immigration to the GGH averaged 157,000. This is up from the Hemson estimate of an average of 95,552 for that time period. This means that the Growth Plan forecasts have failed to capture 149,344 in population to the GGH in the years 2016 through 2018 with this shortfall being directly attributable to Federal immigration levels. These elevated levels of immigration are expected to continue

in the years ahead. Therefore **Population forecasts for the Growth Plan must be updated** to reflect high actual and forecast immigration levels. A mechanism must be established to compensate for the past and current shortfalls in the Growth Plan forecasts. All regional and local official plans were based on forecasts using much lower assumptions. Therefore, the Ministry should also **clarify that the forecasts in Schedule #3 are to be treated as minimums.**

- J The Ontario Growth Secretariat should commence work towards **updating the Schedule #3 forecasts to 2051** for population and employment.
- J OHBA continues to support its long-standing position that the **Built Boundary should be updated** and refined to accurately reflect the limits of the developed urban area.

On behalf of our 4,000 member companies across Ontario and 11 local associations within the Growth Plan area, we look forward to ongoing dialogue and consultation with the government with respect to growth, environmental and infrastructure planning across the GGH.

Sincerely,



Joe Vaccaro
CEO
Ontario Home Builders' Association